



Memorandum

TO: HONORABLE MAYOR AND
CITY COUNCIL

FROM: Leslye Corsiglia
Larry D. Lisenbee

SUBJECT: SEE BELOW

DATE: April 7, 2004

Approved

Date

COUNCIL DISTRICT: Citywide

SUBJECT: ADOPTION OF A RESOLUTION AUTHORIZING THE DIRECTOR OF HOUSING TO ACCEPT HOUSING PROGRAM GRANTS FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD), AND ADOPTION OF APPROPRIATION ORDINANCE AND FUNDING SOURCES RESOLUTION AMENDMENTS.

RECOMMENDATION

It is recommended that the City Council:

1. Adopt a resolution authorizing the Director of Housing to accept housing program grants from HCD and to negotiate and execute the grant agreements and any amendments or other documents necessary to implement the programs funded by the following grants:
 - a. A \$1,000,000 CalHome Program grant to fund the rehabilitation of homes owned by low-income residents.
 - b. A \$500,000 Exterior Accessibility Grants for Renters (EAGR) program grant to fund exterior accessibility improvements for lower-income tenants living in multi-unit or single-family rental housing units.
 - c. A \$1,500,000 Local Housing Trust Fund Program grant for the San José Housing Trust Fund (SHTF) to fund loans for the construction or rehabilitation of rental housing developments affordable to low-income households.
2. Approve the following Appropriation Ordinance and Funding Sources Resolution amendments in the Multi-Source Housing Fund:
 - a. Increase the CalHome Program appropriation by \$1,000,000.
 - b. Establish a new CalHome (EAGR) appropriation in the amount of \$500,000.

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- c. Increase the estimate for Grant Revenue in the amount of \$1,500,000.
3. Approve the following Appropriation Ordinance and Funding Sources Resolution amendments in the Housing Trust Fund:
 - a. Increase the estimate for Grant Revenue Proposition 46 in the amount of \$1,500,000.
 - b. Establish a Proposition 46 Expenditure appropriation in the amount of \$1,500,000.

BACKGROUND

The Housing Department has aggressively pursued funds made available with the passage of Proposition 46. In February 2004, the California Department of Housing and Community Development (HCD) awarded the City a total of \$3,000,000 for the following programs:

- CalHome Program (Housing Rehabilitation) \$1,000,000
- Exterior Accessibility Grants for Renters (EAGR) \$500,000
- Local Housing Trust Fund Program \$1,500,000

In addition, the Department collaborated with Neighborhood Housing Services Silicon Valley (NHSSV) to apply for a CalHome Program grant for homeownership programs in the amount of \$1,000,000. The grant received by NHSSV in the amount of \$1,000,000 does not require acceptance by the City Council.

ANALYSIS

HCD requires approval by the City Council to accept the grant funds. Upon Council approval, the Director of Housing is authorized to negotiate and execute the grant agreements submitted by HCD.

The CalHome Program funds awarded to the City will be used to make deferred payment loans for the rehabilitation of single-family residences owned by low-income households living in Strong Neighborhood Initiative (SNI) areas. The funds will be used for the mitigation of critical health and safety conditions and for handicapped accessibility improvements. Under the grant agreement, the City will be allowed to reuse any loan repayment income for CalHome eligible purposes only.

The EAGR funds will be used to provide grants for exterior accessibility modifications for lower-income residents of multi-unit or single-family rental units. A variety of improvements, among them ramps, curb cuts, installation of Braille signage and mechanical lifts may be funded. As with the housing rehabilitation grant, the funds may be used for permit fees and consultant services directly related to the rehabilitation work.

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The Local Housing Trust Fund program will enable the San José Housing Trust Fund to provide loans for the construction or rehabilitation of rental housing developments serving extremely low-income renters and special needs populations such as disabled households, survivors of physical abuse, and homeless persons or at risk of becoming homeless.

COST IMPLICATIONS

There are no cost implications associated with this recommendation. The recommendation, if approved, will assist in implementing the Housing Program Funding Strategy that the City Council adopted on February 24, 2004.

PUBLIC OUTREACH

Not applicable.

COORDINATION

This memorandum was coordinated with the City Attorney's Office.

CEQA

Not a project.

LARRY D. LISENBEE
Director, Budget Office

LESLYE CORSIGLIA
Director of Housing

I hereby certify that there will be available for appropriation in designated funds and in the amounts listed below in the Fiscal Year 2003-2004 moneys in excess of those heretofore appropriated therefrom.

Housing Trust Fund: \$1,500,000

Multi-Source Housing Fund: \$1,500,000

LARRY LISENBEE
Budget Director