# City of Calistoga

## **Staff Report**

TO: Honorable Mayor and City Council

FROM: Lynn Goldberg, Planning & Building Director

DATE: June 18, 2013

SUBJECT: HOME Investment Partnership Program Application and Agreement

Authorization

### APPROVED FOR FORWARDING

Richard D. Spitler, City Manager

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- **ISSUE:** Consideration of a resolution authorizing submittal of an application to the 1
- California State Department of Housing and Community Development for funding under 2 the HOME Investment Partnerships Program (HOME); and if selected, the execution of a
- 3
- standard agreement. 4
- **RECOMMENDATION:** Adopt a resolution authorizing the City Manager to submit an 5
- application for HOME grant funding and execute a grant agreement between the City 6
- and the California Department of Housing and Community Development (HCD). 7
- BACKGROUND/DISCUSSION: HCD is authorized to allocate HOME funds made 8
- available from the U.S. Department of Housing and Urban Development. HOME funding 9
- assists cities, counties and non-profit community housing development organizations to 10
- create and retain affordable housing. The current round of HOME funding may be used 11
- for housing rehabilitation, construction of rental housing or housing for first-time 12
- homebuyers, and first-time homebuyer loans. All activities must benefit lower-income 13
- renters or owners. 14
- The Housing Element of the Calistoga General Plan identifies a number of housing 15
- needs. Staff worked with the Housing Authority of the City of Napa (which provides
- supportive services to the City) to identify potential uses of HOME funding to address 17
- these needs, and it was determined that a housing rehabilitation program was the most 18
- feasible. 19
- The Housing Element includes the following provisions directed at conserving and 20
- improving the city's existing housing stock. 21

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22	Goal H-4	Maintain and enhance the physical condition and
23		aesthetic quality of existing residential areas in the City.
24	Objective H-1.1	Preserve and improve the quality of existing housing.
25	Policy P2.	The City shall encourage homeowners to maintain their
26		property in a safe condition.

A "windshield survey" in April 2010 identified 49 sites in Calistoga with residences whose foundation, roofing, siding/stucco, and/or windows were in need of repair.

- It is proposed that the City's HOME grant application request funding for a long-term loan program to assist low-income homeowners whose primary residence is in need of repairs, improvements or reconstruction necessary to meet federal, state and local building codes. Mobile homeowners would also be eligible for the loans.
- The City successfully administered a similar program in the 1980s that rehabilitated 22 homes.
- FISCAL IMPACT: The City would apply for \$500,000 in HOME funding, which would be repaid through 30-year loans of up to \$50,000 each at 0-3 percent interest. The program would be administered primarily by the Housing Authority and supervised by its rehabilitation specialists, with minimal City staff time.
- The nominal cost associated with the Housing Authority's assistance in preparing the grant application is covered through its existing services agreement with the City.
- Therefore, the cost to the City of the rehabilitation program would be minimal.
- ALTERNATIVES: The proposed rehabilitation program is the most feasible use of HOME funding for the City at this time. There are no planned affordable housing construction projects that could make use of the funding and the high price of housing in the community is not conducive to a first-time homebuyer program.

#### **ATTACHMENT**

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 Resolution authorizing submittal of an application to the California State Department of Housing and Community Development for funding under the HOME Investment Partnerships Program application and authorizing execution of a HOME grant agreement

#### **RESOLUTION NO. 2013-\_\_**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CALISTOGA AUTHORIZING SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE HOME INVESTMENT PARTNERSHIPS PROGRAM; AND IF SELECTED, THE EXECUTION OF A STANDARD AGREEMENT, ANY AMENDMENTS THERETO, AND OF ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOME INVESTMENT PARTNERSHIPS PROGRAM.

WHEREAS, the California Department of Housing and Community Development ("Department") is authorized to allocate HOME Investment Partnerships Program ("HOME") funds made available from the U.S. Department of Housing and Urban Development ("HUD"). HOME funds are to be used for the purposes set forth in Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, in federal implementing regulations set forth in Title 24 of the Code of Federal Regulations, part 92, and in Title 25 of the California Code of Regulations commencing with section 8200, and

**WHEREAS**, on May 1, 2013, the Department issued a 2013 Notice of Funding Availability announcing the availability of funds under the HOME program (the "NOFA"), and

**WHEREAS**, in response to the 2013 NOFA, the City of Calistoga, a municipal corporation (the "Applicant"), wishes to apply to the Department for, and receive an allocation of, HOME funds.

**NOW, THEREFORE, BE IT RESOLVED** that the City of Calistoga City Council hereby approves and authorizes the following:

- In response to the 2013 NOFA, the Applicant shall submit an application to the Department to participate in the HOME program and for an allocation of funds not to exceed Five Hundred Thousand Dollars (\$500,000) for an owner-occupied housing rehabilitation assistance program to be located in the City of Calistoga.
- 2. If the application for funding is approved, then the Applicant hereby agrees to use the HOME funds for eligible activities in the manner presented in its application as approved by the Department in accordance with the statutes and regulations cited above.
- 3. The Applicant may also execute a standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required by the Department or HUD for participation in the HOME program (collectively, the required documents).
- 4. The applicant authorizes City Manager Richard Spitler or his designee(s) to execute, in the name of the Applicant, all required program documents.

<b>PASSED AND ADOPTED</b> by th regular meeting held this 18 <sup>th</sup> day of June	e City Council of the City of Calistoga at a 2013, by the following vote:
AYES: NOES: ABSTAIN: ABSENT:	
ATTEST:	CHRIS CANNING, Mayor
AMANDA DAVIS, Deputy City Clerk	