



Agenda Report

MEETING DATE: Tuesday, November 9, 2021

TO: City Council

FROM: COMMUNITY DEVELOPMENT DIRECTOR MERRIAM
CARLOS LANDAVERRY, HOUSING MANAGER

SUBJECT: APPLICATION TO THE STATE OF CALIFORNIA HOUSING AND
COMMUNITY DEVELOPMENT (HCD) FOR A 2021 CALHOME
GRANT FOR \$1,300,000 FOR THE CITY'S FIRST TIME HOMEBUYER
MORTGAGE ASSISTANCE, AND OWNER-OCCUPIED
REHABILITATION ASSISTANCE (INCLUDING CONSTRUCTION,
REPAIR OR

STATEMENT OF ISSUES:

Adoption of a Resolution authorizing the submittal of an application to the State of California Housing and Community Development (HCD) for a 2021 CalHome Grant for \$1,300,000 for the City's First Time Homebuyer Mortgage Assistance, and Owner-Occupied Rehabilitation Assistance (including construction, repair or rehabilitation of accessory dwelling units (ADUS) and junior (ADUS).

RECOMMENDED ACTION:

It is recommended that the City Council adopt a resolution authorizing submittal of an application to the California Department of Housing and Community Development (HCD) for a 2021 CalHome Grant for the First-Time Homebuyer Mortgage Assistance Program; and Owner-Occupied Rehabilitation Assistance Program (including construction, repair, or Rehabilitation of ADUs or JADUs) and, if awarded, authorizing the City Manager and/or his designee to execute a standard agreement and any amendments thereto, and any related documents necessary to participate in and administer the CalHome Program.

DISCUSSION:

On September 21, 2021, the State of California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) for the CalHome Program. The primary objective of the CalHome Program is to enable low and very-low income households to become or remain homeowners through grants to local public agencies and nonprofit corporations for direct first-time homebuyer mortgage assistance and owner-occupied housing rehabilitation assistance ((including construction, repair, or rehabilitation of ADUs or JADUs). Applications are due by November 22, 2021, and HCD plans to announce the awards by February 2022.

The City is eligible to apply for up to \$5,000,000 in funding from the State Department of Housing and Community Development (HCD) CalHome Program. If awarded, the funds will be used to supplement the City's existing First Time Homebuyer Program and Owner-Occupied Housing Rehabilitation Program. The CalHome Program provides loans, up to \$100,000 to low income first time homebuyers to financially assist them to purchase their first home, and to low income homeowners who are faced with the need for emergency repairs or substantial rehabilitation on their homes. Staff proposes applying for a grant of \$1,300,000 (\$800,000 for the First Time Homebuyer Program and \$500,000 for the Owner-Occupied Housing Rehabilitation Program).

STRATEGIC PLAN:

Application for this grant is consistent with the goals in the City's Housing Element related to increasing homeownership opportunities for low-income residents. It is also consistent with the following elements of the City's Strategic Plan.

- 1-Housing
- 2-Fiscal Health
- 3-Infrastructure & Environment
- 5-Community Engagement & Well-Being
- 7-Efficient and High Performing Government

FINANCIAL IMPACT:

No matching funds are required for this grant, and implementation of this program will not impact the General Fund. If the grant is awarded, the City will receive up to \$1,300,000 for the First Time Homebuyer Program and the Housing Rehabilitation Program, of which about \$2,000 for each loan funded can be used for activity delivery fees to pay staff time related to the processing of the loans funded through the Program.

ALTERNATIVE ACTION:

The City Council may choose not to apply for this grant at this time.

ATTACHMENTS AND/OR REFERENCES (If any):

None.