



Legislation Text

File #: 09-0865, **Version:** 1

Human Services Department requesting conceptual approval to submit a Home Investment Partnerships Program Grant application to the California Department of Housing and Community Development in an amount to be determined, noting eligible activities include affordable housing projects (grant amounts of up to \$4,000,000) and affordable housing programs (grant amounts of up to \$800,000).

FUNDING: Federal HOME Grant Funds.

Fiscal Impact/Change to Net County Cost: There is no cost associated with the application process, other than staff time to complete the grant application. No County match is required for this application.

Background:

Since 1998 the County has received two HOME Investment Partnerships grants to develop affordable housing projects in the unincorporated area of the County. Diamond Sunrise II, completed in 2002, is located in Diamond Springs and provides eleven (11) units of affordable Senior Housing. The White Rock Village Apartments project, located in El Dorado Hills, was completed in 2005 and provides 168 units of affordable workforce housing.

In addition to projects funded by the HOME Program, the County administers Owner-Occupied Rehabilitation and First-Time Homebuyer Loan Programs which were initially funded in 2004 and 2009 respectively. Under the initial Owner-Occupied Rehabilitation grant, approved by Board of Supervisors Resolution #329-2004, loans were provided to eight (8) households to make health and safety repairs to their homes. Human Services is currently administering a new HOME First-Time Homebuyer Loan Program, approved by Board of Supervisors Resolution #215-2008, which is expected to provide loans of up to \$80,000 toward the purchase of a home in the unincorporated area of the County for approximately eight (8) households. The County currently maintains wait lists for both Programs that include one hundred and eighty-eight (188) households eligible for the First-Time Homebuyer Loan Program and twenty-five (25) households eligible for the Rehabilitation program.

Reason for Recommendation:

The 2009 HOME Investment Partnerships Program Notice of Funding Availability (NOFA) provides grant opportunities for the development of affordable housing projects and the implementation of programs such as Owner-Occupied Housing Rehabilitation and First-Time Homebuyer Loan Programs. Eligible beneficiaries under the HOME Program are households earning no more than 80% of the area median income based on household size. It is anticipated that an application under the current HOME NOFA would provide up to \$4,000,000 toward the development of an affordable rental housing project on behalf of a non-profit developer or up to \$800,000 to augment and continue existing HOME Program Homebuyer and/or Rehabilitation loan activities.

Staff is currently in discussions with Mercy Housing California and local developers about specific

sites to determine readiness for new construction of an affordable housing project. One of the sites being considered for this funding opportunity is the site consisting of APNs 090-430-21 and 22 at the corner of Sunset Lane and Becken Lane in Shingle Springs. Staff recommends this site be identified as a "priority" site to fulfill the goals of the County and the region for providing affordable workforce housing because it is appropriately zoned and in close proximity to thousands of newly added and existing jobs. If a project were not identified as ready to proceed, an application would be submitted requesting funds to continue the existing First-Time Homebuyer Loan Program.

An application under this NOFA for the development of an affordable housing project would support the goals of the 2008 General Plan Housing Element. Specifically, Policy HO-1.6 which states "The County will encourage new or substantially rehabilitated discretionary residential developments to provide for housing that is affordable to low-, very-low, and moderate-income households." Housing Element Policy HO-1.10 further states "The County shall apply for funds from the state and federal government such as the Community Development Block Grant (CDBG), HOME Investment Partnerships Program, and AB 2034 programs, and explore additional ways such funds may be used countywide to support construction of affordable housing."

An application under this NOFA for the alternate option of a continuation grant for the First-Time Homebuyer Loan Program would support the 2008 General Plan Housing Element Policy HO1-22 which states "The County shall continue to support a first-time homebuyers program."

The County has recently implemented a new HOME First-Time Homebuyer Grant, therefore, it is expected that an application submitted by El Dorado County for the continuation of the First-Time Homebuyer Loan Program would not be as competitive in the rating and ranking process under this NOFA. However, not submitting an application under the current NOFA will reduce the County's competitiveness for future HOME Program funding cycles.

Existing staff would be utilized to administer the activities under this grant. The level of environmental review required under the grant activities will be determined once a project or program is selected for the application. The environmental review process would be completed as a part of the grant set up conditions as required by the State Department of Housing and Community Development and would be overseen by County staff. Assuming Board conceptual approval, a Public Hearing will be conducted on August 4, 2009, for Board consideration of the application and receipt of public comment, at which time Board adoption of a Resolution would authorize submittal of the referenced HOME application.

Action to be taken following Board approval:

Human Services to develop HOME Investment Partnerships Program Grant funding application and all relevant documents for Board of Supervisors consideration and approval to submit said application to the State Department of Housing and Community Development.

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Concurrences: N/A