

City of Oceanside

*Office of the City Manager***Memorandum**

To: Honorable Mayor and City Councilmembers
From: Peter A. Weiss, City Manager 
Date: July 16, 2013
Subject: **Allocation of Laguna Vista Sales Proceeds**

The sale of the Laguna Vista Mobile Home Park has concluded and the following is a summary of the sales proceeds:

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|------------------------------------|-----------------------|
| Wire from Bond Trustee | \$1,088,441.52 |
| Wire from Escrow | \$4,503,117.44 |
| Close of Park Revenue Account | \$34,244.83 |
| Close of Park Operations Account | \$364.51 |
| Cox 1st 1/4 2013 Marketing Payment | \$2,872.98 |
| Total as of June 3, 2013 | \$5,629,041.28 |

These additional revenues are currently being reported as one-time revenues and can be used at the Council's discretion. The Council has previously discussed the use of the sales proceeds and has previously adopted a policy in regards to the use of one-time revenues. Council Policy 200-13, RE-5 provides:

RE-5 One-time revenues will be used only for one-time expenditures, debt reduction or reserve enhancement since they cannot be relied on in future budget periods.

At the time of the sale of the mobile home park, the members of the Oceanside Mobile Home Park Financing Authority did have discussions to allocate the sales proceeds to the Mortgage Revenue Bond Fund. The bond-funded housing programs are then made available to fund other affordable housing projects. As a result of the Development Agreement for the Mission Cove project, any additional affordable housing funds would be allocated to that particular project.

The Council has identified additional Priority Capital Projects that do not have traditional or adequate funding. The Council has already allocated a portion of the Laguna Vista sale proceeds to two of those projects:

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| 1. Beach Sand Replenishment | \$650,000 |
| 2. Beach Area Restroom replacement | \$3.0 million |

The following is a listing of other projects that have been identified as needing funding:

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| a. Senior Center Kitchen | \$750,000 |
| b. Mission Avenue Phase II | \$2.2 million |
| c. Pier Rehabilitation | \$300,000 |
| d. Downtown Quiet Zones | \$3.0- \$5.0 million |
| e. Unfunded Pension Obligations | unknown |
| f. Public Art (funding suspended in 2009) | \$25,000 |

There remains approximately \$2.0 million in the Laguna Vista sales proceeds that can be allocated at the Council's discretion. Staff is recommending the Council allocate the remaining funds in FY 13-14 as follows:

Recommended Allocation Funding:

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| • Mission Cove | \$650,000 |
| • Healthy City Reserve | \$500,000 |
| • Unallocated General Fund Reserve | \$500,000 |
| • Pier Rehabilitation | \$300,000 |
| • Public Art | \$25,000 |

Staff will be presenting the allocation of the Laguna Vista sales proceeds to the Council for formal direction at the August 7, 2013, Council meeting.