



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Reallocation of \$60,800 in HOME Funds from the Housing Rehabilitation Program to the Down Payment Assistance Program.

MEETING DATE: September 20, 2000

PREPARED BY: Community Development Director

RECOMMENDED ACTION: That the Council authorize the reallocation of \$60,880 of our 2000-01 HOME Funds from the Housing Rehabilitation Program to the Down Payment Assistance Program.

BACKGROUND INFORMATION: Each year, the City receives an allocation of HOME Funds from the U.S. Department of Housing and Urban Development (HUD) for use in providing housing assistance to a target population. Those funds are usually split between Habitat for Humanity and the City of Lodi's Housing Assistance Programs, which consist of a Low-Interest Housing Rehabilitation Loan Program for owner-occupied and rental property rehabilitation, and a Low-Interest Down Payment Assistance Loan Program for first-time homebuyers.

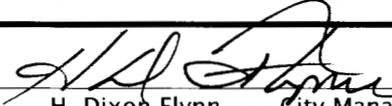
The Down Payment Assistance Program by far has been our best performer of the two programs. In the past year and a half, we have provided funding for 22 first-time homebuyers and going into the 2000-01 Program year, there has been a list of 14 applicants waiting for the funding to come available. The average loan amount for those 22 loans is \$16,186.

For the 2000-01 Program year, we have allocated \$75,000 toward the Down Payment Assistance Program and \$61,880 toward the Housing Rehabilitation Program, with the remaining \$80,000 of our HOME allocation going to Habitat for Humanity.

Unfortunately, the first four applicants on the waiting list have depleted that \$75,000 allocation. As a matter of fact, we have done an administrative reallocation to transfer \$1000 from the Housing Rehab Program to allow enough funding for the fourth applicant to complete their purchase.

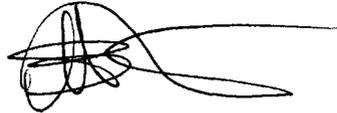
In order to provide additional funding for as many of the remaining applicants on that list, we are asking for Council Authorization to reallocate the remaining balance of \$60,880 from our Housing Rehab Program to the Down Payment Assistance Program.

APPROVED:


H. Dixon Flynn -- City Manager

We will still be able to fund Housing Rehabilitation projects for the remainder of the year through the Community Development Block Grant (CDBG) Funds which have come back into the program as income from previously funded Housing Rehabilitation projects. Currently, we have a balance of \$55,174.85 in that CDBG account and according to the County, who oversees our CDBG/HOME Program, HUD requires that those funds be returned to use in the activity in which they were generated, which is as stated earlier was Housing Rehabilitation.

FUNDING: 2000-01 HOME Funds

A handwritten signature in black ink, appearing to read 'Konradt Bartlam', with a long horizontal line extending to the right.

Konradt Bartlam
Community Development Director

Prepared by Joseph Wood, Community Improvement Manager

KB/jw

cc: Carrie Anderson, CDBG Program Coordinator
Jon Moore, S.J. County Community Development

RESOLUTION NO. 2000-170

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
REALLOCATION OF 2000/2001 HOME FUNDS FROM THE
HOUSING REHABILITATION PROGRAM TO THE
DOWNTOWN PAYMENT ASSISTANCE PROGRAM

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WHEREAS, each year the City receives an allocation of HOME Funds from the U.S. Department of Housing and Urban Development (HUD) for use in providing housing assistance to a target population; and

WHEREAS, those funds are usually split between Habitat for Humanity and the City of Lodi's Housing Assistance Programs, which consist of a Low-Interest Housing Rehabilitation Loan Program for owner-occupied and rental property rehabilitation, and a Low-Interest Down Payment Assistance Loan Program for first-time homebuyers; and

WHEREAS, the Down Payment Assistance Program has been the better of the two programs; and

WHEREAS, for the 2000-01 Program year, the City has allocated \$75,000.00 toward the Down Payment Assistance Program and \$61,880.00 toward the Housing Rehabilitation Program, with the remaining \$80,000.00 of our HOME allocation going to Habitat for Humanity; and

WHEREAS, the \$75,000.00 allocation has been depleted and staff recommends reallocating the remaining balance of \$60,880.00 from the Housing Rehabilitation Program to the Down Payment Assistance Program.

NOW, THEREFORE, BE IT RESOLVED that the City Council of the City of Lodi does hereby authorize the reallocation of \$60,880.00 from the Housing Rehabilitation Program to the Down Payment Assistance Program.

Dated: September 20, 2000

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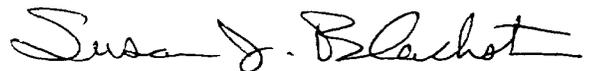
I hereby certify that Resolution No. 2000-170 was passed and adopted by the City Council of the City of Lodi in a regular meeting held September 20, 2000, by the following vote:

AYES: COUNCIL MEMBERS – Hitchcock, Land, Nakanishi, Pennino and Mayor Mann

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None


SUSAN J. BLACKSTON
City Clerk