

**SANTA BARBARA COUNTY
BOARD AGENDA LETTER**



Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:
Prepared on: 9/10/03
Department Name: Housing and Comm. Dev.
Department No.: 055
Agenda Date: 9/23/03
Placement: Administrative
Estimate Time:
Continued Item: NO
If Yes, date from:

TO: Board of Supervisors

FROM: Ed Moses, Director
Housing and Community Development

STAFF CONTACT: Tim Wong
x3523

SUBJECT: Application for CalHome funds for the County Housing Assistance Program

Recommendation(s):

That the Board of Supervisors:

1. Adopt the attached resolution (Attachment A) approving a \$500,000 CalHome grant application (Attachment B) to the State Department of Housing and Community Development and authorizing the Director of the Department of Housing and Community Development to submit the \$500,000 grant application to the California State Department of Housing and Community Development for funding of the County's Housing Assistance Program.
2. Authorize the Director to sign all documents required for submittal of the CalHome application, execution of the grant agreement, drawdown of funds, submittal of minor amendment requests and grant administration.

Alignment with Board Strategic Plan:

The recommendation(s) are primarily aligned with Goals No. 7, Strengthen the Safety and Well-Being of Children and Their Families to Ensure a Strong Future for our Community, and Goal No. 5, Maintain and Enhance the Quality of Life for all Residents.

Executive Summary and Discussion:

The Homebuyer Assistance Program is a County administered loan program to assist low income homebuyers purchase their first home by filling the financial gap between what a borrower can afford in a first mortgage and downpayment, and the price of the home. The Homebuyer Assistance Program Guidelines were originally approved by the Board of Supervisors on April 25, 1995 to cover Homebuyer Assistance

Programs in all County Housing Market Areas. By July 1997, however, the program targeted only the Santa Maria Housing Market Area. The financial gap between what a low income family could afford (first mortgage and downpayment) and the cost of housing on the South Coast had escalated to well over \$250,000, no longer making the program cost effective in those areas.

The Housing Finance Division of the Department of Housing and Community Development, in conjunction with the City of Santa Maria and recently with the City of Lompoc, have maintained an extremely successful, on-going Homebuyer Assistance Program in the Santa Maria Housing Market Area. All available loan funds have been utilized since July 1997 so that 53 families could purchase their first home. (66 families have purchased homes countywide.)

Housing Finance is constantly looking for funding sources to provide affordable housing opportunities. Recently, with the passage of Proposition 46, a \$2.1 billion housing bond, \$25 million has been allocated to the CalHOME program for first time homebuyers mortgage assistance programs, owner-occupied rehabilitation and Homeownership Development projects. The CalHOME program is administered by the State Housing and Community Development and the funds will be allocated on a competitive application basis. The resolution before you authorizes Housing Finance to apply for the maximum \$500,000 amount available. Staff believes that the County's application will be extremely competitive. Applications are due on September 17, 2003 and successful applicants should hear from State HCD by November 2003.

Presently, there is no provision for administrative costs for these funds. If awarded, all funds must go towards loan assistance. The source of funds for this NOFA comes from the sale of general obligation bonds and historically no funds for the local administration of bond funded programs have been allowed. However, the HAP administrative costs are already covered by other existing funding sources. State HCD has requested an opinion from the State Attorney General regarding this matter. It is expected that the Attorney General will issue an opinion on this issue prior to the application deadline. If the Attorney General issues a favorable opinion, this may provide additional administrative funding for the program.

Mandates and Service Levels:

The Housing Finance Program is not mandated; however, acceptance of funds to carry out affordable housing activities requires the County to comply with the conditions attached to those funds.

Fiscal and Facilities Impacts:

This proposed action allocates for specific use, funding already contained in the budget. Currently there is no provision for administrative costs as part of the CalHome program. However, the Housing Assistance Program (FY 03-04 County Budget Page D 248-249) is an existing program and costs would be covered by other funding sources already in place.

Special Instructions:

Enclosed are two copies of the original resolution. Please return one original signed resolution to Lisa Snider.

Concurrence:

None

RESOLUTION OF THE BOARD OF SUPERVISORS
COUNTY OF SANTA BARBARA, STATE OF CALIFORNIA

A RESOLUTION APPROVING AN APPLICATION AND)
CONTRACT EXECUTION FOR FUNDING FROM THE)
CALIFORNIA STATE DEPARTMENT OF HOUSING AND) Resolution # _____
COMMUNITY DEVELOPMENT FOR FUNDING UNDER)
THE CALHOME PROGRAM AND AUTHORIZING THE)
EXECUTION OF A GRANT AGREEMENT WITH THE)
STATE OF CALIFORNIA FOR THE PURPOSES OF THIS)
GRANT)

WHEREAS:

- A. The County of Santa Barbara, a political subdivision of the State of California, wishes to apply for and receive an allocation of funds through the CalHOME program; and
- B. The California Department of Housing and Community Development (“State 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 59650) of Part 2 of Division 31 of the Health and Safety Code (the “Statute”). Pursuant to the statute, State 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 on July 15, 2003; and
- C. The County of Santa Barbara wishes to submit an application to obtain from State HCD an allocation of CalHome funds in the amount of \$500,000.

IT IS NOW THEREFORE RESOLVED THAT:

- 1. The Board of Supervisors has reviewed and hereby approves an application for submittal to State HCD to participate in the CalHome Program in response to the NOFA issued on July 16, 2003 which will request a funding allocation for the County’s Housing Assistance Program for first time homebuyers in the amount of \$500,000.
- 2. The County has reviewed the citizen participation plan for compliance with federal statutes and has determined that this plan was followed for the development of this application.
- 4. If the application for funding is approved, the County of Santa Barbara hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by State HCD and in accordance with program regulations cited above. It also may execute any and all other instruments necessary or required by State HCD for participation in the CalHome program.
- 5. The Board of Supervisors authorized the Director of Housing and Community Development to execute in the name of the County of Santa Barbara the application, the Standard Agreement, and all other documents required by State HCD for participation in the CalHome Program, and any amendments thereto.

PASSED, APPROVED, AND ADOPTED, by the Board of Supervisors of the County of Santa Barbara, State of California, the _____ day of _____, 2003, by the following vote.

AYES:

NOES:

ABSENT:

Chairman of the Board of Supervisors
County of Santa Barbara

ATTEST:

Michael Brown
Clerk of the Board of Supervisors

By: _____
Deputy Clerk

APPROVED AS TO FORM:
STEPHEN SHANE STARK
County Counsel

By: _____
Deputy County Counsel

APPROVED AS TO FORM
ROBERT W. GEIS
Auditor - Controller

By: _____
Deputy