

Agenda Report

DATE: FEBRUARY 9, 2009

TO: CITY COUNCIL

FROM: CITY MANAGER

SUBJECT: ADOPTION OF A RESOLUTION TO SUBMIT AN APPLICATION TO THE STATE OF CALIFORNIA FOR GRANT FUNDING IN THE AMOUNT OF \$2,000,000 FROM THE LOCAL HOUSING TRUST FUND PROGRAM

RECOMMENDATION:

It is recommended that the City Council:

1. Adopt a resolution approving the submission of an application to the California Department of Housing and Community Development for grant funds in the amount of \$2 million under the State's Local Housing Trust Fund Program (LHTFP);
2. Designate \$2 million from the City's Inclusionary Housing Trust Fund as a match for the requested allocation of State LHTFP funds; and
3. Authorize the City Manager to execute, and the City Clerk to attest, any documents which may be required in connection with the submittal of the LHTFP application and associated program implementation.

ADVISORY BODY RECOMMENDATION

At its regular meeting on January 22, 2009 the Community Development Committee unanimously recommended that the City Council approve the subject recommendation.

BACKGROUND

The Local Housing Trust Fund Match Program ("LHTFP"), administered by the State of California Department of Housing and Community Development (the "HCD"), was created by AB 2638 of 2006 (Laird) which established Section

50843.5 of the Health and Safety Code. The purpose of the LHFTP is to “help finance local housing trust funds dedicated to the creation or preservation of affordable housing.”

The State released a Notice Of Funding Availability on October 24, 2008 (which was amended on November 6, 2008) announcing the availability of \$33 million in LHFTP matching grant funds to be awarded on a competitive basis to eligible public or non-profit agencies. Applicants are allowed to apply for a maximum of \$2 million and a minimum of \$1 million in LHFTP funds. In 2003 the City of Pasadena was awarded a LHFTP grant in the amount of \$2 million. These funds have been appropriated by City Council action for the Green Hotel, Lamanda Park, and Nehemiah Court projects.

KEY PROVISIONS OF LHFTP

LHFTP requires a dollar-for-dollar local match of funds from governmental sources (or private contributions) that are not legally restricted by state or federal law for use in housing programs. For example, federal HOME and Community Development Block Grant funds, as well as redevelopment agency tax increment housing set-aside funds would not qualify as eligible local match funding sources. As proposed, the source of the City’s eligible local match will be derived from the Inclusionary Housing Trust Fund.

LHFTP funds shall be used to provide loans for payment of predevelopment, acquisition, construction, or rehabilitation expenses related to rental housing projects with units restricted for at least 55 years to households earning less than 60 percent of area median income. LHFTP funds may also be used to provide down payment assistance to qualified low or moderate income first-time homebuyers.

The LHFTP application is due on February 18, 2009. The State anticipates that award announcements will be made before April 2009.

HOUSING IMPACT

The leveraging of non-City housing funds for affordable housing is consistent with the goals and objectives of the City’s Five-Year Consolidated Plan (2005-2010), the General Plan Housing Element, and the Pasadena Community Development Commission Five-Year Implementation Plan (2005-2010).

FISCAL IMPACT

Approval of the subject recommendation leading to a funding award from the State will result in a revenue increase of \$2,000,000 in the City's affordable housing budget.

Respectfully submitted,



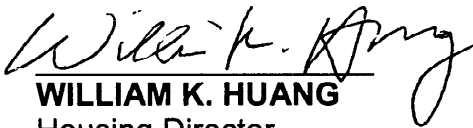
MICHAEL J. BECK
City Manager

Prepared by:



JAMES WONG
Senior Project Manager

Approved by:



WILLIAM K. HUANG
Housing Director

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF PASADENA AUTHORIZING THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE LOCAL HOUSING TRUST FUND PROGRAM AND AUTHORIZING THE CITY MANAGER TO EXECUTE A STANDARD AGREEMENT, ANY AMENDMENTS THERETO, AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE LOCAL HOUSING TRUST FUND PROGRAM

WHEREAS, the City of Pasadena, a municipal corporation (the "City"), wishes to apply to the California Department of Housing and Community Development (the "Department") for, and receive an allocation of, Local Housing Trust Fund ("LHTF") Program funds; and

WHEREAS, the Department is authorized to allocate Local Housing Trust Fund Program funds made available from the Housing and Emergency Shelter Act of 2006; and

WHEREAS, LHTF Program funds are to be used for the purposes set forth in Section 50843.5 of the California Health and Safety Code (the "statute") and any implementing regulations developed by the Department; and

WHEREAS, on October 24, 2008, the Department issued a Notice of Funding Availability announcing the availability of funds under the LHTFP (the "NOFA"); and

WHEREAS, in response to the NOFA, the City of Pasadena wishes to apply to the Department for, and receive an allocation of LHTF Program funds in an amount not to exceed Two Million Dollars (\$2,000,000);

NOW THEREFORE the City of Pasadena does hereby find, determine and resolve as follows:

Section 1. The City of Pasadena shall submit an application to the Department to participate in the LHTF Program and for an allocation of funds not to exceed Two Million Dollars (\$2,000,000) for the following activities and/or programs:

- a) Subsidize new construction of affordable housing,
- b) Subsidize development costs associated with rehabilitation of existing buildings resulting in the production of affordable housing.
- c) Acquire land and/or buildings leading to the production of affordable housing.

Section 2. All of the allocated funds will be utilized to fund activities and/or programs located within the corporate boundaries of the City of Pasadena.

Section 3. If the application for funding is approved, the City hereby agrees to use the LHTF Program funds for eligible activities in the manner presented in its application as approved by the Department in accordance with the statute and guidelines cited above. The City further agrees to execute all other instruments necessary or required by the Department for participation in the LHTF Program.

Section 4. The City hereby authorizes the City Manager to execute, in the name of the City, the application, a standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required by the Department for participation in the LHTF Program.

ADOPTED at the regular meeting of the City Council of the City of Pasadena
on the _____ day of _____, 2009, by the following vote:

AYES:

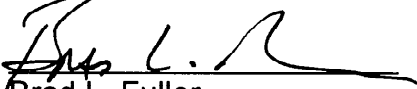
NOES:

ABSENT:

ABSTAIN:

Mark Jomsky, City Clerk

APPROVED AS TO FORM:



Brad L. Fuller
Assistant City Attorney