



County of El Dorado

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Legislation Text

File #: 08-0571, Version: 1

Public Housing Authority (PHA) recommending Resolution amending an application previously submitted by El Dorado County to the California Housing Finance Agency (CalHFA), substituting the PHA for the County as the applicant to participate in the Housing Enabled by Local Partnerships (HELP) Program to obtain a \$1,500,000 loan that will initially be lent in support of acquisition of property and construction activities for affordable rental housing development and authorizing the Department Director, as the Executive Director of the PHA, to execute the loan agreement, contingent upon approval by County Counsel and Risk Management, and any other documents required by CalHFA for participation in the HELP Program, and to take other actions necessary to facilitate the proposed program.

RECOMMENDED ACTION: Adopt Resolution **PHA 2-08**.

BUDGET SUMMARY:		
Total Estimated Cost		\$0
Funding		
Budgeted	\$	
New Funding	\$	
Savings	\$	
Other	\$	
Total Funding Available	\$	
Change To Net County Cost		\$0

Fiscal Impact/Change to Net County Cost: No change.

Background:

On April 17, 2007 the Board authorized submittal of an application to the California Housing Finance Agency (CalHFA) to enable El Dorado County to participate in the Housing Enabled by Local Partnerships (HELP) Program to create a revolving loan fund to support the development of affordable multifamily rental housing. CalHFA awarded a loan of \$1,500,000 to El Dorado County on August 8, 2007 that was initially to be lent to Mercy Housing California to assist with development of a 70-unit affordable family rental housing project known as Runnymede Terrace located in the unincorporated Placerville area. Due to funding delays for the offsite improvements associated with this project the Developer has determined that it is no longer feasible to pursue an affordable housing development at this location. The Department has confirmed with CalHFA that the loan funds can be used for an alternative affordable housing project. Any such project will be brought back to the Board for final approval.

Reason for Recommendation:

Subsequent to the submittal of the application staff learned that it is mandatory for counties awarded this funding to issue an opinion letter addressing Article 16, Section 18 of the California Constitution, public finance indebtedness limitation, setting aside funds to repay the loan, including accrued interest, in the event that the loan is not repaid to the County by the borrower. Because this requirement is not applicable to separate legal entities, such as public housing authorities, it is more appropriate for the EDCPHA to be the applicant. The Department has confirmed that amending the application to change the applicant entity is acceptable to CalHFA. Copies of the original application, the resolution amending the applicant entity and the amended CalHFA Loan Agreement No. HELP-022607-02 are attached and on file with the Board Clerk.

Action to be taken following Board approval:

Board Clerk to provide Human Services, Community Services Division - Main Street, with two (2) certified resolutions signed by the Chairman, as Chairman of the EDCPHA Governing Board. EDCPHA Executive Director, upon approval by County Counsel and Risk Management, to sign CalHFA Loan No. HELP-022607-02.

Contact: Doug Nowka, 621-6163

Concurrences: County Counsel and Risk Management have received the CalHFA Loan No. HELP-022607-02 for review.