ITEM NO. 15

STAFF REPORT

CITY OF OCEANSIDE

DATE: May 28, 2014

TO: Chairman and Members of the Community Development Commission

FROM: Neighborhood Services Department

SUBJECT: **ADOPTION OF A RESOLUTION AUTHORIZING AN APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING IN THE AMOUNT OF $1,000,000 UNDER THE CALHOME PROGRAM**

SYNOPSIS

Staff recommends that the Community Development Commission adopt a resolution authorizing an application to the State of California Department of Housing and Community Development for grant funding in the amount of $1,000,000 under the CalHome Program, and authorizing the Director of Neighborhood Services to execute all documents necessary to participate in the CalHome Program.

BACKGROUND

The Department of Housing and Community Development (HCD) has announced a Notice of Funding Availability (NOFA) under the CalHome Program to provide funding to local public agencies for first-time homebuyer mortgage assistance. The program is designed to support existing homeownership programs aimed at low- and very low-income households. Applications for funding are due no later than July 10, 2014, and applications will be accepted and reviewed in the order received. Applications must be accompanied by a resolution of the governing board authorizing the submittal of an application.

ANALYSIS

The City of Oceanside has administered a successful CalHome first-time homebuyer program since 2002. This new application will continue the funding of first-time homebuyer opportunities for Oceanside residents and contribute towards meeting our affordable housing goals. The maximum amount that the City may apply for under this new NOFA is $1,000,000.

Applications will be rated, ranked, and funded based on an application's score relative to all other applications. The criteria include capability to operate the program by demonstrating prior experience with administration of the program activity, community need in the geographic area of the proposed program, and feasibility of the proposed program activity as demonstrated by the extent to which the program is meeting a need in the community.

FISCAL IMPACT

If the application is funded, the City will receive $1,000,000 from the CalHome Program to implement further first-time homebuyer opportunities. Program delivery costs will be reimbursed under the CalHome Program. All assistance to homeowners must be in the form of a loan repayable to the CDC and must be maintained in a reuse account, which will be governed by a reuse plan approved by HCD. No General Funds will be used. All CalHome funds will be deposited and managed in the following account: 931473900289.4376.0001.

COMMISSION OR COMMITTEE REPORT

Due to the time constraints in submitting a successful application this grant opportunity has not been presented to the Housing Commission. However, the Housing Commission has, in prior years, consistently recommended that the CDC adopt a resolution approving the submittal of an application to HCD for funding under the CalHome Program and authorizing the Director of Neighborhood Services to execute a standard agreement, amendments, and all related documents to participate in the CalHome Program.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the Community Development Commission adopt a resolution authorizing an application to the State of California Department of Housing and Community Development for grant funding in the amount of $1,000,000 under the CalHome Program, and authorizing the Director of Neighborhood Services to execute all documents necessary to participate in the CalHome Program.

PREPARED BY:

Cecilia Barandiaran
Management Analyst

SUBMITTED BY:

Steven R. Jepsen
Executive Director

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Margery M. Pierce, Director of Neighborhood Services

James R. Riley, Director of Financial Services

Attachment: Resolution

RESOLUTION NO._____

A RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF OCEANSIDE AUTHORIZING APPLICATION TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE CALHOME PROGRAM AND AUTHORIZING THE DIRECTOR OF NEIGHBORHOOD SERVICES TO EXECUTE A STANDARD AGREEMENT, AMENDMENTS, AND ALL RELATED DOCUMENTS TO PARTICIPATE IN THE CALHOME PROGRAM

WHEREAS, The California Department of Housing and Community Development (HCD) has issued a Notice of Funding Availability (NOFA) for the CalHome program established by Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 (commencing with Section 50650) of Part 2 of Division 31 of the 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 CalHome Program, subject to the terms and conditions of the statute and the CalHome Program Regulations adopted by HCD in April, 2004; and

WHEREAS, the Community Development Commission of the City of Oceanside (CDC) is a local public agency and is an eligible applicant for funding under the CalHome Program; and

WHEREAS, the CDC wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of $1,000,000.

NOW, THEREFORE, the CDC does resolve as follows:

1. The CDC shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on April 29, 2014, which application will request a funding allocation for a citywide first-time homebuyer program in the amount of $1,000,000.
2. If the application for funding is approved, the CDC 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 program guidelines cited above.

3. The CDC authorizes the Director of Neighborhood Services to execute the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program and any amendments thereto.

PASSED AND ADOPTED by the Community Development Commission of the City of Oceanside, this _____ day of May, 2014, by the following vote:

AYES:

NAYES:

ABSENT:

ABSTAIN:

_____
CHAIRMAN

ATTEST:

_____
CITY CLERK

APPROVED AS TO FORM:

Barbara Hamilton, ASST.
GENERAL COUNSEL