

**CEO/COMMUNITY DEVELOPMENT  
GRANTS AND LOANS  
MEMORANDUM**

**TO:** Honorable Members of the Board of Supervisors  
**FROM:** Rich Colwell, Chief Assistant CEO–Redevelopment Director *RE Colwell*  
Rae James, Deputy Director  
**DATE:** April 17, 2007  
**SUBJECT:** Adopt a Resolution Authorizing an Increase in the Loan Amount Limits for the HOME Investment Partnership Program from \$125,000 to \$150,000 Subject to County Counsel Review.

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**ACTION REQUESTED:** Adopt a resolution authorizing an increase in the loan amount limits for the HOME Investment partnership program (HOME) from \$125,000 to \$150,000 subject to County Counsel review.

**BACKGROUND:** HOME is a federal housing program, with funds received by the County and administered by the Redevelopment Agency. Your Board last amended the HOME guidelines in November 2006, providing for a loan to owner-occupants of up to \$125,000. Eligible uses of the funds include down payment assistance loans to low income, first time homebuyers (FTHB) and housing rehabilitation loans to existing low income homeowners in unincorporated Placer County. The County obtains funds through annual grant applications, loan payments, and payoffs of loans. In 2006, the County received an additional \$800,000 in HOME funds for housing rehabilitation and FTHB programs.

Recent housing rehabilitation applications include some units that have significant deterioration and require complete replacement. Even with manufactured units, costs can exceed \$130,000. Approval of this action would allow loan assistance up to \$150,000. There is another item on this Agenda to raise the Redevelopment Agency Tax Increment Housing loan limit to \$150,000.

The County's HOME guidelines require FTHB's to qualify for a first deed of trust loan through a commercial lender and provide 3% of the purchase price from their own funds. Twelve FTHB's have been funded since 2004. However, the median housing price in the County is over \$400,000, and few homes sell for less than \$300,000. Most recent loans have been for two bedroom condominiums. An increased loan maximum of \$150,000 would allow more housing types to be available to FTHB's and increase the number of residences available to larger families. To insure maximum use of private funds, down payment assistance under the new limit will require that no more than 60% of the home's value be provided by HOME.

**FISCAL IMPACT:** Because HOME is federally funded, there will be no impact to the County General Fund.

**RECOMMENDATION:** Adopt a resolution authorizing an increase in the loan amount limits for the HOME Program from \$125,000 to \$150,000 subject to County Counsel review.

Attachment: Resolution

cc: Sabrina Thompson, Deputy County Counsel

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

In the matter of:

Adopt a resolution authorizing an increase in the loan amount limits for the HOME Investment Partnership Program from \$125,000 to \$150,000 subject to County Counsel review.

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 April 17, 2007,

by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

Attest:

\_\_\_\_\_  
Chair, Agency Board

Clerk of said Board  
  
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WHEREAS, the Board of Supervisors of the County of Placer adopted, on November 7, 2006, increases in the HOME Investment Partnership Program (HOME) loan limits to \$125,000; and

WHEREAS, the Board of Supervisors of the County of Placer desires to further amend these loan amounts for down payment assistance loans and housing rehabilitation loans.

NOW, THEREFORE, BE IT RESOLVED by the Board of Supervisors of the County of Placer that the maximum loan limits for housing rehabilitation and down payment assistance loans in the HOME program is raised from \$125,000 to \$150,000, and that no more than 60% of a home's value is provided by HOME funds.