

**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: 9/23/05
Department Name: Housing and Comm. Dev.
Department No.: 055
Agenda Date: 10/11/05
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. Almost all available loan funds have been utilized since July 1997 so that 57 families could purchase their first home. (71 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 competitive.

There is no administrative fee provision for these funds but there are activity delivery expenses that can be reimbursed for County time when a homebuyer loan is closed. All other funds must go towards loan assistance. However, the HAP administrative costs are already covered by other existing funding sources.

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 04-05 County Budget Page D 247-261) 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 AUTHORIZING THE SUBMITTED OF AN)
APPLICATION TO THE CALIFORNIA STATE DEPARTMENT)
OF HOUSING AND COMMUNITY DEVELOPMENT) Resolution # _____
FOR FUNDING UNDER THE CALHOME PROGRAM; THE)
EXECUTION OF A STANDARD AGREEMENT IF SELECTED)
FOR SUCH FUDING AND ANY AMENDMENTS THERETO;)
AND ANY RELATED DOCUMENTS NECESSARY TO)
PARTICIPATE IN THE CALHOME PROGRAM.)

WHEREAS:

- A. Santa Barbara County, 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 (hereinafter referred to as "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, 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 August 15, 2003; and
- C. Santa Barbara County wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of \$500,000.

IT IS NOW THEREFORE RESOLVED THAT:

- 1. Santa Barbara County shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on August 10, 2005 which will request a funding allocation for the County's Homebuyer Assistance Program (HAP) is a loan program for low income first time hombebuyers in Northern Santa Barbara County
- 2. 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 HCD and in accordance with program regulations cited above. It also may execute any and all other instruments necessary or required by HCD for participation in the CalHome Program.

The County of Santa Barbara authorizes 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 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 _____, 2005, 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: _____
Senior Financial Analyst

CalHome Program

Application for General Funding NOFA

Mortgage Assistance * Owner-Occupied Rehabilitation * Development Loans

California Department of Housing and Community Development
 Financial Assistance Division
 P.O. Box 952054, Sacramento, CA 94252-2054
 916-327-3646

This application, if approved for funding, will be a part of your Standard Agreement with the Department of Housing and Community Development (HCD). In order to be considered for funding, all sections of this application, including attachments and exhibits, must be complete and accurate. **Application forms must not be modified.** No facsimiles, incomplete applications, or application revisions will be accepted prior to, or after the application deadline. Applications must meet all eligibility requirements upon submission. Applications containing material internal inconsistencies will not be rated and ranked. Use **Exhibit A**, Attachment Checklist, as an aid in completing the application. HCD must receive in its office a complete original application in a three ring binder **no later than 5:00 P.M. Wednesday, October 12, 2005.**

SECTION I. APPLICATION SUMMARY:

- A. Name of Applicant: Santa Barbara County
- B. Applicant Address: 105 E. Anapamu St., Rm. 3
 City: Santa Barbara Zip Code: 93101
- C. Chief Executive Name and Title: Ed Moses, Director, Housing and Community Development
- D. Contact Person Name and Title: Tim Wong, Housing Program Specialist
- E. Telephone Number: (805) 568-3523 FAX: (805) 560-1091 E-Mail: twong@co.santa-barbara.ca.us
- F. Proposed Activity:

You may apply for up to two program activities, the aggregate amount of both activities may not exceed the maximum application amount, and the amount for any one activity may not be less than the minimum activity amount, as specified in the NOFA. If you choose to do a Homeownership Development Project you cannot combine this project with a program.

Activity Submit Appropriate Attachment Number	No. of CalHome Assisted Units Proposed	County of Activity	Census Tracts if Proposing 100% Rural Activity*
1. FTHB Mortgage Assistance Program	6	Santa Barbara County	
2. Owner-Occupied Rehabilitation Program			
3. Homeownership Development Project			
Total	6		

* If your activity will be located entirely within a rural census tract or non-metro county as defined in the CalHome Program Regulations and you want to receive consideration for the rural set-aside, you must provide the census tract or list the non-metro county information in the table above.

G. Proposed Grant Amount:

*\$ 500,000

* If the grant request is over \$500,000 (up to \$750,000), the city, county or nonprofit will need to provide the following: The name of the city or unincorporated areas of counties with a population of over 400,000. If a County operates their programs in the small cities within the county as well as the unincorporated areas, we will allow the aggregate population of the unincorporated areas plus these small cities to be combined for determining the maximum award amount only where we have letters/resolutions from the included small cities verifying the County’s authority to operate with the cities. A list of cities and unincorporated areas of counties in California with population over 400,000 is included in this application labeled **Exhibit D**. Please provide the required documentation as **Attachment 4**.

H. Brief Description of Each Activity Applied for:

The County is requesting funds for their First Time Homebuyer’s program in Northern Santa Barbara County. The program has been operating since 1995 with 70 low income families served by the homeownership program. The program provides a silent second mortgage of up to \$150,000. Recapture of funds is through shared appreciation and deferred loans.

SECTION II. LEGISLATIVE REPRESENTATIVES:

A form is included in this application labeled **Exhibit B**. Please complete the information on this form and attach as **Attachment 6**.

SECTION III. GOVERNING BOARD RESOLUTION:

Attach the resolution, duly executed by the governing board of the local public agency or nonprofit corporation, granting authority to make application to HCD for a funding commitment from the CalHome Program. Label as “**Attachment 7** Governing Board Resolution”. Please review the sample resolution which is included in this application package as **Exhibit C**. Be sure that the resolution authorizes a signatory for submittal of this application and the resolution is an action of the governing body of the applicant. If someone signs the application other than the person authorized in the resolution, submit evidence that shows that the person signing has the authorization to sign. Such evidence could be in the form of an ordinance or code, or an opinion from the applicant’s legal counsel. Include such authorization with **Attachment 7**.

SECTION IV. APPLICANT INFORMATION:

A. The applicant is a (check one): City County City and County Nonprofit Corporation

1. If a Nonprofit Corporation, Submit copies of:

IRS approval of 501(c) (3) status: as **Attachment 8a**

Secretary of State Letter of Good Standing: as **Attachment 8b**

Articles of Incorporation: as **Attachment 8c**

Bylaws: as **Attachment 8d**

List of names of Board of Directors as **Attachment 8e**

Financial Statements (one of last 2 fiscal years must be audited):as **Attachment 8f**

SECTION V. ACTIVITY ATTACHMENT:

Applicants must complete at least one attachment:

Attachment 1, First-Time Homebuyer Mortgage Assistance, or
Attachment 2, Owner-Occupied Rehabilitation Program, or
Attachment 3, Homeownership Development Project Loan

These attachments are part of this application. At least one must be completed and must be included or the application will not be complete and will be ineligible for funding consideration.

SECTION VI. APPLICANT CERTIFICATION AND COMMITMENT OF RESPONSIBILITY:

As the official designated by the governing body, I hereby certify that if approved by HCD for a CalHome Program funding allocation, the Director of Santa Barbara County Housing and Community Development assumes the responsibilities specified in the CalHome Program Regulations and certifies that:

- A. It possesses the legal authority to apply for the allocation and to execute their proposed program or project;
- B. Before committing funds to a homebuyer/homeowner, it will evaluate the funding eligibility in accordance with CalHome Program Regulations and will not invest any more CalHome funds in combination with other governmental assistance than is necessary to provide affordable housing;
- C. The Applicant **does not** have any unresolved audit findings for prior HCD or federally-funded housing or community development projects or programs.
- D. There are **no** pending lawsuits that would impact the implementation of this program or project.
- E. It will comply with all statutes and regulations governing the CalHome Program.
- F. The information, statements, and attachments contained in this application are, to the best of my knowledge and belief, true and correct.
- G. It has the ability to perform the duties for the activity(s) applied for in accordance with Section 7718 of the CalHome Program Regulations.

I authorize the Department of Housing and Community Development to contact any agency, whether or not named in this application, which may assist in determining the capability of the Applicant. All information contained in this application is acknowledged to be public information. (This certification must be signed by the person authorized in the Resolution)

*Signature: _____ Title: _____

Type Name: _____ Date: _____

*Must be signed by authorized signatory per the resolution.

EXHIBIT A

Attachment Checklist

Please tab each attachment required by the application and place the attachments behind the completed application in a three ring binder according to the corresponding number listed below.

Check if Included	Att. No.	Attachment Title
	1	Program: First-time Homebuyer Mortgage Assistance Program
	2	Program: Owner-Occupied Rehabilitation Program
	3	Program: Homeownership Development Project Loan
	4	Documentation regarding population over 400,000 for requesting funds over \$500,000 (up to \$750,000)
	5	Reserved
	6	Legislative List
	7	Copy of Resolution authorizing this application. As a time-saver, the Resolution may also authorize execution of the contract and other documents needed to process a loan
		Nonprofit corporations must provide the following information:
	8a	IRS approval of 501(c)(3) status
	8b	Copy of current certification of 501(c)(3) status with Secretary of State that is less than one year old
	8c	Copy of Articles of Incorporation
	8d	Copy of Bylaws
	8e	List of officers and Board of governing body of Applicant
	8f	Financial Statements (one of the last 2 years must be audited)

Exhibit B

LEGISLATIVE REPRESENTATIVES

Indicate all Legislators who represent any portion of the proposed service area. If you have vacancies in your legislative seats, please list your district number and district address.

A. Members of the State Assembly:

District number: 35

Name: Pedro Nava

District

Address: State Capitol Building, P.O. Box 942849

City: Sacramento, CA

Zip Code: 94249

District number: 33

Name: Sam Blakeslee

District

Address: State Capitol, Room 5126

City: Sacramento, CA

Zip Code: 95814

B. Members of the State Senate:

District number: 15

Name: Bruce McPherson

District

Address: State Capitol Building, Room 4081

City: Sacramento, CA

Zip Code: 95814

District number: 19

Name: Tom McClintock

District

Address: State Capitol, Room 3070

City: Sacramento, CA

Zip Code: 95814

C. Members of the U.S. House of Representatives:

District number: 23

Name: Lois Capps

District

Address: 1216 State St., Suite 403

City: Santa Barbara, CA

Zip Code: 93101

District number: 24

Name: Elton Gallegly

District

Address: 485 Alisal Road, Suite G-1A

City: Solvang, CA

Zip Code: 93463

CalHome Program Application

Attachment 1

First-Time Homebuyer Mortgage Assistance Program

This Application form is for homebuyer mortgage assistance to first-time homebuyers of new or existing homes, or for purchase of existing homes to be rehabilitated by the homebuyer. An applicant may only apply for funds under this attachment when it will be providing the services required in Section 7729 of the program regulations.

SECTION I. APPLICANT INFORMATION

Name: Santa Barbara County

SECTION II. FIRST-TIME HOMEBUYER PROGRAM EXPERIENCE

- A. Provide the following information for each year of first-time homebuyer program operation for 12 consecutive months, by calendar year. Applicant organizations should only list those homebuyer units for which they provided the mortgage assistance services.

YEAR	PERMANENT FINANCING FUNDING SOURCE(S)	NO. OF PURCHASE ESCROWS UNDERWRITTEN AND CLOSED	AVERAGE AMOUNT OF ASSISTANCE PROVIDED PER BUYER
2004	HOME	0	\$60,000
2003	HOME	5	\$60,000
2002	HOME	7	\$40,000
2001	HOME	3	\$33,000
2000	HOME	14	\$28,000
1999	HOME	10	\$28,000
1998	HOME	14	\$25,000
1997	HOME	8	\$25,000
1996	HOME	10	\$25,000
1995			

- B. For years 2001 through 2004, provide a narrative of applicant's history and experience with the proposed activity, including evidence of program operation for each year listed: e.g., board resolution authorizing the program; award letters; program financial pages from annual audit, annual reports or other evidence that will demonstrate program operation. **(Attach as Exhibit 1-1)**

SECTION III. LOAN UNDERWRITING EXPERIENCE

- A. For the years 2001 through 2004, the total number of homebuyer loans applicant has underwritten and closed, which included preparation of loan documents and escrow instructions. # 15

SECTION IV. LOAN SERVICING EXPERIENCE

- A. For the years 2001 through 2004, the total number of homebuyer loans closed for which the applicant was the named beneficiary on the loan documents. # 15
- B. As of the CalHome NOFA issuance date, the total number of homeowner loans in the applicant’s portfolio. # 71
- C. Number of loans identified in B. above that are being directly serviced by the applicant. #71
- D. Number of loans identified in B. above that are being serviced by a third party. #
- E. As of the CalHome NOFA issuance date, the total number of homebuyer loans the applicant is servicing for another entity. #
- F. If there are zero loans identified in C, D and E, submit a narrative identifying how loans will be serviced, how the servicing activities will be funded or provided and the procedures for implementing loan servicing operations. **In addition** to the narrative, attach either: 1) a budget that provides an identified source of financing, for a period of at least 5 years, for contracting loan servicing with a third party who is in the business of loan servicing; 2) a commitment letter from a third party, who is in the business of loan servicing, willing to provide loan servicing at no cost to the applicant; or 3) the résumé of a current employee(s) of the applicant that describes the employee(s)’s experience in homeowner loan servicing. (**Attach as Exhibit 1-2**)

SECTION V. PROGRAM TARGETING

- A. Number of homebuyers to be assisted with this application for CalHome funds # 3
- B. Program will be operated **entirely within a federally defined Qualified Census Tract(s)** (ONLY MARK YES IF ALL HOMES TO BE ASSISTED WITH CALHOME FUNDS SHALL BE LOCATED IN THE AREA(S) IDENTIFIED HERE):
 Yes _____ No X
 Federally defined Qualified Census tract(s) No. _____
- C. Program will be operated **entirely within a designated redevelopment area under the jurisdiction of a local Redevelopment Agency** (ONLY MARK YES IF ALL HOMES TO BE ASSISTED WITH CALHOME FUNDS SHALL BE LOCATED IN THE AREA(S) IDENTIFIED HERE):
 Yes _____ No _____
 Attach a redevelopment area map and indicate program location on the map. (**Attach as Exhibit 1-3**)
- D. Nonprofit corporations must list the county in which the program will be operated.
 County _____
- E. Provide the data source used to project sales price: California Association of Realtors

- B. Describe the criteria for participation in your contributed labor program. **(Attach as Exhibit 1-4)**
- C. Attach a copy of the agreement form used for the contributed labor program. **(Attach as Exhibit 1-5)**
- D. Provide description of activities performed by contributed labor participants. **(Attach as Exhibit 1-6)**
- E. Provide description of activities normally contracted out. **(Attach as Exhibit 1-7)**
- F. What percentage of total onsite construction labor per unit will be performed by contributed labor: ____%

Please provide evidence of previous administration of the type of contributed labor program proposed in this application. This could include, but not be limited to, the nonprofit corporation charter or a copy of the board resolution authorizing the program supported by documentation of completed projects; or copies of contracts with contributed labor participants. **(Attach as Exhibit 1-8)**

SECTION VIII. HOMEBUYER EDUCATION

- A. Does the applicant currently provide homebuyer education classes?
Yes X No _____