



Meeting Date: 11/15/11

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: Karl Lawson *KL Lawson* Agenda Item No. **I-4**
 Reviewed By: City Manager *JRB* City Attorney *JP* Finance *J* Other (Specify) Planning

DATE: November 3, 2011

TO: City Council

FROM: William E. Wilkins, Housing Director *[Signature]*

SUBJECT: CalHome Mortgage Assistance Program Funding Application

RECOMMENDATION

That the City Council adopt a resolution authorizing the City Manager to (1) execute and submit an application to the California Department of Housing and Community Development (HCD) for \$1,000,000 under the CalHome Program; (2) if the application is granted, execute the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, as well as any amendments thereto as necessary and appropriate to pursue the funding application and obtain funding; and (3) appropriate the required funds upon award of the grant.

DISCUSSION

On October 3, 2011, HCD announced the availability of \$53 million under the CalHome General Program Funding – Notice of Funding Availability (NOFA). Applications are due on December 7, 2011. CalHome is one of the housing programs for which funds were approved by the voters with the passage of Proposition 1C in 2006.

This CalHome program will provide a grant to the City that will allow qualified low and very low-income buyers to purchase properties in need of rehabilitation for the purpose of bringing them up to code. Buyers are required to maintain the property as their primary residence throughout the term of their loans.

The City will loan up to a maximum of \$60,000 per resale home as needed. The funds must be used for both acquisition and rehabilitation activities. The loan is a silent second, and the interest accrues at a rate of 3% per year. The term is 30 years. The loan principal and interest are due and payable at the end of the 30 year term or upon sale of the property, whichever occurs first. All proceeds go to the City to be reloaned to other low income buyers.

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Potential buyers of resale homes provide a 3% downpayment. The \$1,000,000 grant could assist up to 17 families depending upon the amount of loan each family receives.

This program will be available citywide. Implementation of this program will promote the improvement of neighborhoods by upgrading properties that are currently substandard or dilapidated.

Housing Department staff will administer the loan program. Activity Delivery funds, monies that will be reimbursed to the City for costs incurred related to processing loans, in the amount of \$5,000 per loan, will be available to offset all direct costs related to processing of the loans.

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. Existing staff will administer the program and they are supported by CDBG and HOME funds. The City Manager will execute a special budget appropriation upon receipt of the grant award.

Attachment #1 - Resolution

CITY COUNCIL OF THE CITY OF OXNARD

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OXNARD AUTHORIZING THE SUBMITTAL 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 APPROPRIATION OF FUNDS UPON AWARD OF GRANT

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 Health and Safety Code Section 50650 et seq. ("Program Statutes") and the California Code of Regulations Title 25 [25CCR], Division 1, Chapter 7, Subchapter 9, commencing with Section 7715 ("CalHome Program Regulations" also referred to as Regulations). Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature in accordance with Proposition 1C, the Housing Emergency Shelter Trust Fund Act of 2006, 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 \$1,000,000.

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 October 3, 2011 which will request a funding allocation for the following activities:

First Time Homebuyer Mortgage Assistance Program citywide, with a maximum of \$60,000 per participant.

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 to execute in the name of the City of Oxnard the application. The City Council, also authorizes the City Manager or his

designees, the Assistant City Manager and the Housing Director, to execute the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendments thereto and appropriate the required funds upon award of the grant.

PASSED AND ADOPTED THIS 15th day of November 2011, by the following vote:

AYES:

NOES:

ABSTAIN:

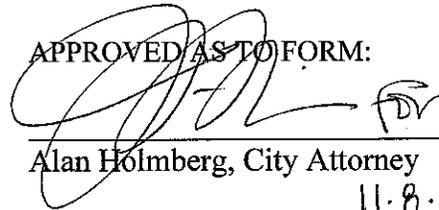
ABSENT:

Dr. Thomas E. Holden, Mayor

ATTEST:

Daniel Martinez, City Clerk

APPROVED AS TO FORM:

 fdr

Alan Holmberg, City Attorney

11.8.11