

**TOWN OF  
APPLE VALLEY, CALIFORNIA**

**AGENDA MATTER**

**Subject Item:**

**SUBMISSION OF CALHOME PROGRAM APPLICATION TO THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT (HCD)**

**SUMMARY STATEMENT:**

On April 19, 2010, the California Department of Housing and Community Development (HCD) released a Notice of Funding Availability (NOFA) for the CalHome Program (CALHOME) authorized by Chapter 6 of Part 2 of Division 31 of the Health and Safety Code. Under this NOFA, approximately \$50 million is provided by passage of Proposition 1C, the Housing and Emergency Shelter Trust Fund Act of 2006, to provide funding to local public agencies or nonprofit corporations for the following eligible activities within the CalHome Program: First-Time Home Buyer Mortgage Assistance and Owner-Occupied Rehabilitation Loans.

Staff recommends applying for funds in the amount of \$1,000,000 to be used to continue implementing both the Residential Rehabilitation Loan Program (RRLP) and the Down Payment Assistance Program (DAP).

The RRLP provides 0% interest rate deferred loans of up to \$20,000 to low-income owner-occupied households for the purpose of providing needed repair that addresses one or more health and safety items. Under the RRLP program, eligible Apple Valley homeowners may obtain a deferred loan to rehabilitate and improve an owner-occupied, single-family residential property. Funds under the RRLP must be used for eligible improvements that address code violations, health and safety violations, incipient code violations, and other improvements that are intended to improve deteriorated conditions. To date, Housing Division staff has funded 143 loans totaling \$2,096,741. Successful competition for CalHome funds would allow the Town to assist the 86 households on the growing waiting list.

During the past 13 months Housing Division staff successfully committed \$1,250,000 by providing down payment assistance to 28 low and moderate income first-time homebuyers. Although this funding source is depleted, the demand for down payment assistance remains high. An award of CalHome funds will enable the Town to meet the continued requests for down payment assistance while at the same time stabilizing the neighborhoods in our community.

The DAP provides 0% interest rate loans for assistance in down payment and/or closing costs for purchase of a home. Homeowners must also meet low-income eligibility criteria (80% of median income or less) The DAP provides 0% interest rate deferred loans of up to \$60,000 to low-income households to purchase a home within the Town. (Continued)

**RECOMMENDED ACTION**

1. That the Town Council adopt Resolution 2010-25 authorizing the submittal of an application to the California State Department of Housing and Community Development (HCD) for funding under the CalHome Program; and authorize the Town Manager or other authorized signature authority to execute, on behalf of the Town of Apple Valley, the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

**Proposed by:** Housing Division

**Item Number:**

T.M. Approval: \_\_\_\_\_ Budgeted Item  Yes  No  N/A

**Summary Statement - Continued**

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Although there is no interest on these loans, the Town will recover the loan amount, plus an equity, share at the time of sale based on the proportionate amount of the assistance. The loans are deferred for a term of 30 years and due upon sale, transfer of title (whether voluntary or involuntary), or refinance.

A resolution authorizing the submittal of an application to HCD must accompany the application. A complete application must be received by HCD no later than Friday, June 25, 2010.

For your information and review, an application is on file with the Town Clerk's office.

Staff recommends adoption of the form motion.

Attachment

**RESOLUTION NO. 2010-25**

**A RESOLUTION OF THE TOWN COUNCIL OF THE TOWN OF APPLE VALLEY, STATE OF CALIFORNIA, HEREBY AUTHORIZES 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 ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM.**

WHEREAS:

- A. The Town of Apple Valley, a [political subdivision of the State of California or nonprofit public benefit corporation], wishes to apply for and receive an allocation of funds through the CalHome Program; and
- B. The California Department of Housing and Community Development (hereinafter referred to as "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
- C. The Town of Apple Valley wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of \$1,000,000.

IT IS NOW THEREFORE RESOLVED THAT:

- 1. The Town of Apple Valley 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 for the following activities:
  - Activity: Single-Family, owner occupied Residential Rehabilitation Loan Program (Residential Rehabilitation Loan Program) RRLP and Downpayment Homeownership Program, Downpayment Assistance Program (DAP)
  - Funding Amount: \$1,000,000
  - Location: Apple Valley – Townwide
- 2. If the application for funding is approved, the Town of Apple Valley 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 other instruments necessary or required by HCD for participation in the CalHome Program.

3. The Town Council of Apple Valley authorizes the Town Manager or the Assistant Town Manager/Director of Economic and Community Development to execute in the name of the Town of Apple Valley, the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

APPROVED, PASSED AND ADOPTED THIS \_\_\_\_\_ Day of \_\_\_\_\_, 2010

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
TOWN CLERK

(SEAL)