

**DATE: MAY 8, 2006**

**TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION**

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

**SUBJECT: RECOMMENDATION TO SUBMIT AN APPLICATION TO STATE OF CALIFORNIA  
DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING  
FROM THE BEGIN 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 Department of Housing and Community Development for an allocation of BEGIN Program grant funds in the amount not to exceed \$360,000 to assist low- and moderate-income homebuyers; and
2. Authorize the Chief Executive Officer to execute, and the City Clerk to attest, any documents which may be required in connection with the submittal of the BEGIN Program application and associated implementation.

### **ADVISORY BODY RECOMMENDATION**

The Community Development Committee, at its regular meeting on April 27, 2006, considered the subject item and approved recommendation to the Pasadena Community Development Commission ("Commission")

### **BACKGROUND**

On February 16, 2006, the California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) for the Building Equity and Growth In Neighborhoods ("BEGIN") Program. The BEGIN Program is designed to foster partnership between local jurisdictions and housing developers encouraging them to join together to reduce the cost and increase the supply of new homeownership opportunities for low- and moderate-income households.

The BEGIN Program provides up to \$30,000 per affordable dwelling unit to be used as down payment assistance, closing costs assistance or soft (silent) second financing to low- and moderate-income households. Projects eligible for BEGIN funding are required to be newly constructed homeownership developments with at least four (4) units designated for sale to BEGIN-eligible households. Based on these and other threshold criterion, as specified in the BEGIN Program NOFA, the proposed Commission-sponsored for-sale housing developments located at 1150 N. Allen Ave. and 537 N. Cypress Avenue have been identified by staff as potential candidates for inclusion in the Commission's funding application to the State. If awarded, the BEGIN funds would be utilized as low-interest subordinate loans to assist qualified buyers, augmenting existing financial assistance committed by the Commission to these projects.

The deadline for submittal of the BEGIN application to the State is May 16, 2006.

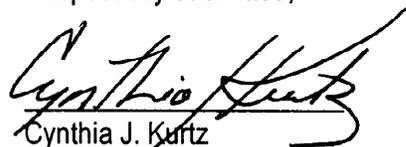
**HOUSING IMPACT**

If the application to the State is successful, the BEGIN funds awarded to the Commission will be utilized to assist up to 12 low- or moderate-income homebuyers in the 1150 N. Allen Avenue and 537 N. Cypress Ave. projects.

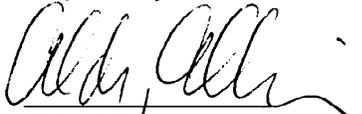
**FISCAL IMPACT**

If the application to the State is successful, the Commission will receive up to \$360,000 in grant revenue to augment existing Commission funding to assist homebuyers.

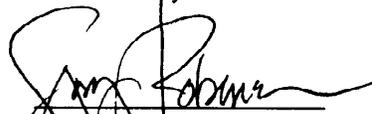
Respectfully submitted,

  
Cynthia J. Kurtz  
City Manager

Prepared by:

  
Aldra Allison  
Project Manager

Reviewed by:

  
Gregory Robinson  
Housing and Community  
Development Administrator

Approved by:

  
Brian K. Williams  
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 BEGIN PROGRAM AND THE CHIEF EXECUTIVE OFFICER TO EXECUTE A STANDARD AGREEMENT, ANY AMENDMENTS THERETO, AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE BEGIN PROGRAM

WHEREAS, The California Department of Housing and Community Development (hereinafter referred to as "HCD") is authorized by Chapter 14.5 commencing with Section 50860 through 50866 of Part 2 of Division 31, of the Health and Safety Code to award grants to eligible jurisdictions entitled the BEGIN Program, subject to the terms and conditions of the statute and the BEGIN Program Guidelines adopted and amended by HCD on February 14, 2006. The BEGIN Program provides downpayment assistance to first-time homebuyers who are eligible by virtue of qualifying as a low- or moderate income household; and

WHEREAS, the Pasadena Community Development Commission (the "Commission") has been duly created, established and authorized to transact business and exercise its powers under and pursuant to the Community Redevelopment Law (Part I of Division 24 of the Health and Safety Code of the State of California);

WHEREAS, on February 16, 2006, HCD issued a Notice of Funding Availability announcing the availability of funds under the BEGIN Program (the "NOFA"); and

WHEREAS, in response to the NOFA, the Commission wishes to apply to HCD for, and receive an allocation of BEGIN Program funds.

NOW, THEREFORE in response to the NOFA, the Commission shall submit an application(s) to HCD to participate in the BEGIN Program and receive an allocation of funds not to exceed three hundred sixty thousand dollars (\$360,000) for the following activities and/or programs:

Provision of affordable home ownership opportunities for first time homebuyers of newly constructed single-family residential units through downpayment assistance. Homebuyers are eligible to participate by virtue of income qualification (i.e. not exceeding 120% of the Los Angeles County median income adjusted by family size). The identified eligible projects for which the Commission shall submit an application to HUD are 1150 North Allen Avenue and/or 537 North Cypress Avenue.

The Commission, upon approval of the BEGIN Program funding application, hereby agrees to use the BEGIN funds for eligible activities in the manner presented in its application(s) as approved by HCD in accordance with the statute and guidelines cited above. It also may

execute any and all other instruments necessary or required by HCD for participation in the BEGIN Program standard agreement, and any amendments necessary or required by HCD for participation in the BEGIN Program (collectively, the required documents);

The Commission authorizes the Chief Executive Officer to execute, in the name of the Pasadena Community Development Commission, the required documents.

ADOPTED at the \_\_\_\_\_ meeting of the Pasadena Community Development Commission on the \_\_\_\_\_ day of \_\_\_\_\_, 2006, by the following vote:

AYES:

NOES:

ABSTAIN:

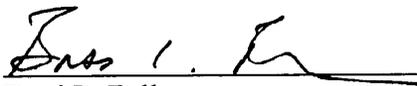
ABSENT:

ATTEST:

\_\_\_\_\_  
JANE L. RODRIGUEZ, Secretary

APPROVED AS TO FORM:

MICHELE BEAL BAGNERIS  
General Counsel



Brad L. Fuller  
Assistant General Counsel