

City of Garden Grove

**INTER-DEPARTMENT MEMORANDUM**

To: Matthew Fertal  
From: Susan Emery  
Dept: City Manager  
Dept: Community Development  
Subject: CALHOME PROGRAM  
Date: June 22, 2010

OBJECTIVE

To recommend that City Council approve a Resolution authorizing the submittal of an application by the City of Garden Grove for \$1 million in CalHome funds, through the California Department of Housing and Community Development (HCD). The \$1 million will be used to fund the City's First-Time Homebuyers program and the City's Single-Family Home Rehabilitation Program.

BACKGROUND

In 2007, the City was awarded \$1 million for the purpose of providing First-Time Homebuyer Mortgage Assistance and Owner-Occupied Rehabilitation loans to low- and very low-income populations within the City. To date, twelve First-Time Homebuyer and one Owner-Occupied Rehabilitation loans have been awarded. There are two additional Owner-Occupied Rehabilitation loans currently in process.

The HCD announced the availability of \$50 million through the CalHome Program for local public and nonprofit agencies, which was provided by the passage of Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006. The CalHome Program supports existing homeownership programs aimed at low- and very-low income households whose incomes shall not exceed 80 percent of the county median income. The deadline for submitting the CalHome Application is June 25, 2010.

DISCUSSION

Through this grant, the program provider must meet the following requirements:

- Show experience as a housing program administrator for a minimum of two years any time prior to the date of the application;
- Have successfully performed activities, such as mortgage assistance, for a minimum of two years within the four years immediately preceding the application due date;

- Have the ability to perform the required activity(ies) for which it is applying.

The application will request funding for the First-Time Homebuyer Mortgage Assistance Program and the Owner-Occupied Rehabilitation Program, providing the City with funds to provide twelve new First-Time Homebuyer loans and three new Owner-Occupied Rehabilitation loans.

The Resolution authorizes the City Manager to execute the application, the Standard Agreement, and all other documents required by the HCD for the City's participation in the CalHome Program.

FINANCIAL IMPACT

There is no fiscal impact to the General Fund and, if awarded, will generate an additional \$1 million for the City.

RECOMMENDATION

It is recommended that the City Council:

- Approve the attached Resolution authorizing the submittal of an application to HCD for funding under the CalHome Program.



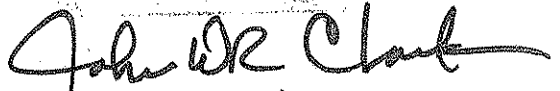
SUSAN EMERY  
Community Development Director



By: Nicole Herrick  
Administrative Intern

Attachment: Resolution

**Recommended for Approval**

  
**Matthew Fertal**  
**City Manager**  
*for*

RESOLUTION NO.

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

WHEREAS, the City of Garden Grove (the "City"), a California municipal corporation, wishes to apply for and receive an allocation of funds through the CalHome Program; and

WHEREAS, the California Department of Housing and Community Development ("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 50650) 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 in April 2004; and

WHEREAS, the City of Garden Grove wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of One Million Dollars (\$1 million).

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF GARDEN GROVE, CALIFORNIA, DOES RESOLVE, DECLARE, DETERMINE, AND ORDER AS FOLLOWS:

SECTION 1. The City of Garden Grove shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on April 19, 2010, which will request a funding allocation of One Million Dollars (\$1 million) for both a mortgage assistance program (\$840,000) and owner-occupied rehabilitation (\$160,000). The funds shall be used to assist eligible lower-income households within the City of Garden Grove for participation in the City's First-time Homebuyer Program and eligible lower-income owner-occupants within the City of Garden Grove desiring to participate in the City's Home Rehabilitation Program.

SECTION 2. If the application for funding is approved, the City of Garden Grove 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 instruments necessary or required by HCD for participation in the CalHome Program.

SECTION 3. The City of Garden Grove authorizes the City Manager to execute in the name of the City of Garden Grove, the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendments thereto.