

STAFF REPORT



ITEM NO. 12

CITY OF OCEANSIDE

DATE: September 22, 2010

TO: Chairman and Members of the Community Development Commission

FROM: Neighborhood Services Department

SUBJECT: **APPROVAL OF A BUDGET APPROPRIATION IN THE AMOUNT OF \$7,000 FROM THE MORTGAGE REVENUE BOND FUND TO THE CALHOME PROGRAM FUND FOR ONGOING SPACE RENTAL, UTILITIES, AND LANDSCAPE MAINTENANCE, UNTIL SOLD, OF THE MOBILE HOME LOCATED AT 64 RAE LANE, OCEANSIDE**

SYNOPSIS

Staff recommends that the Community Development Commission (CDC) approve a budget appropriation in the amount of \$7,000 from the Mortgage Revenue Bond fund to the CalHome Program fund for ongoing space rental, utilities, landscape maintenance, and advertising, until sold, of the mobile home located at 64 Rae Lane, Mission View Manor Mobile Home Park in the City of Oceanside.

BACKGROUND

On November 5, 2003, Helen Clerico obtained a Rehabilitation Loan under the State CalHome Program for her 1964 United Housing brand, single-wide, mobile home located at 64 Rae Lane in the City of Oceanside. Ms. Clerico as "Borrower", and the City of Oceanside, as "Lender", are the parties to that loan in the principal amount of \$18,372.00, as evidenced by a Promissory Note and Security Agreement dated November 5, 2003 (the "Note"). Under the terms of the Note, Ms. Clerico granted a security interest in the mobile home and any property added or attached to it, and named the City of Oceanside as "Legal Owner" of the mobile home to secure payment of Ms. Clerico's indebtedness under the Note.

Ms. Clerico passed away on June 7, 2010, and her son, David Peterson, was appointed Executor of her Estate in the decedent's will.

As the value of the mobile home approximates the value of the principal amount of the Note, Mr. Peterson determined that it is in the best interest of the Estate to transfer of ownership and registration of the mobile home to the City of Oceanside to satisfy the

outstanding indebtedness secured by the Note, in lieu of our foreclosing on the property.

Staff has filed the necessary papers with the State Department of Housing and Community Development to transfer title to the mobile home in the name of the City of Oceanside as Registered Owner. The City of Oceanside now has clear title to the mobile home and is responsible to Mission View Mobile Manor for space rent, utilities, and maintaining the landscaping for the months the home will be in our title.

ANALYSIS

The Neighborhood Services Department plans to sell the mobile home to recover the principal amount of the Note and recover funds expended for: space rents; utilities; landscape maintenance; advertising; and any other costs associated with the sale.

The space rent and utilities are estimated to be \$500 per month (August and September rents and utilities are due now). Landscape maintenance for weeds is estimated at \$100 per month. Advertising for sale is estimated at \$200 per month.

At an expenditure rate of \$800 per month, the requested amount of \$7,000 will provide for a projected sales window of eight months plus an amount for unexpected contingencies.

FISCAL IMPACT

Staff is requesting authorization to appropriate funds in the amount of \$7,000 from the Mortgage Revenue Bond Program available fund balance (1286.6900.0289) to the CalHome Program fund (931473200289.6800.0286) to bring the August and September rent and utilities current; eliminate the weeds on the property; provide funds to service the monthly space rent and utilities until the property is sold; and advertise the property for sale. This appropriation will be spent from account 931473200289.5355. The approximate available fund balance in the Mortgage Revenue Bond Program is \$224,213 as of July 31, 2010.

Upon receiving the proceeds from the sale of property, funds will be returned to the Mortgage Revenue Bond Program fund and the CalHome Reuse Account.

No General Funds will be used for this project.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

City Attorney analysis does not apply.

RECOMMENDATION

Staff recommends that the Community Development Commission (CDC) approve a budget appropriation in the amount of \$7,000 from the Mortgage Revenue Bond fund to the CalHome Program fund for ongoing space rental, utilities, landscape maintenance, and advertising, until sold, of the mobile home located at 64 Rae Lane, Mission View Manor Mobile Home Park in the City of Oceanside.

PREPARED BY:


Frank Grana
Housing Program Manager

SUBMITTED BY:


Peter A. Weiss
Executive Director

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager



Margery M. Pierce, Director, Neighborhood Services



Teri Ferro, Director, Financial Services

