



CITY OF LODI COUNCIL COMMUNICATION

AGENDA TITLE: Adopt Resolution Authorizing the City Manager to Submit an Application with Eden Housing Inc. to the State of California Department of Housing and Community Development for HOME Investment Partnerships Program Funding; and if Selected, the Execution of a Standard Agreement, any Amendments Thereto, and of any Related Documents Necessary to Participate in the HOME Investment Partnerships Program (\$5.6 million)

MEETING DATE: June 19, 2013

PREPARED BY: Community Development Department

RECOMMENDED ACTION: Adopt resolution authorizing the City Manager to submit an application with Eden Housing Inc. to the State of California Department of Housing and Community Development (HCD) for HOME Investment Partnerships Program funding; and if selected, the execution of a Standard Agreement, any amendments thereto, and of any related documents necessary to participate in the HOME Investment Partnerships Program.

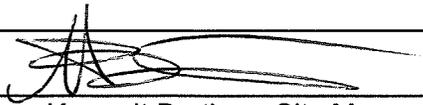
BACKGROUND INFORMATION: The City of Lodi has been working with Eden Housing, Inc., and its affiliate, Eden Development, Inc., toward the development of an affordable senior housing project in Lodi, at 2245 Tienda Drive.

As noted during previous presentations to the City Council leading to the selection of the developer for this project, Eden Housing has more than 40 years' experience in the development and management of affordable housing projects. Eden has assisted with the submission of HOME applications for this project in 2009, 2010, 2011 and 2012. The project has scored higher every year that we have applied, but the cutoff funding scores have also increased each year, which demonstrates just how competitive these funding programs are. In 2009, 2010, 2011 and 2012, the cutoff scores were 1374, 1428, 1492 and 1265 respectively. Our corresponding scores for those years were 1270, 1412, 1415 and 1239.

In the 2013 Notice of Funding Availability (NOFA) from HCD, there have again been some changes in the scoring matrix, as well as in the HCD regulations that could very well have an impact on our ability to score competitively this year. Once again, the most drastic change is in the fact that HOME funding for 2013 has been reduced by 25 percent from 2012, on top of the 45 percent reduction from 2011 to 2012.

The maximum grant amount for HOME Project funds through HCD is \$4.5 million. In addition to the project funding, HCD allows State recipient agencies to request up to \$100,000 for program administration and project delivery costs. This is an amount above and beyond the requested project funding amount and is intended to cover our costs in administering the project funds and specific project delivery costs. This increases the maximum grant available to \$4.6 million. Furthermore, HCD also allows State recipient agencies to request \$1 million per project for "deep targeting" which are projects that target a certain number of units to serve those at the very-low income level, making no more than 40 percent of Area Median Income (AMI), leading to total potential funding of \$5.6 million.

APPROVED:


Konradt Bartlam, City Manager

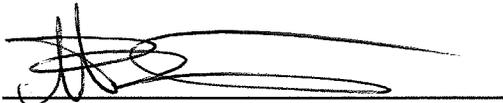
Based upon the parameters of the revised HCD regulations and the limits on the type and amount of funding available, Eden has determined that the project would have the best opportunity to be funded if it were split into two phases (i.e., 40 units) and that we should request the full \$5.5 million in State HOME funds for the project, and another \$100,000 for the program administration and project delivery costs for a total application amount of \$5.6 million.

This HOME funding request for a rental project activity with Eden Housing, is separate from another HOME funding request for a first-time homebuyer program activity that is being prepared for submittal at the same time.

Eden is in the process of completing the prerequisite work for the 2013 HOME application packet. Once approved, the authorizing resolution will be included in that packet. Once all supporting documentation has been compiled and incorporated into the application document, it will be submitted to HCD prior to the July 8, 2013 deadline.

FISCAL IMPACT: The City will assume responsibility for administering these funds and has accordingly requested additional program administration and project delivery funding in this application to cover those costs.

FUNDING AVAILABLE: HOME Program funding through State Housing and Community Development



Konradt Bartlam
Community Development Director

KB/jw

RESOLUTION NO. 2013-126

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING THE CITY MANAGER TO SUBMIT AN APPLICATION WITH EDEN HOUSING, INC. TO THE STATE OF CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR HOME INVESTMENT PARTNERSHIPS PROGRAM FUNDING; AND IF SELECTED, THE EXECUTION OF A STANDARD AGREEMENT, ANY AMENDMENTS THERETO, AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE HOME INVESTMENT PARTNERSHIP PROGRAM

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WHEREAS, the California Department of Housing and Community Development (the "Department") is authorized to allocate HOME Investment Partnerships Program ("HOME") funds made available from the U.S. Department of Housing and Urban Development ("HUD"). HOME funds are to be used for the purposes set forth in 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

WHEREAS, on May 1, 2013, the Department issued a 2013 Notice of Funding Availability announcing the availability of funds under the HOME program (the "NOFA"); and

WHEREAS, in response to the 2013 NOFA, the City of Lodi, a municipal corporation, and Eden Housing, Inc., a nonprofit corporation (the "Applicants"), wish to apply to the Department for, and receive an allocation of, HOME funds.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council does hereby authorize the City Manager, in response to the 2013 NOFA, to submit an application with Eden Housing, Inc. to the Department to participate in the HOME program and for an allocation of funds not to exceed Five Million, Six Hundred Thousand Dollars (\$5,600,000) for the following activities and/or programs: Development of an affordable senior rental housing project to be located in Lodi, California, and any eligible costs related to the administration of the HOME funds and project delivery; and

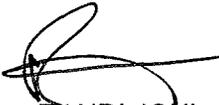
BE IT FURTHER RESOLVED, if the application for funding is approved, the Applicants hereby agree to use HOME funds for eligible activities in the manner presented in the application as approved by the Department in accordance with the statutes and regulations stated above. The Applicants may also execute a standard agreement, any amendments thereto, and any and all other documents or instruments necessary or required by the Department for participation in the HOME program (collectively, the required documents). The Applicant authorizes the City Manager or his designee(s) to execute, in the name of the applicant, the required documents.

Dated: June 19, 2013

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I hereby certify that Resolution No. 2013-126 was passed and adopted by the Lodi City Council in a regular meeting held June 19, 2013, by the following vote:

- AYES: COUNCIL MEMBERS – Hansen, Johnson, Katakian, and Mayor Nakanishi
- NOES: COUNCIL MEMBERS – None
- ABSENT: COUNCIL MEMBERS – Mounce
- ABSTAIN: COUNCIL MEMBERS – None



RANDI JOHL
City Clerk