

Agenda Report

DATE: JULY 23, 2007

**TO: CITY COUNCIL
COMMUNITY DEVELOPMENT COMMISSION**

FROM: CYNTHIA J. KURTZ, CITY MANAGER/CHIEF EXECUTIVE OFFICER

**SUBJECT: CONFIRMATION OF ALLOCATION OF FEDERAL HOME PROGRAM
(FY 2007-2008) FUNDS IN AMOUNT OF \$181,673 FOR COMMUNITY
HOUSING DEVELOPMENT ORGANIZATION SET-ASIDE CATEGORY**

RECOMMENDATION

It is recommended that the City Council/Pasadena Community Development Commission confirm the approval an allocation of federal HOME program funds (FY 2007-2008) in the amount of \$181,673 for the Community Housing Development Organization set-aside category.

BACKGROUND

At its joint public hearing on June 25, 2007 the City Council/Pasadena Community Development Commission (City/Commission) took action on a number of items pertaining to applications under federal grant programs including Community Development Block Grant, Emergency Shelter Grant, and the HOME Investment Partnership Program (HOME). As requested, the subject recommendation is being brought back to the City/Commission with additional clarifying information about Community Housing Development Organizations (CHDOs) under the HOME Program.

The United States Department of Housing and Urban Development (HUD) allocates HOME grant funds annually to local jurisdictions to be used for the development or preservation of housing that is affordable to low income persons. Participating jurisdictions are required to reserve not less than 15 percent of these funds to CHDO's. The City/Commission HOME allocation for FY 2007-2008 is \$1,211,152. Accordingly, the CHDO 15 percent set-aside is \$181,673. These funds are included in the Rental Housing Development/Rehabilitation Program component of the approved FY 2007-2008 Affordable Housing Budget.

A CHDO is a non-profit, community based organization that has been certified by HUD to provide decent affordable housing to lower-income households. The requirements for HUD certification are: (a) Must have received a tax-exempt ruling from the IRS under

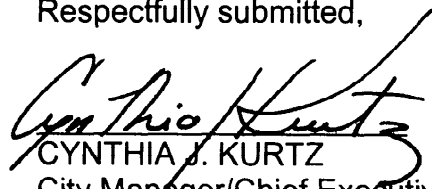
Section 501 (c) of the Internal Revenue Code; (b) The purpose of providing affordable housing must be identified in the CHDO's Charter, Articles of incorporation; By-Laws; or a resolution of the CHDO's Board of Directors; (c) the organizational structure of the CHDO board must be composed of 1/3 representatives of the low-income community; and (d) the CHDO must have at least one year of experience serving the community where it intends to develop the HOME-assisted housing.

In previous years, HOME funds have been allocated to the following CHDOs and housing projects: Pasadena Housing Alliance -- Euclid Villa (15 very low- and low-income transitional housing units); Beacon Housing -- Rosewood Court (11 very low-income senior rental units); Los Angeles Community Design Center -- Orange Grove Gardens (37 very low-income and low-income family rental units); Pasadena Neighborhood Housing Services -- Lincoln-Idaho Townhomes (4 low-income and 4 moderate-income ownership units) and Lincoln-Blake (4 low-income and 3 moderate-income ownership units).

FISCAL IMPACT

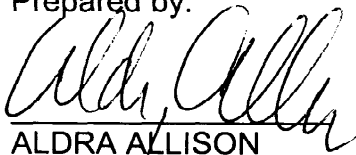
The City/Commission HOME allocation for FY 2007-2008 is \$1,211,152. Approval of the subject recommendation would result in the allocation of 15 percent of these funds, \$181,673, for the CHDO set-aside category.

Respectfully submitted,



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