

Agenda Report

MAY 10, 2010

TO: CITY COUNCIL

THROUGH: ECONOMIC DEVELOPMENT AND TECHNOLOGY COMMITTEE (May 5, 2010)

FROM: HOUSING DEPARTMENT

SUBJECT: APPROVAL TO SUBMIT STATE APPLICATIONS FOR BEGIN PROGRAM FUNDS IN AN AMOUNT NOT TO EXCEED \$689,400 TO ASSIST HOMEBUYERS IN HOUSING PROJECTS LOCATED AT 1142 N. ALLEN AVENUE AND 1350 N. EL MOLINO AVENUE DEVELOPED BY TRADEMARK DEVELOPMENT COMPANY

RECOMMENDATION:

It is recommended that the City Council adopt a resolution approving the submission of housing project funding applications to the California Department of Housing and Community Development for an allocation of BEGIN Program grants in the total amount not to exceed \$689,400 to assist low- and moderate-income homebuyers in designated ownership housing projects developed by Trademark Development Company.

ADVISORY BODY RECOMMENDATION:

The staff recommendation was considered by the Community Development Committee ("CDC") at a special meeting on April 28, 2010. Two members of the CDC recused themselves due to the proximity of their houses to the projects. The remaining four members of the CDC unanimously recommended approval.

BACKGROUND:

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 on April 19, 2010. HCD will take applications on an over-the-counter basis until funds are exhausted. The BEGIN Program provides grants to local jurisdictions to fund down payment assistance

loans to low- and moderate-income homebuyers purchasing affordable units. The BEGIN program is designed to foster partnership between localities and affordable housing developers to reduce the cost and increase the supply of new homeownership opportunities for low- and moderate-income households.

BEGIN FUNDING ASSISTANCE AND ELIGIBLE PROJECTS:

The BEGIN Program provides up to 20% of the sales price 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 units designated for sale to BEGIN-eligible households. A key component of the State's application scoring is the extent to which a project has or will receive some form of regulatory relief from the local jurisdiction. The following two housing developments are among those that have been identified by staff as potential candidates for BEGIN funding:

1. Allen-Bridgen Classics, 1142 N. Allen Ave. -- 4 affordable units
2. 1350 N. El Molino Ave. -- 4 affordable units

These projects are developed by Trademark Development Company, a local developer which specializes in affordable ownership housing. The Lincoln Classics affordable housing project at 459-461 N. Lincoln Avenue was developed by Trademark.

The Housing Department will evaluate these projects against the BEGIN NOFA criteria and, if appropriate, will include them in the City's application to the State. If awarded, the BEGIN funds would be utilized by the Housing Department to make low-interest subordinate trust deed loans to assist qualified buyers in the designated ownership housing developments.

COUNCIL POLICY CONSIDERATION:

Approval of the subject recommendation advances the following City Council goals and City policies:

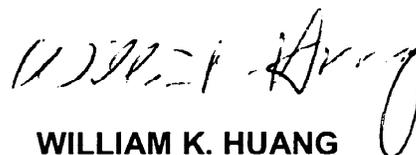
- Maintain fiscal responsibility and stability -- City Council three-year goal (2009-2012)
- Support and promote the quality of life and the local economy -- City Council three-year goal (2009-2012)
- Expand homeownership opportunities by assisting lower-income renters to become homeowners -- Housing Element, Policy 3.5

- Expand homeownership opportunities by assisting lower-income renters to become homeowners -- Housing Element, Policy 3.5

FISCAL IMPACT:

Approval of the subject recommendation may result in the State awarding to the City up to \$689,400 in grant funds before the end of current FY 2010. This new revenue source would be used by the Housing Department to fund subordinate trust deed loans to assist qualified low- and moderate-income persons or families purchase affordable dwelling units in the specified housing projects.

Respectfully submitted,



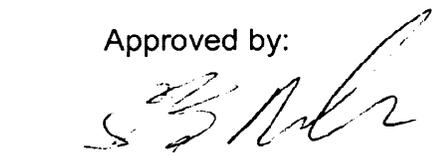
WILLIAM K. HUANG
Housing Director
Housing Department

Prepared by:



James Wong, Senior Project Manager

Approved by:



MICHAEL J. BECK
City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF PASADENA AUTHORIZING THE SUBMITTAL OF APPLICATIONS TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE BEGIN PROGRAM TO ASSIST PROJECTS DEVELOPED BY TRADEMARK DEVELOPMENT LLC; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE BEGIN PROGRAM

WHEREAS, City of Pasadena, a municipal corporation, wishes to apply for and receive an allocation of funds through the BEGIN Program; and

WHEREAS, The California Department of Housing and Community Development (hereinafter referred to as "HCD") issued a Notice of Funding Availability ("NOFA") for the BEGIN program established by Chapter 14.5 Sections 50860 through 50866 of Division 31 of the California Health and Safety Code (the "statute"). Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the BEGIN program, subject to the terms and conditions of the statute and the BEGIN Program Guidelines adopted and amended by HCD on April 21, 2009; and

WHEREAS, the City of Pasadena wishes to submit applications to obtain from HCD allocation of BEGIN funds in the amount of not to exceed \$689,400.

IT IS NOW THEREFORE RESOLVED THAT:

(1) The City of Pasadena shall submit to HCD applications to participate in the BEGIN Program in response to the NOFA issued on April 19, 2010 which will request funding to provide down payment assistance for the following projects to be developed by Trademark Development LLC: 1142 N. Allen Avenue (four assisted units) in an

amount not to exceed \$358,800; and 1350 N. El Molino Avenue (four assisted units) in an amount not to exceed \$330,600.

(2) If the applications for funding are approved, the City of Pasadena hereby agrees to use the BEGIN funds for eligible activities in the manner presented in the applications as approved by HCD and in accordance with program Guidelines cited above.

(3) The City of Pasadena authorizes the City Manager, or his designee Assistant City Manager, to execute in the name of the City of Pasadena, the application, the Standard Agreement, and any and all other documents necessary or required by HCD for participation in the BEGIN Program, and any amendments thereto.

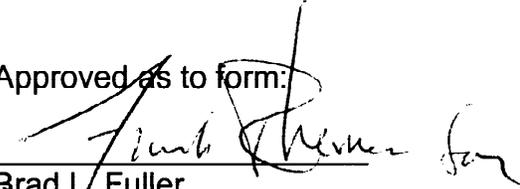
ADOPTED at the regular meeting of the City of Pasadena on the _____ day of _____ 2010, by the following vote:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

Attest:

Mark Jomsky
City Clerk

Approved as to form:



Brad L. Fuller
Assistant City Attorney

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Act
Pasadena City Charter, Article XVII**

I. Does the value of this application/project *have the potential* to exceed \$25,000? Yes No (Applicant *must* mark one)

II. Is the application being made on behalf of a government entity? Yes No

III. Is the application being made on behalf of a non-profit 501(c) organization? Yes No
 If yes, please indicate the type of 501(c) organization: 501(c)(3) 501(c)(4) 501(c)(6)

Applicant's name: TRADEMARK DEVELOPMENT CO., LLC
ALLEN-BRIDEN, LLC Date of Application: 05-05-10

Owner's name: ALLEN-BRIDEN, LLC Contact phone number: (626) 398-4221
(for questions regarding this form)

Project Address: 1142 N. ALLEN AVENUE

Project Description: NEW 6-UNIT LIVE-WORK PROJECT.

IV. Applicant and Property Owner must disclose all joint owners, trustees, directors, partners, officers and those with more than a 10% equity, participation or revenue interest in owner and/or project. If any of these are an organization/entity, include the name of the organization/entity and the first and last names of all parties of interest of that organization/entity. *(List all parties below and use additional sheets as necessary, or provide all parties on an attachment) Please print legibly.*
 Have any additional sheets or an attachment been provided? Yes No

Names of Owner(s), Trustees, Directors, Partners, Officers of Owner/Project	Names of Owner(s), Trustees, Directors, Partners, Officers of Owner/Project (continued)	Those with more than a 10% equity, participation or revenue interest in Owner and/or project
JOEL RYAN DAN AKINS		

I hereby certify that I am the owner or designated agent and that the statements and answers contained herein, and the information attached, are in all respects true, accurate and complete to the best of my knowledge and belief.

Signature of Owner or Designated Agent: Joel C. Bryant Date: 05-05-10

For Office Use Only:

Type of Application: Variance (all types) Adjustment Permit Sign Exception Temporary Use Permit Expressive Use Permit
 Conditional Use Permit (excluding Master Plan) Master Plan Amendment Planned Development Other

Assigned Planner: _____ PLN#: _____

Attached Address: _____ No Attached Address

Appealed: Yes No Appeal PLN# _____ Application Withdrawn

Final Decision: Approved Denied Decision Date: _____ Decision Maker: _____
 (Name and Title, or Name of Commission/Committee)

Votes in favor (please print):

**Disclosure Pursuant to the
City of Pasadena Taxpayer Protection Act
Pasadena City Charter, Article XVII**

I. Does the value of this application/project have the potential to exceed \$25,000? Yes No (Applicant *must* mark one)

II. Is the application being made on behalf of a government entity? Yes No

III. Is the application being made on behalf of a non-profit 501(c) organization? Yes No
 If yes, please indicate the type of 501(c) organization: 501(c)(3) 501(c)(4) 501(c)(6)

Applicant's name: TRADEMARK DEVELOPMENT CO., LLC
WASHINGTON PARK CLASSIC Date of Application: 05-05-10

Owner's name: WASHINGTON PARK CLASSIC Contact phone number: (626) 398-4221
LLC (for questions regarding this form)

Project Address: 1350 N. EL MOLINO AVENUE

Project Description: NEW 8-UNIT TOWNHOME DEVELOPMENT

IV. Applicant and Property Owner must disclose all joint owners, trustees, directors, partners, officers and those with more than a 10% equity, participation or revenue interest in owner and/or project. If any of these are an organization/entity, include the name of the organization/entity and the first and last names of all parties of interest of that organization/entity. (List all parties below and use additional sheets as necessary, or provide all parties on an attachment) Please print legibly.
 Have any additional sheets or an attachment been provided? Yes No

Names of Owner(s), Trustees, Directors, Partners, Officers of Owner/Project	Names of Owner(s), Trustees, Directors, Partners, Officers of Owner/Project (continued)	Those with more than a 10% equity, participation or revenue interest in Owner and/or project
<u>JOHN BRYANT</u>		
<u>DAN ARINS</u>		

I hereby certify that I am the owner or designated agent and that the statements and answers contained herein, and the information attached, are in all respects true, accurate and complete to the best of my knowledge and belief.

Signature of Owner or Designated Agent: *John L. Bryant* Date: 05-05-10

For Office Use Only:

Type of Application: Variance (all types) Adjustment Permit Sign Exception Temporary Use Permit Expressive Use Permit
 Conditional Use Permit (excluding Master Plan) Master Plan Amendment Planned Development Other

Assigned Planner: _____ PLN#: _____

Attached Address: _____ No Attached Address

Appealed: Yes No Appeal PLN# _____ Application Withdrawn

Final Decision: Approved Denied Decision Date: _____ Decision Maker: _____
 (Name and Title, or Name of Commission/Committee)

Votes in favor (please print):

