

**DATE:** FEBRUARY 5, 2001

**TO:** PASADENA COMMUNITY DEVELOPMENT COMMISSION

**FROM:** CYNTHIA J. KURTZ, CHIEF EXECUTIVE OFFICER

**SUBJECT:** APPLICATION TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT'S (HCD) CALHOME PROGRAM NOTICE OF FUNDING AVAILABILITY (NOFA) FOR \$500,000 FOR OWNER-OCCUPIED REHABILITATION AND FIRST-TIME HOMEBUYER PROGRAMS

**RECOMMENDATION:**

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

- A. Approving the submittal of an application to the California Department of Housing and Community Development (HCD) for a \$500,000 grant in owner-occupied rehabilitation and first-time homebuyer funds (\$250,000 each) under HCD's CalHome Program Notice of Funding Availability (NOFA); 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 implementation of the proposed programs.

**ADVISORY BODY:**

The subject recommendation was submitted to the Pasadena Community Development Committee (CDC) on January 25, 2001 for review. The CDC meeting was cancelled because a quorum could not be met.

**BACKGROUND:**

On December 14, 2000, staff received a notice from the HCD announcing the availability of \$34 million to provide funding to local public agencies or nonprofit corporations for the following eligible activities within the CalHome Program:

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8.C. (CDC)

- First-Time Homebuyer Assistance
- Homeownership Project Development
- Owner-Occupied Rehabilitation

These programs are designed to support existing homeownership and rehabilitation programs and are aimed at low- and very low-income households (80% of the county median income). The NOFA stipulates an aggregate amount for each activity. The maximum aggregate amount is \$500,000. Applicants may apply for a maximum of two of the three activities listed above. The average of all homebuyer/homeowner-deferred loans funded under the application cannot exceed \$20,000. The maximum loan to individual homebuyers/homeowners shall not exceed \$30,000, and the minimum loan to individual homebuyers/homeowners shall not be less than \$5,000.

HCD will evaluate funding applications based on the capability of the public agency/non-profit's experience in operating housing programs for a minimum of four years prior to the date of the application. Additional criteria includes the extent to which the proposed program(s) is responding to a community need and the ability of the project to serve low- and very low-income households; the contribution to community revitalization by operating a program located in a federally defined Qualified Census tract or in a designated redevelopment area; and the extent to which contributed labor is utilized in homeownership projects, or a mortgage assistance program for acquisition and rehabilitation for sale to first-time homebuyers.

If the Commission's application is approved, the Commission will seek local, non-profit organizations to operate and manage the two affordable housing programs for first-time homebuyer mortgage assistance and owner-occupied rehabilitation.

The application deadline for this current funding cycle is Thursday, February 8, 2001.

#### **PROPOSED PROGRAMS:**

The Commission has the opportunity to work with local, non-profit organizations to provide the administration and servicing of the First-Time Homebuyer Assistance and Owner-Occupied Rehabilitation Programs.

Heritage Homeownership Partners (HHP) is a potential non-profit organization to administer the Owner-Occupied Rehabilitation Program. HHP received a \$50,000 CDBG Program grant in FY 2000-2001 to provide homeowners with small grants to make exterior "preservation sensitive" repairs and cosmetic restoration. The projected goal is to provide 8 grants to homeowners with a maximum amount of \$7,000. HHP's target area is the Garfield Heights area of Pasadena.

Should the Commission be successful in HCD's CalHome application process, meetings will be set up with local non-profits to discuss their participation in these programs.

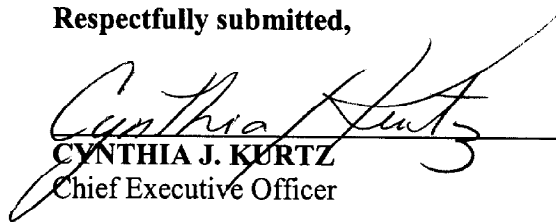
**HOUSING IMPACT:**

The CalHome Program meets the goals and objectives of the Commission's Five-Year Implementation Plan 1999-2004, the Commission's Priority Work Program, the City of Pasadena's General Plan (Housing Element), and the Consolidated Plan 2000-2005. The projected number of new homeownership units and rehabilitated housing units is 12 each for a total of 24 units.

**FISCAL IMPACT:**

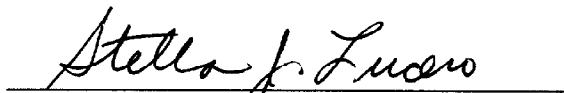
If the proposed application is approved by HCD, up to \$500,000 in funding assistance will be reserved for eligible projects in Pasadena.

Respectfully submitted,



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Chief Executive Officer

Prepared by:



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Approved by:



RICHARD BRUCKNER,  
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