

PLACER COUNTY

COMMUNITY DEVELOPMENT GRANTS AND LOANS

MEMORANDUM

TO: Honorable Members of the Board of Supervisors
FROM: Richard E. Colwell, Chief Assistant CEO *RE Colwell*
DATE: February 10, 2009
SUBJECT: Adopt a Resolution Authorizing the Submittal of a \$1,000,000 Grant Application to the State Department of Housing and Community Development for the Local Housing Trust Fund Program and Committing \$1,000,000 of Local Matching Funds from the Placer County Housing Trust Fund to the Grant.

ACTION REQUESTED

Adopt a resolution authorizing the submittal of a \$1,000,000 grant application to the State Department of Housing and Community Development (HCD) for the local Housing Trust Fund Program (LHTFP), and committing \$1,000,000 of local matching funds from the Placer County Housing Trust Fund to the grant.

BACKGROUND

On September 24, 2002 your Board approved the Placer County Housing Trust Fund Guidelines to assist in administering the funds from in-lieu fees authorized by Housing Element policies. The policies, first adopted by your Board in 1992, provide for payment of in-lieu fees for affordable employee housing. A similar policy provides for collection of in-lieu fees in new construction that is the result of density increases. The Affordable Housing Strategy adopted by your Board in 1999 assigns the task of managing this revenue to the Redevelopment Agency. The 2003 Housing Element contained these same policies allowing for in-lieu fees.

Funds made available from the State for this program are from the Housing and Emergency Shelter Trust Fund Act of 2006. The State's application does not require that a specific project or program be identified. The funds can be used for affordable multifamily rental and ownership developments. There are multiple affordable housing development proposals in the Tahoe Basin that could be eligible for these funds, such as the multifamily rental housing proposal in Tahoe Vista off National Avenue and the DOMUS Community Enhancement Program proposal in Kings Beach. A project that would qualify in the North Auburn area is development of the Silver Bend site.

Some of the requirements for these funds listed in the attached resolution are more specific than the current County Housing Trust Funds guidelines but similar to other funding requirements that eligible projects are likely to use.

FISCAL IMPACT

There will be no impact on the County's General Fund. The minimum match already exists in the Housing Trust Fund which, as of November 2008, had a balance of \$1,060,465. The attached resolution includes a commitment to maintain the Housing Trust Fund for five years. If the fund ceases to exist sooner, uncommitted grant funds have to be returned to the State, as well as payments from loans made with the grant funds.

ENVIRONMENTAL IMPACT

Any project or program funded from this grant will require its own environmental review. The application to apply for the funds is an administrative action exempt from the California Environmental Quality Act. The National Environmental Policy Act does not apply as no federal funds are involved.

RECOMMENDATION

Adopt a resolution authorizing the submittal of a \$1,000,000 grant application to the State Department of Housing and Community Development for the Local Housing Trust Fund Program and committing \$1,000,000 of local matching funds from the Placer County Housing Trust Fund to the grant.

Attachment: Resolution

cc: Karin Schwab, Deputy County Counsel

Before the Board of Supervisors County of Placer, State of California

In the matter of:

Authorizing the submittal of a \$1,000,000 grant application to the State Department of Housing and Community Development for the Local Housing Trust Fund Program, and committing \$1,000,000 of local matching funds from the Placer County Housing Trust Funds to the grant

Resol. No:.....

Ord. No:.....

First Reading:

The following Resolution was duly passed by the Board of Supervisors of the County of Placer at a regular meeting held _____,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

Chair, Board of Supervisors

Clerk of said Board

WHEREAS, the California Department of Housing and Community Development (HCD) is authorized to allocate Local Housing Trust Fund Program (LHTFP) funds made available from the Housing and Emergency Shelter Act of 2006. Such funds are to be used for the purposes set forth in Section 50843.5 of the Health and Safety Code and any implementing regulations developed by HCD; and

WHEREAS, on October 24, 2008, HCD issued a Notice of Funding Availability (NOFA) under the LHTFP; and

WHEREAS, the Placer County Housing Element contains policies providing for collection and distribution of in-lieu fees for affordable housing developments; and

WHEREAS, in response to the NOFA, Placer County, a political subdivision of the State of California, wishes to apply to HCD for, and receive, an allocation of LHTFP funds; and

WHEREAS, projects to be funded with LHTFP funds will be subject to at least one public hearing.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer, that in response to the NOFA, Placer County is authorized to submit an application to HCD for an allocation of One Million Dollars, (\$1,000,000) for one or more of the following projects or programs:

1. Rental housing projects where LHTFP funds require at least 30% of the funds expended for and restricted as affordable to extremely low income households;
2. Rental housing projects restricted for not less than 55 years;
3. For sale housing with recorded deed restrictions that meet Health and Safety Code Section 50843.5(d) (3).

BE IT FURTHER RESOLVED,

1. No more than 20% of the funds will be used for units affordable to Moderate-Income households;
2. Up to 60% of the funds can be used for down payment assistance for first-time homebuyers.

BE IT FURTHER RESOLVED, if the application for funding is approved, Placer County hereby agrees to use the LHTFP funds for eligible activities in the manner presented in its application as approved by HCD in accordance with all applicable statutes and guidelines.

BE IT FURTHER RESOLVED, if the application for funding is approved, Placer County hereby agrees to maintain the County Housing Trust Fund in existence for at least five (5) years from the date of the application and if the Fund ceases to exist sooner, the County agrees to repay any remaining uncommitted Program Funds and to remit to the Department all repayment of loans made with Program Funds until the full amount of the Program Grant is repaid.

BE IT FURTHER RESOLVED, Placer County is authorized to execute a standard agreement, any amendments thereto and any and all other documents or instruments necessary or required by HCD for participation in the LHTFP (collectively, the required documents).

BE IT FURTHER RESOLVED, that \$1,000,000 of the Placer County Housing Trust Fund, currently on deposit, will be matched to this grant.