



Meeting Date: June 3, 2008

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s) _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s) _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Ernest Whitaker

Agenda Item No.

**I-12**

Reviewed By: City Manager

Holmberg  
City Attorney

Finance

Other (Specify)

**DATE:** May 20, 2008

**TO:** City Council

**FROM:** Sal Gonzalez, Housing Director,  
Housing Department

**SUBJECT:** CalHome Homeownership Project Development Loan

**RECOMMENDATION**

That City Council adopt a resolution authorizing the City Manager and/or his designee (1) to execute and submit an application to the California Department of Housing and Community Development (HCD) for \$1,440,000 under the CalHome Homeownership Project Development Loan; (2) to execute a Standard Agreement, and all other documents required by HCD for participation in the Program, as well as any amendments thereto as necessary and appropriate to pursue the funding application and obtain funding.

**DISCUSSION**

On April 3, 2008 HCD announced the availability of \$20 million under the CalHome Homeownership Project Development Funding Program. CalHome is one of the housing programs for which funds were approved by the voters with the passage of Proposition 1C in 2006.

Grant funds under the program are solely for new affordable housing construction, which will then roll over to individual mortgage assistance loans. These funds will be in the form of a development loan to a specific project for uses that include but are not limited to land acquisition, predevelopment costs and/or on-site improvements (not to include unit construction) which will convert to mortgage assistance to the homebuyer.

As needed, the City will loan up to \$60,000 for each newly constructed affordable unit. The loan is a silent second and the interest accrues at the rate of 4.5% per year. The term is 30 years. The loan with interest is paid upon the sale of the property. All proceeds go to the City to be re-loaned to other low income buyers. The \$1,440,000 grant could assist 24 low income families achieve homeownership.

The CalHome program helps to meet the goals of the Housing Element and Consolidated Plan to develop and provide first time homebuyer financial programs and meet affordable housing goals.

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The program is project specific and will be designated for the in-fill Colonia Villas affordable housing development located on the corner of First and Hayes in the La Colonia neighborhood to be constructed by HOME Corporation. An agreement will be executed with HOME Corporation and the City upon receipt of an award. Housing Department staff will administer the program.

### **FINANCIAL IMPACT**

There is no financial impact associated with the filing of the application and receipt of the CalHome grant. The CalHome funding does not provide administrative funds; however, existing staff funded with CDBG and HOME grants will administer the program. The City Manager will execute a special budget appropriation upon receipt of the grant award.

(EW/hh)

Attachment #1 - Resolution

CITY OF OXNARD, CALIFORNIA

RESOLUTION NO. \_\_\_\_\_

A RESOLUTION OF THE CITY OF OXNARD AUTHORIZING THE SUBMITAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT AND ANY AMENDMENTS THERETO; ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM; AND SPECIAL BUDGET APPROPRIATIONS FOR USE OF THE FUNDS

WHEREAS, the City of Oxnard, a political subdivision of the State of California wishes to apply for and receive an allocation of funds through the CalHome Program; and

WHEREAS, the California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the CalHome program established by Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 (commencing with Section 50650) of Part 2 of Division 31 of the Health and Safety code (the "statute"). Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome program, subject to the terms and conditions of the statute and the CalHome Program Regulations adopted by HCD on April 4, 2004; and

WHEREAS, the City of Oxnard wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of \$1,440,000.

NOW THEREFORE, The City Council of the City of Oxnard hereby resolves as follows:

1. The City of Oxnard shall submit to HCD an application to participate in the CalHome program in response to the NOFA issued on April 18, 2008 which will request a funding allocation for the following activities.

Affordable housing development in Oxnard, which will then roll over to individual mortgage assistance loans with a maximum of \$60,000 per unit.

2. If the application for funding is approved, the City of Oxnard hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above. It also may execute any and all other instruments necessary or required by HCD for participation in the CalHome program.
3. The City Council authorizes the City Manager and/or his designee to execute in the name of the City of Oxnard the application, the Standard Agreement, and all other

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documents required by HCD for participation in the CalHome program, and any amendments thereto and approve any special budget appropriations for the use of the funds.

PASSED AND ADOPTED THIS \_\_\_\_\_ day of \_\_\_\_\_, 2008 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

\_\_\_\_\_  
Dr. Thomas E. Holden, Mayor

ATTEST:

APPROVED AS TO FORM:

\_\_\_\_\_  
Daniel Martinez, City Clerk

  
\_\_\_\_\_  
Gary L. Gillig, City Attorney

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