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**Title:** CONSIDER APPROVAL TO REINSTATE THE HOME GRANT FUND IN THE FISCAL YEAR 2019-2020 BUDGET (CITY COUNCIL)

**Sponsors:** Community Services

**Indexes:**

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**Attachments:** 1. Ex. No. 1 - HOME authorization to use funds, 2. Ex. No. 2 - Budget Resolution 19-159

Date	Ver.	Action By	Action	Result
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**Report to Mayor and City Council**

Tuesday, October 01, 2019

Consent

**SUBJECT:**

**CONSIDER APPROVAL TO REINSTATE THE HOME GRANT FUND IN THE FISCAL YEAR 2019-2020 BUDGET (CITY COUNCIL)**

**I. SUMMARY**

On July 13, 2017 the City of Carson was awarded \$500,000 in grant funds for the State HOME Owner-Occupied Rehabilitation (OOR) Program. This program provides zero percent loans to low-income homeowners for the rehabilitation of single-family homes at a maximum amount of \$50,000 for each home. The HOME grant is a reimbursement grant. Appropriation of the grant amount of \$500,000 to the General Fund will allow the HOME program activities to proceed. After the completion of the rehabilitation projects, the state Department of Housing and Community Development (HCD) would reimburse the City's General Fund. These funds were not included in the Fiscal Year 2018-2019 and, subsequently, not included in the Fiscal Year 2019-2020. In February 2019, HCD issued authority to use the grant funds (Exhibit No. 1). Staff is requesting approval for reinstatement of the HOME fund and adoption of Resolution 19-159 to allow the grant program to proceed while the grant funds are still available for expenditure, (Exhibit No. 2).

**II. RECOMMENDATION**

TAKE the following actions:

1. APPROVE reinstatement of the HOME grant funds in the Fiscal Year 2019-2020.
2. APPROPRIATE \$500,000 from the undesignated general fund to account number 214-70-720-964 to pay for Home grant activities.
3. ADOPT Resolution No. 19-159 to amend the Fiscal Year 2019-2020 budget in the account number 214-70-720-964.

### **III. ALTERNATIVES**

TAKE any other action the City Council deems appropriate that is consistent with the requirements of law.

### **IV. BACKGROUND**

On July 13, 2017 the City of Carson was awarded \$500,000 in grant funds from the California Department of Housing and Community Development (HCD) for a HOME Investment Partnerships (HOME) Owner-Occupied Rehabilitation (OOR) program. This program provides grants to low-income homeowners for the rehabilitation of single-family homes. This program is different from the City's CDBG-funded Neighborhood Pride Program (NPP), which provides grants or loans to low-income homeowners throughout the City. HOME is targeted at low-income homeowners, but the additional requirement is that the home itself must also not exceed a maximum resale value, which limits it to certain neighborhoods in Carson, generally on the south end and east end of the city. The three-year agreement between the HCD and the City of Carson ends on July 31, 2020.

The intent behind the HOME single-family program is to begin to transform neighborhoods by addressing the most deteriorated home on a street and eliminating the blight, helping all those around it. In that case, not just the homeowner benefits but the wider community does as well. To attract homeowners to apply for the program, the HOME program guidelines are set so the maximum loan amount is not to exceed \$50,000. The \$50,000 cap is higher but not dramatically higher than the NPP limits.

These grants can be used to make substantial home improvements such as updating outdated fixtures, countertops, plumbing, exterior and interior painting, and upgrading kitchens and bathrooms to make the property more functional and energy efficient, and in bringing an older home up to code. The HOME program will help the local economy by helping to fund home improvements and projects that will improve the quality of affordable housing in certain neighborhoods that have a larger concentration of low income households, bringing sustainability to the housing stock in these areas, and upgrading the quality of life for residents.

These funds were not included in the Fiscal Year 2018-2019 budget while program guidelines were being drafted and pertinent data was being updated and, subsequently, not included in the Fiscal Year 2019-2020 budget. Staff is recommending approval to reinstate the HOME grant fund in the Fiscal Year 2019-2020 budget to allow the grant program to proceed while the grant funds are still available for expenditure.

## **V. FISCAL IMPACT**

The HOME grant is a reimbursement grant that will fully fund grant activities. Appropriation of the grant amount of \$500,000 will allow HOME program activities to proceed. If approved, \$487,500 will be appropriated to account 214-70-720-964-6074 for rehabilitation activities and \$12,500 in account 214-70-720-964-5002 for administrative costs. All remaining administrative expenses to implement this program will be charged to the remaining \$487,500 grant amount; therefore, the General Fund will not be impacted. As the costs of the program are to be reimbursed at the conclusion of grant activities, there is no direct impact to the City's General Fund.

## **VI. EXHIBITS**

1. Authorization from HCD to use grant funds for HOME program. (pgs. 3-4)
2. Resolution No. 19-159. (pgs. 5-6)

1.

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