

**MOORPARK CITY COUNCIL  
AGENDA REPORT**

**To:** Honorable City Council

**From:** Nancy Burns, Senior Management Analyst 

**Date:** November 20, 2006 (CC Mtg. of December 6, 2006)

**Subject:** Approve Shea Homes Amendment to Affordable Housing Purchase and Sale Agreement

**BACKGROUND**

The City Council approved an Affordable Housing Purchase and Sale Agreement July 7, 2006, to specify the provision of low income units in Tract 5133, a market rate project developed by Shea Homes.

**DISCUSSION**

The Affordable Housing Purchase and Sale Agreement stipulated that the Developer would pay the buyer's closing costs for each affordable unit, to a maximum of \$6,000.00 per unit. Financing arranged by the City's consultant, Cabrillo Economic Development Corporation (CEDC) through Neighborhood Housing Services of America (NHSA) provided that the lender (Citibank) will contribute \$3,000.00 per unit toward each low income buyer's non-recurring closing costs.

First Time Home Buyers who closed escrow approximately 1½ years ago have received notices of assessment of their affordable units at \$360,000.00 (estimated market value at time of sale). The Affordable Sales Price paid by the buyers was \$158,000.00. In the event that the units in Canterbury Lane that are in escrow now are similarly assessed, this amendment will allow all or a portion of the Developer's \$6,000.00 contribution to be used to pay a portion of the increased property tax for a maximum of 2 years.

**STAFF RECOMMENDATION**

Approve Amendment to Affordable Housing Purchase and Sale Agreement, subject to final language approval by City Attorney and City Manager, and direct the City Clerk to send the Amendment for recordation.

RECORDED AT REQUEST OF:

CITY OF MOORPARK

WHEN RECORDED MAIL TO:

City Clerk's Division  
799 Moorpark Avenue  
Moorpark, CA 93021  
EXEMPT FROM RECORDER'S FEES  
Pursuant to Government Code § 6103

(FOR RECORDER'S USE ONLY)

**AMENDMENT TO  
AFFORDABLE HOUSING PURCHASE AND SALE AGREEMENT  
BY AND BETWEEN  
THE CITY OF MOORPARK  
AND  
SHEA HOMES, LIMITED PARTNERSHIP**

000277

**AMENDMENT TO  
AFFORDABLE HOUSING PURCHASE AND SALE AGREEMENT**

This amendment to the Affordable Housing Purchase and Sale Agreement dated July 7, 2006, by and between Shea Homes, Limited Partnership, and the City of Moorpark and recorded as Document No. 20060717-0150613, is made and entered into this \_\_\_\_\_ day of December 2006 by and between SHEA HOMES, LIMITED PARTNERSHIP (hereinafter referred to as "Developer"), and the City of Moorpark ("City").

**W I T N E S S E T H**

WHEREAS, DEVELOPER and CITY entered into An Affordable Housing Purchase and Sale Agreement ("Agreement") on July 7, 2006; and

WHEREAS, said Agreement stipulates the provision of affordable dwelling units within Tract 5133, consistent with California Health and Safety Code sections as cited in Agreement and the Conditions of Approval of this project, as defined in said Agreement; and

WHEREAS, said Agreement further specifies additional requirements related to the transfer of ownership from Developer to the low income buyers; and

WHEREAS, Section 4.6 of said Agreement stipulates that Developer shall pay all of the buyer's closing costs for each of the low income buyers, not to exceed Six Thousand Dollars (\$6,000.00) per unit, with provision for an annual increase in said amount by the percentage increase in the Consumer Price Index (CPI) for all Urban Consumers for Los Angeles/Orange County/Riverside metropolitan area during the prior year, beginning October 2007; and

WHEREAS, additional resources have been identified to assist low income buyers with escrow closing costs, and such resources include a maximum of Three Thousand Dollars (\$3,000.00) per affordable unit; and

WHEREAS, in the event that property tax assessed on the affordable units is based on a higher valuation than that for which said affordable units may be sold, the property tax burden to low income buyers will be increased substantially.

NOW, THEREFORE, IT IS AGREED by and between Developer and City as follows:

SECTION 4.6 of the herein referenced Agreement shall be amended by adding the following text : Developer further agrees that any of the aforementioned \$6,000.00 per unit not needed for escrow costs (as such may be increased per this Section 4.6) will be refunded out of escrow to City and will be used by City to reimburse the initial buyer for payment of property taxes for regular and supplemental property tax payments

due on or before December 30, 2008, for such taxes that exceed one per cent (1%) of the Affordable Sales Price paid by the buyer.

City agrees to provide Developer with an accounting of all property tax payments made pursuant to the above paragraph for each unit by March 31, 2009, and to refund any balance for each unit to Developer by June 30, 2009.

Except as expressly amended herein, the remaining provisions of the Agreement are and remain in full force and effect.

**CITY:**

CITY OF MOORPARK

BY \_\_\_\_\_  
Patrick Hunter  
Mayor

**DEVELOPER:**

SHEA HOMES, LIMITED PARTNERSHIP  
a California limited partnership

BY: J. F. Shea, L.P.,  
a Delaware limited partnership  
Its General Partner  
By: JFS Management, L. P.  
a Delaware limited partnership  
Its General Partner  
BY: J. F. Shea Construction  
Management, Inc.,  
a Delaware corporation  
Its General Partner

By: \_\_\_\_\_  
Carol A. Ryan  
Its: Assistant Secretary

By: \_\_\_\_\_  
David Lauletta  
Its: Assistant Secretary

**ATTEST:**

\_\_\_\_\_  
Deborah S. Traffenstedt, City Clerk  
City of Moorpark  
799 Moorpark Avenue  
Moorpark, California 93021

Shea Homes, Limited Partnership  
30699 Russell Ranch Road, Suite 290  
Westlake Village, California 91361  
Attn: David Lauletta, Asst. Secretary