



## Legislation Text

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File #: 22-0785, Version: 1

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**HEARING** - Planning and Building Department, Planning Division, Long Range Planning Unit, Housing Community and Economic Development Programs recommending the Board:

- 1) Conduct a public hearing to consider adopting and authorizing the Chair to sign Resolution **066-2022** amending the Program Guidelines for the First Time Homebuyer Loan Program to comply with the Home Investment Partnerships Program statutes and regulations pursuant to Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, in federal implementing regulations set forth in Title 24 of the Code of Federal Regulations, Part 92, and in Title 25 of the California Code of Regulations commencing with Section 8200; and
- 2) As part of the public hearing, consider adopting and authorizing the Chair to sign Resolution **067-2022** amending Program Guidelines for the County's Community Development Block Grant (CDBG) First Time Homebuyer Loan Program to comply with the California Department of Housing and Community Development Program requirements under Code of Regulations Section 570.489 (e) (l) [CDBG Final Rule 2012]; and
- 3) Authorize the Planning and Building Department Director, or designee, to submit Program Guidelines and required documents to the California Department of Housing and Community Development.

**FUNDING:** Federal Department of Transportation, Housing and Urban Development, Home Investment Partnerships Program, and Community Development Block Grant Program Funds.

### **DISCUSSION / BACKGROUND**

The Board of Supervisors previously approved revisions to the First-Time Homebuyer Loan Program Guidelines and related adopting resolutions on December 14, 2021 (Agenda item 49, Legistar 21-1826).

On March 9, 2022, staff received notification from the state Department of Housing and Community Development (HCD) about important updates and two required changes to the First-Time Homebuyer (FTHB) Loan Program Guidelines.

These updates are required whether using an active HOME or CDBG grant, or Program Income revolving loan funds. The amended guidelines must be submitted, reviewed, and approved by the County's HCD program representatives.

The revisions primarily address a change to the wording and expectations regarding housing counseling requirements that became effective in August 2021. The other revisions address a change to the requirement for "modest" housing. In the past, HCD defined a modest home as "having no more than three bedrooms, two bathrooms, and a two-car garage." New language in the Guidelines allows for exceptions as stated, or as approved by the County's Loan Review Committee.

Program funds cannot be expended until the Guidelines are amended, adopted and submitted to HCD for approval.

The attached First-Time Homebuyer Loan Program Guidelines redline/track changes document illustrates revisions and corrections as underlined text and deletions as crossed-out text. A “clean” draft of the guidelines are also attached.

## **ALTERNATIVES**

Without adoption of the amended First-Time Homebuyer Loan Program Guidelines the County would not meet the requirements of the California Department of Housing and Community Development to expend grant funds.

## **PRIOR BOARD ACTION**

On August 29, 2017, the Board approved revisions for the 2017 First-Time Homebuyer Loan Guidelines and adopted Resolutions 134-2017 and 135-2017, and authorized the Community Development Agency Interim Director, or successor, to execute all National Environmental Policy Act documents associated with the Home Investment Partnerships Program Grant activity (Agenda item 39, Legistar 15-0764 v4).

On December 14, 2021, The Board approved revisions to the First-Time Homebuyer Loan Program Guidelines and adopted Resolutions 186-2021 and 187-2021, and authorized the Planning and Building Department Director, or successor, to execute all National Environmental Policy Act documents associated with the Home Investment Partnerships Program Grant activity (Agenda item 49, Legistar 21-1826).

## **OTHER DEPARTMENT / AGENCY INVOLVEMENT**

County Counsel

## **CAO RECOMMENDATION / COMMENTS**

Approve as recommended.

## **FINANCIAL IMPACT**

No change to Net County Cost is associated with this item. Staff time for grant-related activities is reimbursed with grant funding. Ongoing loan servicing by staff is eligible for reimbursement from grant-related program income when available.

## **CLERK OF THE BOARD FOLLOW UP ACTIONS**

- 1) Clerk of the Board to obtain the Chair’s signature on the one (1) original HOME Resolution and on the one (1) original CDBG Resolution; and
- 2) Clerk of the Board to provide one (1) executed copy and one (1) certified copy of each Resolution to Planning and Building Department, Housing, Community and Economic Development Program, attention of C.J. Freeland.

## **STRATEGIC PLAN COMPONENT**

Good Governance: Promote the development of resources to identify and pursue additional revenue including local, state, federal and private funding for new and existing projects.

## **CONTACT**

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