

**DATE: MARCH 29, 2004**

**TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION**

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

**SUBJECT: APPLICATION TO THE CALIFORNIA HOUSING FINANCE AGENCY FOR \$2 MILLION FUNDING FROM THE HOUSING ENABLED BY LOCAL PARTNERSHIPS PROGRAM**

**RECOMMENDATION:**

It is recommended that the Pasadena Community Development Commission take the following actions:

1. Adopt a resolution approving the submission of an application to the California Housing Finance Agency for an allocation of loan funds in an amount not to exceed \$2 million under the Housing Enabled by Local Partnerships ("HELP") program; and
2. Authorize the Chief Executive Officer to execute, and the Secretary to attest, any documents which may be required in connection with the submittal of the HELP application and administration of HELP funds.

**BACKGROUND**

On February 6, 2004 the California Housing Finance Agency ("CalHFA") of the State of California announced the availability of \$10 million in loan funds under its Housing Enabled by Local Partnerships ("HELP") program (second funding cycle, FY 2003-2004). The HELP program was established in 1998 as a source of low-cost funds for local governments to address affordable housing priorities. CalHFA has budgeted \$20 million per year, with two \$10 million funding cycles per year. The HELP funding available to local governments is in the form of an unsecured deferred-payment loan with a 10-year term at 3% simple interest per year. In 1999 the Commission applied for and was awarded \$1 million in HELP funds which were utilized for the Kings Village rehabilitation project (currently 96% completed).

Staff proposes the submittal of an application to CalHFA in this current funding cycle for \$2 million in HELP funds to capitalize an Affordable Housing Revolving Loan Program (the "Program"). The objective of the Program would be to meet the immediate financing needs of affordable housing projects by providing short-term bridge loans. Eligible activities would include acquisition, predevelopment, construction, and rehabilitation. The loans would be secured and carry interest at a rate which would enable the Commission to cover its cost of funds. As the loans are repaid, the proceeds would be made available for other projects.

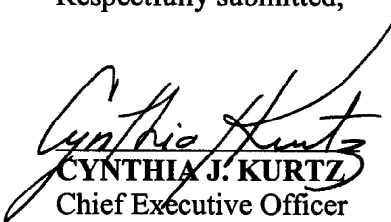
The HELP funding application deadline is April 2, 2004. CalHFA anticipates that award announcements will be made by May 28, 2004.

**FISCAL IMPACT**

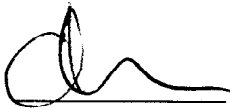
Approval of the subject recommendation will authorize the submittal of a funding application to CalHFA which, if successful, will provide the Commission with \$2 million in HELP program funds to assist the development, rehabilitation and preservation of affordable housing in the City.

The funds to the Commission will be in the form of an unsecured deferred-payment loan with a 10-year term at a cost of 3% simple interest per year on funds drawn. Some or all of this cost may be recouped as it is proposed that the Commission will make these funds available as short-term interest-bearing loans to assist selected affordable housing projects.

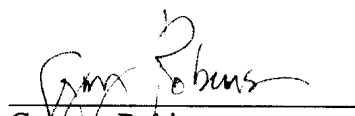
Respectfully submitted,

  
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