



COUNCIL AGENDA: 05-03-05

ITEM: 4.6

# Memorandum

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Leslye Corsiglia  
Larry D. Lisenbee

**SUBJECT:** SEE BELOW

**DATE:** April 13, 2005

Approved

Date

4.13.05

**COUNCIL DISTRICT:** SNI Areas Only

**SNI AREA:** All

**SUBJECT: ADOPTION OF A RESOLUTION AUTHORIZING THE DIRECTOR OF HOUSING TO ACCEPT A CALHOME PROGRAM GRANT 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 adopt a resolution:

1. Authorizing the Director of Housing to accept a \$1,000,000 CalHome Program grant from the California Department of Housing and Community Development (HCD) to fund the rehabilitation of homes owned by low-income residents within existing SNI areas.
2. Authorizing the Director of Housing to execute all documents necessary to implement the program.
3. Approving the following Appropriation Ordinance and funding source resolution amendments in the Multi-Source Housing Fund (Fund 448):
  - a. Increase the CalHome Program appropriation by \$1,000,000.
  - b. Increase the estimate for Grant Revenue in the amount of \$1,000,000.

**HONORABLE MAYOR AND CITY COUNCIL**

**Subject: Adoption of a resolution authorizing the Director of Housing to accept a CalHome Program Grant from HCD, and adoption of appropriate Appropriation Ordinance and Funding Sources Resolution Amendments.**

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**BACKGROUND**

The Housing Department's Rehabilitation Program provides loans and grants to over 300 low-income homeowners each year for the repair of health and safety conditions and for disability accessibility improvements. In response to the decline in Tax Increment revenue in recent years, the Department has actively pursued alternate funding for the Rehabilitation Program. The Housing Department has aggressively sought funds from several State programs funded through Proposition 46, including the CalHome program.

In 2001 and 2004, the Department's Rehabilitation Program received CalHome grants of \$500,000 and \$1,000,000 respectively. In October 2004, the Department applied to HCD for a 2005 CalHome Program grant, and in February 2005, HCD awarded the City \$1,000,000 to fund the rehabilitation of homes owned by low-income residents whose properties are within Strong Neighborhood Initiative (SNI) areas.

**ANALYSIS**

The CalHome Program funds awarded to the City will be used to provide deferred payment loans to low-income homeowners in Strong Neighborhood Initiative (SNI) areas. The loans will be used for the rehabilitation of single-family residences to mitigate critical health and safety conditions and for handicapped accessibility improvements. The costs of such rehabilitation projects average \$75,000, and this \$1,000,000 grant is expected to provide funds for approximately thirteen projects. In addition to funding current rehabilitation projects, the City will be allowed to use any loan repayment income for future CalHome-eligible purposes.

HCD requires approval by the City Council to accept the CalHome grant funds. In addition to approval to accept the grant funds, the Housing Department is requesting that the Director of Housing be authorized to negotiate and execute the grant agreement between the City and HCD.

**OUTCOMES**

Acceptance of this grant by the City Council will increase available funding for the owner-occupied housing rehabilitation program administered by the Housing Department. This grant will allow funding for approximately thirteen additional housing rehabilitation loans in the SNI areas.

**COST IMPLICATIONS**

There are no cost implications associated with this recommendation.

**HONORABLE MAYOR AND CITY COUNCIL**

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**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



LESLEYE CORSIGLIA  
Director of Housing

I hereby certify that there will be available for appropriation in the Multi-Source Housing Fund in the Fiscal Year 2004-2005 monies in excess of those heretofore appropriated therefrom, said excess being at least \$1,000,000.



LARRY LISENBEE  
Budget Director