

JUNE 9, 2008

TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION

FROM: BERNARD K. MELEKIAN, CHIEF EXECUTIVE OFFICER

SUBJECT: SUBMITTAL OF FUNDING APPLICATION TO THE STATE OF CALIFORNIA IN THE AMOUNT OF \$900,000 FOR HOMEBUYER ASSISTANCE UNDER THE CALHOME PROGRAM

RECOMMENDATION:

It is recommended that the Pasadena Community Development Commission adopt a resolution:

- A. Approving the submittal of an application to the California Department of Housing and Community Development for affordable housing homebuyer assistance funding under the CalHome Program; and
- B. Authorizing the Chief Executive Officer to execute and the Secretary to attest any and all documents necessary to facilitate the submittal of the application, and the implementation and administration of the funds under the CalHome program.

EXECUTIVE SUMMARY

CalHome is a State-funded homeownership program designed to make grants to local public agencies and/or nonprofit corporations to assist first-time homebuyers and the rehabilitation of owner-occupied homes. The Pasadena Community Development Commission ("Commission") will be applying for the maximum funding amount of \$900,000 to assist qualified homebuyers.

BACKGROUND

On April 18, 2008, the California Department of Housing and Community Development ("HCD") issued a Notice Of Funding Availability ("NOFA") for the CalHome Program as a result of the passage of Proposition 1C, the "Housing and Emergency Shelter Trust Act of 2006", to make funds available to local public agencies and/or nonprofit corporations to assist first-time homebuyers and the rehabilitation of owner-occupied homes. The NOFA announced the availability of \$60,000,000 statewide. The maximum funding request per application for all activities is \$900,000.

The Commission will be applying for CalHome FY2008-2009 grant funds in the maximum amount of \$900,000 to provide loan assistance to qualified first-time homebuyers who are of lower income (not exceeding 80% of Los Angeles County area median income. The Commission has contracted with Pasadena Neighborhood

06/09/2008
8.B.

Housing Services ("PNHS") to administer certain components of the Commission's Homeownership Opportunities Program ("HOP") including the provision of homebuyer education and loan application packaging. CalHome monies will augment the HOP loan assistance, and will be used to fund loans secured by a subordinate trust deed in favor of the Commission.

HOUSING IMPACT

Staff estimates that the \$900,000 CalHome funding will assist approximately 18 qualified first-time homebuyers, assuming a CalHome loan in the average amount of \$50,000. Securing such funding meets the goals and objectives of the City of Pasadena's General Plan (Housing Element), Five-Year Consolidated Plan 2005 – 2010, the Commission's Five-Year Implementation Plan, Five-Year Public Housing Agency Plan, and the Ten-Year Strategy To End Homelessness.

FISCAL IMPACT

If the application to the CalHome Program is successful, the Commission will receive \$900,000 in revenue from State grant funds to augment the Housing Opportunities Program to provide homebuyer loan assistance in Pasadena.

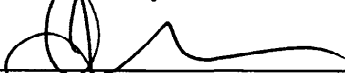
Respectfully submitted,


BERNARD K. MELEKIAN
Chief Executive Officer


Prepared by:


ALDRA ALLISON
Project Manager

Reviewed by:


JAMES WONG
Interim Housing Manager

Approved by:


STEPHANIE DEWOLFE
Acting Assistant City Manager

RESOLUTION NO. CDR –

A RESOLUTION OF THE PASADENA COMMUNITY DEVELOPMENT COMMISSION AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM

WHEREAS, on April 18, 2008, the California Department of Housing and Community Development (hereinafter referred to as "HCD") issued a Notice of Funding Availability ("NOFA") for the CalHome Program ESTABLISHED BY Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 at Section 59650 *et seq.* of the California Health and Safety Code (the "statute");

WHEREAS, pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome Program, subject to the terms and conditions of the statute and the CalHome Program Guidelines adopted by HCD on April 4, 2004.

WHEREAS, the NOFA announced the availability of \$60,000,000 which is provided by the passage of Proposition 1C, the Housing and Emergency Shelter Trust fund Act of 2006, to provide funding to local public agencies and/or nonprofit corporations in providing funding for the following eligible activities: (i) First-Time Homebuyer Assistance, (ii) Owner-Occupied Rehabilitation.

WHEREAS, the programs are designed to support existing homeownership and rehabilitation programs aimed at low and very-low income households;

WHEREAS, the Pasadena Community Development Commission, a public body, corporate and politic (the "Commission"), wishes to apply for and receive an allocation of funds through the CalHome Program;

WHEREAS, the Commission wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of \$900,000 (the "Grant");

WHEREAS, the Commission intends to use the Grant to fund the First-time Homebuyer Mortgage Assistance Program in the amount of \$900,000;

WHEREAS, if HCD approves the Commission's application, the Commission will seek a qualified local, non-profit organization to operate and manage the affordable housing program;

WHEREAS, the CalHome Program meets the goals and objectives of the Commission's Five-Year Implementation Plan, the City of Pasadena's General Plan (Housing Element) and the Consolidated Plan (2005-2010);

NOW, THEREFORE the Pasadena Community Development Commission does hereby find, determine and resolve as follows:

Section 1. The Commission shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on April 18, 2008, which will request a funding allocation for the following activities:

A grant of \$900,000 to fund the First-Time Homebuyer Assistance Program. The program will be administered by a qualified, local non-profit organization and will provide mortgage assistance to qualified first-time homebuyers.

Section 2. If the application for funding is approved, the Commission 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 the CalHome Program Guidelines. The Commission further agrees to execute all other instruments necessary or required by HCD for participation in the CalHome Program.

Section 3. The Commission hereby authorizes the Chief Executive Officer to execute, in the name of the Commission, the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendment thereto, and to take all actions necessary to implement the CalHome Program.

ADOPTED at the regular meeting of the Pasadena Community Development Commission on the _____ day of _____ 2008, by the following vote:

AYES:

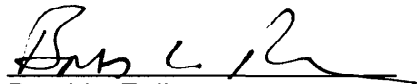
NOES:

ABSENT:

ABSTAIN:

Jane L. Rodriguez, Secretary

APPROVED AS TO FORM:



Brad L. Fuller
Assistant General Counsel