SUBJECT: HOME INVESTMENT PARTNERSHIP PROGRAM (HOME) APPLICATION

SOURCE: COMMUNITY DEVELOPMENT DEPARTMENT

COMMENT: The City has received notice from the California Department of Housing and Community Development (HCD) for funding availability under the HOME Investment Partnership Program (HOME), with funding authorized by the Cranston-Gonzales National Affordable Housing Act of 1990. Under HOME, the Department provides federal funding through specified recipients to conduct the following activities: (1) New Home Construction (2) Acquisition of Existing Residential Units (3) Rehabilitation of Existing Residential Units and (4) Tenant-based rental assistance.

City staff is preparing an application for two programs, the First Time Low Income Homebuyer Program (FTHB) and the Owner Occupied Housing Rehabilitation Program (HRLP). The maximum allocation allowed when applying for two programs is $600,000, however, since the City met its expenditure milestones for the current HOME grant for the FTHB program, it is eligible to apply for an additional $200,000. Therefore, the City is proposing to apply for grant funds of $800,000 divided as follows: $584,000 in FTHB program funds, $100,000 in HRLP grant funds, and $116,000 for the allowed percentage of administration and activity delivery costs. These two housing programs are currently funded with limited Community Development Block Grant (CDBG) funds, program income from previously funded HOME, HOME/BEGIN and CDBG loans, a 2000 HOME grant, and a state CalHome grant. The current funding available from these sources will carry the programs through 2003. However, in order to continue the programs after depleting these funds, a new HOME grant allocation is required which will provide funding through 2005.

As an added incentive for applying for the HOME funds, the City received correspondence from HCD that the typical twenty five percent (25%) match requirement will be waived for this round of funding.

These funds will assist approximately thirty (30) homebuyers to purchase a home within the city limits of Porterville and twenty (20) homeowners to make minor repairs or improvements to their homes.
Since 1993, the City has used $1,800,000 in HOME funds and $437,000 in HOME/BEGiN funds for the First Time Low Income Homebuyer Program and Owner Occupied Housing Rehabilitation Program. Over 200 families have been assisted in purchasing their home through these programs. In fiscal year 2001/02, the City assisted 33 families in acquiring their first home. Currently, the City is administering a $1,000,000 HOME grant for the historic renovation of St. James Place on Main Street and completing its 2000 HOME grant for the First Time Low Income Homebuyer Program.

In applying for these HOME funds, the City is once again taking measures to implement programs outlined in the City’s Housing Element, 2000 Five Year Consolidated Plan, and the Redevelopment Implementation Plan.

RECOMMENDATION: That the City Council:

1. Approve the submittal of a HOME Investment Partnership Program (HOME) funding application for $800,000 to the California Department of Housing and Community Development;

2. Authorize the Mayor to execute all documents pertaining to the HOME program; and

3. Authorize the Community Development Director to execute, in the name of the City of Porterville, project drawdown requests, and all other administrative documents required by the California Department of Housing and Community Development or the U. S. Department of Housing and Urban Development for administration of the HOME program.

Attachment: Draft Resolution
RESOLUTION NO. ________

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PORTERVILLE
APPROVING THE SUBMITTAL OF A HOME INVESTMENT PARTNERSHIPS
PROGRAM (HOME) FUNDING APPLICATION TO THE CALIFORNIA STATE
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

WHEREAS: The City of Porterville has adopted a Housing Element and prepared its Five
Year Community Development Block Grant (CDBG) Consolidated Plan (2000), CDBG Action
Plan (2000), and the Redevelopment Implementation Plan (1999), that identify goals, policies,
and programs to help in the provision and maintenance of affordable housing within the City; and

WHEREAS: Pursuing state and federal funding to assist in meeting the housing needs of
low and moderate income households is one of the implementation strategies identified; and

WHEREAS: The City of Porterville, a political subdivision of the State of California,
wishes to apply for and receive an allocation of funds through the Home Investment Partnerships
Program (hereinafter referred to as “HOME”); and

WHEREAS: The California Department of Housing and Community Development
(hereinafter referred to as the “Department”) has issued a Notice of Funding availability for the
HOME program and is authorized to approve funding allocations which will be made available
directly through the U.S. Department of Housing and Urban Development (HUD) to be used for
the purposes set forth in Title II of the Cranston-Gonzalez National Affordable Housing Act of
1990, the implementing regulations set forth in Title 24 of the code of Federal Regulations, part
92, and Title 25 of the California Code of Regulations commencing with Section 8200; and

WHEREAS: The City of Porterville wishes to submit an application to obtain from the
Department an allocation of HOME funds; and

WHEREAS: There is no match requirement for this funding application.

NOW, THEREFORE BE IT RESOLVED: That the City Council of the City of
Porterville, State of California, hereby approve the submittal to the Department of Housing and
Community Development of an application for $800,000 to participate in the First Time
Homebuyer Acquisition Only Program and the Owner Occupied Housing Rehabilitation
Program, to be used within the city limits of Porterville. If the application for funding is
approved, the City of Porterville hereby agrees to use the HOME funds for the eligible activities
in the manner presented in the application as approved by the Department and in accordance with
regulations cited above.

BE IT FURTHER RESOLVED: The City of Porterville authorizes the Mayor to execute
in the name of the City of Porterville, the application, the Standard Agreement and all other
documents required by the Department or HUD for participation in the HOME program, and any
amendments thereto. That the City of Porterville authorizes the Community Development
Director to execute in the name of the City of Porterville project drawdown requests, and all
other administrative documents required by the California Department of Housing and
Community Development or HUD for administration of the HOME program.

Gordon T. Woods, Mayor

ATTEST:

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John Longley, City Clerk