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**Redevelopment
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Staff Report

ITEM NO. 15

To: Lemoore City Council
**From: Brooke Austin, Housing Specialist
Judy Holwell, Redevelopment Project Manager**
Date: August 3, 2007
**Subject: HOME Grant Resolution 2007-32 and
HOME Program Income Resolution 2007-33**

Discussion:

As discussed at the May 15, 2007 City Council Meeting, staff has been working with Simpson Housing to prepare a grant application for \$2,000,000 for the City to compete for State Department of Housing and Community Development Department HOME funds to support Oleander Terrace, a 66-unit affordable family apartment community on the corner of "D" and Smith Streets. Simpson Housing is completing a majority of the application and obtaining third-party reports needed for application submittal. City staff will complete portions applicable to the City with the assistance of CA Consulting, if appropriate, and will submit the application. As part of the application process, the City Council must pass a resolution authorizing the submittal of the application and, if funding is approved, the use of funds in accordance with HOME requirements. The attached resolution meets the requirements of the application process.

Furthermore, the City currently has a HOME Program Income balance of \$167,083, which staff would like to commit to this project. These funds became available through the repayment of deferred loans from participants in the former HOME assisted First-Time Homebuyer and Owner Occupied Rehabilitation Programs. These funds could also be used for First-time Homebuyer or Owner Occupied Rehabilitation Programs; however, in order to use funds for these programs, the City would have to receive approval from the Department of Housing and Community Development (HCD). This would require the City to go through the procurement process to use an administrative subcontractor, submit revised guidelines and environmental documentation to HCD and comply with HOME Regulations and Federal overlays. All of these required activities would already be performed for the Oleander Terrace project as part of the HOME application and allocation process and Site Plan Review; therefore committing the funds to this project will reduce staff time required to spend the Program Income. A resolution authorizing the commitment of this Program Income of \$167,083 to the project may help the application earn more points in the competitive rating system. The attached resolution meets the requirements to commit the Program Income funds for the Oleander Terrace Project.

Budget Impact:

Until all financing components of this project are approved, we will not know the actual budget impact. However, if HOME funding is approved, the amount of RDA assistance “ear marked” for this project will be reduced from an original estimate of \$1,750,000 to approximately \$900,000. In addition, the Program Income may also reduce the amount of RDA assistance required.

Recommendation:

A. That Council approve Resolution No. 2007-32, which authorizes the submittal of the HOME Grant Application and, if awarded, the execution of any related documents.

B. That Council approve Resolution No. 2007-33, which authorizes the commitment of Program Income to the Oleander Terrace Project and authorize the submittal of this resolution with the HOME Grant Application.