



Staff Reports

File #: 1476-2018, **Version:** 1

To: Honorable Mayor and Members of City Council
From: Rick Tooker, Community Development Director
Prepared By: Andrea Clark, Affordable Housing Representative

TITLE:
HOME Funding Application

RECOMMENDED ACTION:

Adopt a resolution authorizing the submittal of an application to the California State Department of Housing and Community Development for funding in an amount up to \$1,000,000 under the HOME Investment Partnership Program.

DISCUSSION:

On June 5, 2018, the California Department of Housing and Community Development announced its Notice of Funding Availability (NOFA) for the Federal HOME Investment Partnership Program (HOME Program).

Over the past twenty-two years, the City has successfully been awarded almost eight million dollars under the HOME program. These funds have been used to assist approximately 147 low-income first-time homebuyers with down payment assistance loans.

Staff recommends the City apply for \$1,000,000, the maximum allowed under the NOFA, to continue the City's first-time homebuyer down payment assistance loan program. Applications are due to the State by August 6, 2018. Up to \$88,000 of the grant would be used to pay for staff to operate the program, and the balance would be used to fund loans to homebuyers.

If awarded the HOME Program grant, the City would provide approximately six deferred payment second mortgage loans, with a maximum loan amount of \$175,000, to low-income first-time homebuyers purchasing existing homes in the City of Napa. These loans would assist the City in reaching its Housing Element goal of assisting 80 low-income households to become first time homebuyers.

Although Napa's home inventory and increasing sales prices as well as rising interest rates make homeownership challenging for low-income first-time homebuyers, underwriting is less restrictive than in recent years. There is an adequate pool of borrowers who are eager to purchase homes utilizing this program. Every participating homebuyer is required to complete a homebuyer workshop which provides them with valuable information about purchasing and owning a home.

FINANCIAL IMPACTS:

There are no impacts to the General Fund by the recommended action. If the grant is funded, staff would return with a budget amendment to implement the programs which would provide for a \$1,000,000 increase to grant revenue and a corresponding \$1,000,000 increase in expenditures in the HOME fund (23301).

CEQA:

The Community Development Director has determined the Recommended Action described in this Agenda Report is not subject to CEQA, pursuant to CEQA Guidelines Section 15060(c).

DOCUMENTS ATTACHED:

ATCH 1 - Resolution authorizing the submittal of the HOME Funding Application

NOTIFICATION:

Notice of this item was placed on an agenda at least 72 hours in advance of the meeting.