



COUNTY OF PLACER
Community Development/Resource Agency

Michael J. Johnson, AICP
Agency Director

**PLANNING
SERVICES DIVISION**

Paul Thompson, Deputy Director

MEMORANDUM

TO: Honorable Board of Supervisors

FROM: Michael J. Johnson, AICP
Agency Director

DATE: July 10, 2012

SUBJECT: Application for Funding of \$700,000 under the 2012 HOME Investment Partnership Program for First-Time Homebuyer and Owner-Occupied Housing Rehabilitation Assistance

ACTION REQUESTED

The Board is requested to adopt a resolution authorizing the CDRA Director or his designee to execute and submit an application to the California State Department of Housing and Community Development for \$700,000 under the 2012 HOME Investment Partnership Program for First-Time Homebuyer and Owner-Occupied Housing Rehabilitation assistance and execute all other related documents in furtherance of the application.

BACKGROUND

Since 1999, the County has received several HOME Investment Partnership Program (HOME) grants awarded by California State Department of Housing and Community Development (HCD) to fund the County's First-Time Homebuyer and Owner-Occupied Housing Rehabilitation Programs. In 1999 and 2003, the County Received \$500,000, in 2006 the County received \$600,000, in 2008 and in 2010 the County received \$800,000. Combined with other public and private funding sources, the results include a total of 38 first-time homebuyer loans to low-income households and nine owner-occupied housing rehabilitation loans. Funds from all grants prior to 2010 have been expended. The County currently has \$359,062 remaining from the 2010 award. The remaining funds will be used to provide first time homebuyer and/or owner-occupied rehabilitation loans.

On June 1, 2012, a Notice of Funding Availability was released by HCD announcing availability of funding for the HOME First-Time Homebuyer and Owner-Occupied Housing Rehabilitation Assistance Program with applications due August 17, 2012. The target area will be the unincorporated area of Placer County for a maximum application amount of \$700,000.

The County currently has an interest list of 254 households that could benefit from the First-Time Homebuyer Program. The most recently funded first-time homebuyer loans have gone

toward the purchase of single-family homes in the unincorporated area of Placer County at an average purchase price of \$260,250. The County loans are silent second mortgages that are subordinate to private lender first mortgages and make the home purchase more affordable to low-income homebuyers. In the event of a loan default or property foreclosure, the grant funds are generally lost as the first lender has priority over the County's second position loan. The County is not held financially accountable for program losses from defaulted loans.

Owner-occupied housing rehabilitation assistance loans fund health and safety improvements, weatherization, and correction of code violations, and extend the useful lives of the homes for qualifying low-income households in Placer County (a low-income household of four in Placer County can earn up to \$60,900 annually). The County has assisted nine low-income households using HOME funds for owner-occupied housing rehabilitation assistance.

FISCAL IMPACT

There will be no fiscal impact to the County General Fund. No local matching funds are required by HOME. Administrative and activity delivery costs will be covered by grant funds. If the County is unsuccessful in its efforts to receive a HOME award, staff will continue the homeownership programs utilizing the remaining Community Development Block Grant and CalHome funds that the County has been awarded until the same have been expended

ENVIRONMENTAL IMPACT

The proposed administrative activity is exempt from California Environmental Quality Act (CEQA) review pursuant to CEQA Guidelines Section 15310 (Loans) and under National Environmental Protection Act per 24 CFR Section 58.34.

RECOMMENDATION

The Planning Services Division respectfully requests that the Board of Supervisors adopt a resolution authorizing the submittal of an application to the California State Department of Housing and Community Development for \$700,000 under the 2012 HOME Investment Partnership Program for First-Time Homebuyer and Owner-Occupied Housing Rehabilitation Assistance, as contained in Attachment 1.

ATTACHMENTS:

Attachment 1: Resolution

cc: Karin Schwab, Deputy County Counsel

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

In the matter of:

Resolution No. _____

AUTHORIZING THE DIRECTOR OF THE COMMUNITY DEVELOPMENT RESOURCES AGENCY OR DESIGNEE TO EXECUTE AND SUBMIT AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING OF \$700,000 UNDER THE 2012 HOME INVESTMENT PARTNERSHIP PROGRAM FOR FIRST TIME HOMEBUYER AND OWNER-OCCUPIED HOUSING REHABILITATION ASSISTANCE AND EXECUTE ALL OTHER RELATED DOCUMENTS IN FURTHERANCE OF THE APPLICATION.

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.

Board of Supervisors

Chair, Board of Supervisors

Attest:

Ann Holman
Clerk of the Board of Supervisors

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF PLACER, STATE OF CALIFORNIA, AS FOLLOWS:

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ATTACHMENT 1

WHEREAS, the California Department of Housing and Community Development (HCD) is authorized to allocate HOME Investment Partnerships Program (HOME) funds made available from the U.S. Department of Housing and Urban Development (HUD). HOME funds are to be used for the purposes set forth in Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, in federal implementing regulations set forth in Title 24 of the Code of Federal Regulations, part 92, and in Title 25 of the California Code of Regulations commencing with section 8200;

WHEREAS, on June 1, 2012, HCD issued a 2012 Notice of Funding Availability announcing the availability of funds under the HOME program (NOFA); and

WHEREAS, in response to the 2012 NOFA, the County of Placer (Applicant), a political subdivision of the State of California, wishes to apply to HCD for, and receive an allocation of, HOME funds.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer in response to the June 1, 2012 NOFA, the County as Applicant shall submit an application to HCD to participate in the HOME program and for an allocation of funds not to exceed Seven Hundred Thousand Dollars (\$700,000) for First Time Homebuyer and Owner-Occupied Housing Rehabilitation Programs, to be located in unincorporated Placer County.

BE IT FURTHER RESOLVED by the Board of Supervisors of the County of Placer that if the application for funding is approved, the Applicant hereby agrees to use the HOME funds for eligible activities in the manner presented in its application as approved by HCD in accordance with the statutes and regulations cited above. The Applicant may also execute a standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required by HCD or HUD for participation in the HOME program (collectively, the required documents).

BE IT FURTHER RESOLVED by the Board of Supervisors of the County of Placer that if the application is approved, the County of Placer hereby agrees to accept HOME funds in the amount of up to \$700,000.

BE IT FURTHER RESOLVED THAT the Board of Supervisors of the County of Placer, authorizes the Director of the Community Development Resources Agency or his designee, to execute on behalf of the County of Placer, the application and all other required documents associated with the application, acceptance, and implementation of the grant.