

APRIL 9, 2007

TO: PASADENA COMMUNITY DEVELOPMENT COMMISSION

FROM: CYNTHIA J. KURTZ, CHIEF EXECUTIVE OFFICER

SUBJECT: SUBMITTAL OF FUNDING APPLICATION TO THE STATE OF CALIFORNIA IN THE AMOUNT OF \$600,000 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.

ADVISORY BODY ACTION:

The Community Development Committee at its regular meeting of March 22, 2007 recommended the Pasadena Community Development Commission's ("Commission") approval of the subject recommendation.

EXECUTIVE SUMMARY:

The CalHome Program is a homeownership program designed 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 Commission will be applying for the maximum funding amount of \$600,000 to assist qualified homebuyers.

BACKGROUND

On February 13, 2007, 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-

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occupied homes. The NOFA announced the availability of \$50,000,000 statewide. The maximum funding request per application for all activities is \$600,000.

The Commission will be applying for the maximum funding amount of \$600,000 and will utilize CalHome FY2007-2008 funds, if awarded, to provide loan assistance to qualified low-income, first-time homebuyers. The Commission has contracted with Pasadena Neighborhood Housing Services ("PNHS") to administer certain components of the Commission's Homeownership Opportunities Program ("HOP") including the provision of homebuyer education and loan application processing. If the Commission's CalHome application is approved by the State, this additional funding source will be available to originate HOP loans processed by PNHS for qualified first-time homebuyers.

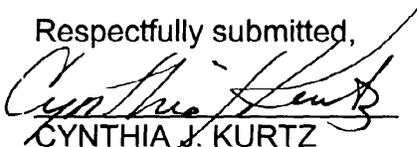
HOUSING IMPACT

Securing funding through the State of California CalHome Program described in this report 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 \$600,000 in State revenue to augment the Housing Opportunities Program to provide homebuyer loan assistance in Pasadena.

Respectfully submitted,



CYNTHIA J. KURTZ
City Manager

Prepared by:



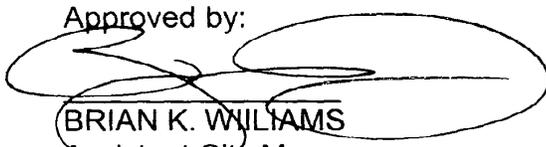
ALDRA ALLISON
Project Manager

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 CALHOME PROGRAM AND AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO TAKE ALL NECESSARY ACTIONS TO COMPLETE THE APPLICATION AND IMPLEMENT THE CALHOME PROGRAM

WHEREAS, on February 13, 2007, the California Department of Housing and Community Development (hereinafter referred to as "HCD") issued a Notice of Funding Availability ("NOFA") for the CalHome Program, codified 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 August 15, 2003.

WHEREAS, the NOFA announced the availability of \$50,000,000 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;

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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 \$600,000 (the "Grant");

WHEREAS, the Commission intends to use the Grant to fund the First-time Homebuyer Mortgage Assistance Program in the amount of \$600,000;

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 objective 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 February 13, 2007, which will request a funding allocation for the following activities:

A grant of \$600,000 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 _____ 2007, by the following vote:

AYES:

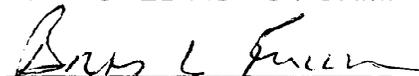
NOES:

ABSENT:

ABSTAIN:

Jane L. Rodriguez, Secretary

APPROVED AS TO FORM:



Brad L. Fuller
Assistant General Counsel