

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS  
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Planning and Building	(2) MEETING DATE 6/17/2014	(3) CONTACT/PHONE Suzan Ehdaié , Planner II	
(4) SUBJECT Addendum to Item # 18 – Request to authorize an application to the California Department of Housing & Community Development for a CalHome grant. Staff is amending this item to reduce the grant request for the First Time Home Buyer Program to \$500,000 and include a request for \$500,000 for the Water Well Rehabilitation Program. Staff is amending this item by: <ol style="list-style-type: none"> <li>1. Replacing the subject line as follows: "Request to authorize an application to the California Department of Housing and Community Development for a CalHome grant for the County's First Time Home Buyer Program and the Water Well Rehabilitation Program. All Districts" and</li> <li>2. Replacing the recommendation, staff report discussion, and resolution to reflect these changes.</li> </ol>			
(5) RECOMMENDED ACTION It is recommended that the Board approve and instruct the Chairman to sign the attached resolution to: 1) authorize the Planning and Building Department to submit an application to the California Department of Housing and Community Development (HCD) for a CalHome grant for up to \$500,000 for the County's First Time Home Buyer Program and \$500,000 for the Water Well Rehabilitation Program; and 2) authorize the Director of the Planning and Building Department to execute a Standard Agreement.			
(6) FUNDING SOURCE(S) General Fund \$5,000 and CalHome Program \$1,000,000	(7) CURRENT YEAR FINANCIAL IMPACT \$0.00	(8) ANNUAL FINANCIAL IMPACT \$1,005,000.00	(9) BUDGETED? No
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ___) <input type="checkbox"/> Board Business (Time Est. ___)			
(11) EXECUTED DOCUMENTS <input checked="" type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input checked="" type="checkbox"/> N/A    Date: _____	
(17) ADMINISTRATIVE OFFICE REVIEW Lisa M. Howe			
(18) SUPERVISOR DISTRICT(S) All Districts			

# County of San Luis Obispo



TO: Additions, subtractions and corrections to the Board of Supervisors Agenda

FROM: Planning and Building / Suzan Ehdaie , Planner II

VIA: Wes Drysdale, Administrative Services Manager

DATE: 6/17/2014

SUBJECT: Addendum to Item # 18 – Request to authorize an application to the California Department of Housing & Community Development for a CalHome grant. Staff is amending this item to reduce the grant request for the First Time Home Buyer Program to \$500,000 and include a request for \$500,000 for the Water Well Rehabilitation Program.

Staff is amending this item by:

1. Replacing the subject line as follows: "Request to authorize an application to the California Department of Housing and Community Development for a CalHome grant for the County's First Time Home Buyer Program and the Water Well Rehabilitation Program. All Districts" and
2. Replacing the recommendation, staff report discussion, and resolution to reflect these changes.

## **RECOMMENDATION**

It is recommended that the Board approve and instruct the Chairman to sign the attached resolution to: 1) authorize the Planning and Building Department to submit an application to the California Department of Housing and Community Development (HCD) for a CalHome grant for up to \$500,000 for the County's First Time Home Buyer Program and \$500,000 for the Water Well Rehabilitation Program; and 2) authorize the Director of the Planning and Building Department to execute a Standard Agreement.

## **DISCUSSION**

On April 29, 2014, HCD issued a new Notice of Funding Availability (NOFA) for \$43 million for the CalHome program. This allows local jurisdictions to apply for up to \$1 million in grant funds for eligible activities including the First Time Homebuyer Program and Water Well Rehabilitation Program. The deadline to submit an application to HCD is July 10, 2014. Staff recommends that the County apply for \$500,000 in CalHome grant funds for the First Time Homebuyer Program and another \$500,000 for the Water Well Rehabilitation Program to help provide financial assistance to those low-income homeowners in need of rehabilitation of their water wells. This could include drilling deeper wells. Staff was informed by HCD about the opportunity to apply for funds under the CalHome program for water well rehabilitation on Monday, June 9, 2014. Based on preliminary analysis, staff feels the 50/50 split will address the need for both programs. However, staff seeks the Board's direction for possible changes in the grant funding allocations for the two mentioned programs from the proposed equal split of the \$1 million in grant funds between the two.

The County has been implementing the First Time Home Buyer Program (FTHB) for seven years. This has allowed the County to assist 50 low-income families become homeowners by using CalHome funds to provide down payment assistance. In 2012, the County was awarded \$1 million in CalHome grant funding and within the past year the County has assisted 16 low-income families in the purchase of their first homes. The balance of these CalHome funds will expire in 2015, but staff expects that this \$1 million will be exhausted before the expiration date. Staff is confident that sufficient need exists for an additional \$500,000. This is based on the number of eligible homebuyers continuing to apply to the program, as well as the number of available homes within the price range of those potential buyers under currently available mortgage financing.

The Water Well Rehabilitation program would assist low-income homeowners countywide who need financial help rehabilitating their water wells. The current official drought is adversely affecting homeowners who depend on their well water for domestic water supply. As a result, the need to rehabilitate water wells to improve water availability or quality has increased over the last year. The CalHome regulations allow the funds to be used for rehabilitation of wells serving homes owned and occupied by low income households, but not for rehabilitation of agricultural wells.

#### **OTHER AGENCY INVOLVEMENT/IMPACT**

The Public Works Department was consulted during preparation of this request.

#### **FINANCIAL CONSIDERATIONS**

The CalHome grant program does not require a local match. However, HCD limits the amount of CalHome funds that the County can use to cover its staff costs implementing the programs. Staff estimates that this limit will result in a total annual cost to the County's General Fund of approximately \$5,000 during the fiscal years 2015-16, 2016-17 and 2017-18.

#### **RESULTS**

If HCD approves the grant application for up to \$500,000 in grant funds for the County's First Time Home Buyer Program, the Planning and Building Department would continue to operate the program and could assist 8 to 10 low-income families to become homeowners over the next three years. If HCD approves the Water Well Rehabilitation Program for \$500,000 in CalHome funding, the program could assist up to 20 low income homeowners based on an assumed average cost of \$25,000 per well rehabilitated.

#### **ATTACHMENTS**

Attachment 1 – Resolution (Revised)