

**DATE:** FEBRUARY 1, 1999

**TO:** PASADENA COMMUNITY DEVELOPMENT COMMISSION

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

**SUBJECT:** RESOLUTION APPROVING APPLICATION TO THE CALIFORNIA HOUSING FINANCE AGENCY FOR \$2,000,000 IN RENTAL HOUSING REHABILITATION FUNDS UNDER THE HELP PROGRAM

**RECOMMENDATION:**

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

- 1) Approving the submittal of an application to the California Housing Finance Agency ("CHFA") for \$2,000,000 in rental housing rehabilitation funds under CHFA's Housing Enabled by Local Partnerships ("HELP") Program; and
- 2) Authorizing the Chief Executive Officer to execute, and the Secretary to attest, any and all documents necessary to facilitate the submittal and implementation of the Commission's funding application to CHFA.

**BACKGROUND**

On January 19, 1999, staff received a notice from the California Housing Finance Agency ("CHFA") announcing the availability of \$10 million in funds under CHFA's newly created Housing Enabled by Local Partnerships ("HELP") Program. The HELP Program was created as a source of funds for local government agencies to address unmet local affordable housing priorities. CHFA has budgeted \$20 million per year for the Program, beginning in fiscal year 1998-1999 of CHFA's Five-Year Business Plan. There will be two funding cycles in each fiscal year, with \$10 million available per funding cycle. The funding provided through the Program would be in the form of loans, with a 10-year term at 3% simple interest per annum.

CHFA will evaluate funding applications based upon documented unmet housing need and the prospect of loan repayment, among other criteria. The proposed funding request, to supplement the Commission's existing Rental Rehabilitation Program, constitutes the most competitive application based on existing housing need and established Program guidelines. Rehabilitation of affordable rental housing is specified in the City's Housing Element and Consolidated Plan as an unmet housing need. Under the proposed application, a funding commitment of \$2 million is being sought from CHFA. If awarded, the CHFA funds would be used to rehabilitate approximately 60 affordable low income rental housing units. The CHFA loans would be made to property owners for eligible rental housing projects requiring rehabilitation. The loans would be secured against the project through a trust deed and repaid from the project cash flow.

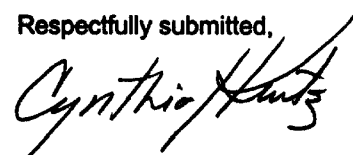
The application deadline for this current funding cycle is February 5, 1999. According to CHFA, the announcement for the next funding cycle is expected to be made in March 1999.

**FISCAL IMPACT**

Approval of the subject recommendation will have no direct cost impact on the Commission's budget. If the proposed application is approved by CHFA, up to \$2,000,000 in funding assistance will be reserved for eligible projects in Pasadena and disbursed on a project-by-project basis.

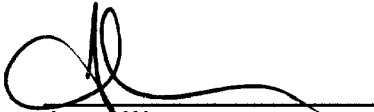
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Respectfully submitted,



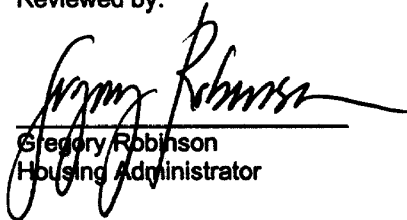
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