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Title: ***RESOLUTION - Authorizing a Grant Application to the California State Department of Housing and Community Development For Funding Under the CalHome Program and Execution of a Standard Agreement and Other Required Program Documents For the Repair, Rehabilitation or Replacement of Manufactured Homes in the City of Fresno (Subject to Mayor's Veto)

Sponsors: Planning and Development Department

Indexes:

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Attachments: 1. Exhibit A - Resolution

Date	Ver.	Action By	Action	Result
1/30/2020	1	City Council	adopted	

REPORT TO THE CITY COUNCIL

January 30, 2020

FROM: JENNIFER CLARK, Director
Planning and Development Department

THROUGH: THOMAS MORGAN, Housing and Community Development Manager
Housing and Community Development Division

BY: Edward Chinevere, Senior Management Analyst
Housing and Community Development Division

SUBJECT

***RESOLUTION - Authorizing a Grant Application to the California State Department of Housing and Community Development For Funding Under the CalHome Program and Execution of a Standard Agreement and Other Required Program Documents For the Repair, Rehabilitation or Replacement of Manufactured Homes in the City of Fresno (Subject to Mayor's Veto)

RECOMMENDATION

Staff recommends approval of the Resolution authorizing submission of a grant application to the California State Department of Housing and Community Development (HCD) for funding under the CalHome Program and authorizing the City Manager, or her designee, to execute a standard

agreement and other required program documents for the repair, rehabilitation, or replacement of manufactured homes in the City of Fresno.

EXECUTIVE SUMMARY

Staff is seeking approval of a resolution authorizing submission of an application and acceptance of a California HCD grant for up to \$2 million in financial assistance for low income households to repair, rehabilitate, or replace owner-occupied manufactured homes within the City. If approved, Self Help Enterprises (SHE) will administer the grant on behalf of the City.

BACKGROUND

On November 27, 2019, California HCD issued a Notice of Funding Availability (NOFA) for the 2019 CalHome Program, which was subsequently amended on December 23, 2019. Applications responding to the NOFA are due February 17, 2020.

Eligible use of CalHome funds include the provision of financial assistance to individual households needing to repair, rehabilitate, or replace manufactured housing not on a permanent foundation in a mobile home park. The City's Housing Element and recent feedback from the community during the needs assessment phase of the 2020-2024 Consolidated Plan - which is currently in development - has identified the need for City financial assistance for mobile home repairs and improvements.

CalHome manufactured housing loans will be for 20 years, with 10 percent of the principal to be forgiven annually for each additional year beyond the tenth year that the home is owned and continuously occupied by the borrower. Individual households may borrow up to \$75,000 for the rehabilitation of their manufactured home or up to \$125,000 for its replacement. The minimum amount that can be borrowed is \$1,000. Based on these limits, approximately 13 manufactured homes can be rehabilitated per \$1 million or approximately 8 manufactured homes can be replaced per \$1 million. Assuming an equal distribution of funding between repairing, rehabbing, and replacement, it is anticipated that approximately 21 manufactured homes will be improved or replaced as a result of this funding.

The CalHome program will be administered on the behalf of the City by Self Help Enterprises, Inc. (SHE). SHE has continuously operated in the San Joaquin Valley since 1965. Their service area footprint consists of Fresno, Kern, Kings, Madera, Mariposa, Merced, Stanislaus and Tulare Counties. SHE has repaired, rehabilitated, or reconstructed/replaced approximately 12,000 homes to date. They have also built over 7,700 residences and provided over 2,100 families with homebuyer assistance. SHE operates within Fresno and is currently a City of Fresno subrecipient administering CDBG funding for home repairs and housing rehabilitation. SHE is also constructing the Annandale Commons Apartments in Southwest Fresno, which received partial financing through the City's HOME program.

SHE will prepare the application on behalf of the City for \$2,500. Should the City be selected by the State for CalHome funding, the City will also pay SHE an amount equal to 2 percent of the CalHome award for grant administration. In other words, a \$2 million dollar award implemented by SHE will result in a \$40,000 total administrative fee. The source of funds for the \$2,500 application preparation expense and the \$40,000 program administration fee will be program income received from prior CalHome loans originated by the City.

ENVIRONMENTAL FINDINGS

This is not a project for purposes of CEQA pursuant to CEQA Guidelines Section 15378.

LOCAL PREFERENCE

Local preference is not applicable.

FISCAL IMPACT

The CalHome program will not impact the City's General Fund. The State of California will provide up to \$2 million in CalHome funding for borrowers to repair, rehabilitate or replace their manufactured home. The \$42,500 total program application and administration fee will be paid from program income derived from loans made from prior CalHome awards. There is sufficient program income on hand to pay this amount.

ATTACHMENT

1. Exhibit A - Resolution