

MEMORANDUM



The
**Long Beach
Housing
Development
Company**

DATE: March 17, 2010
TO: Board of Directors
The Long Beach Housing Development Company
FROM: Angela Reynolds, Manager, Neighborhood Services
PREPARED BY: Robin Grainger, Housing Rehabilitation Officer
SUBJECT: CalHome Housing Rehabilitation Loan Program

RECOMMENDATIONS

1. Approve a housing rehabilitation loan program that provides up to \$60,000 in housing rehabilitation loan assistance to qualified owner-occupant homeowner in Federally qualified census tracts and Redevelopment areas; and
2. Authorize the President or designee to execute any and all documents necessary to implement the program.

BACKGROUND

On April 18, 2008, the California Department of Housing and Community Development (HCD) issued a Federal Program Notice of Funding Availability (NOFA), made available through the passage of Proposition 1C in 2006, for the CalHome Program. On October 9, 2008, The Long Beach Housing Development Company (LBHDC) was notified that HCD had reserved \$1,500,000 for the LBHDC's application for the 2008 CalHome Program Loan funding. These funds were awarded in the form of a Grant to be used to provide owner-occupied rehabilitation loans to low-income homeowners in the City of Long Beach.

The proposed program has the following features, which are in accordance with the requirements of the funding sources:

- Maximum loan amount: up to \$60,000
- Funding sources: CalHome (\$1.5 million) for low-income households

**MAKING
AFFORDABLE
HOUSING
HAPPEN**

AGENDA ITEM NO. 7

Mailing Address:
110 Pine Avenue
Suite 1200
Long Beach, CA 90802
Tel 562/570-6949
Fax 562/570-5921

- Loan term – Single-family Rehabilitation: 0% interest for 30 years – deferred; no monthly payments required; loan is due upon conclusion of 30-year term, sale, title transfer, or failure to occupy the unit as primary residence
- Loan term – Mobile Home Rehabilitation or Replacement: 0% interest for 10 years – deferred; no monthly payments and loan forgiven incrementally after the 10th year of borrower's residency at the rate of 20% per year for 5 years; loan is due on sale, title transfer, or failure to occupy the unit as primary residence
- Eligible household: Owner-occupant homeowners whose household income does not exceed the low-income limits, adjusted by household size
- Eligible properties: One unit, single family residences including mobile homes, condominiums/townhomes, and must be located in a Federally qualified census tracts or an official Redevelopment area; combined debt-to-loan ratio no greater than 85%; no combined debt-to-loan ratio for mobile homes
- Maximum home prices: \$451,250 for single family residences and \$332,500 for condominiums/townhomes

If the Board approves staff's recommendation, following is an outline of the next steps.

- Provide the Board with specific program parameters at the next Board meeting.
- Prepare loan documents and seek approval from HCD.
- Prepare marketing and informational materials.
- Launch the program to the public.

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