



City of Carson Report to Redevelopment Agency

September 7, 2010
New Business Consent

SUBJECT: CONSIDER A MODIFICATION TO THE FY 2010/11 FIRST TIME HOME BUYER PROGRAM GUIDELINES

Submitted by Clifford W. Graves
Economic Development General Manager

Approved by Jerome G. Groomes
Executive Director

I. SUMMARY

On August 4, 2009, the Agency Board approved and adopted modifications to the guidelines of the First Time Home Buyer (FTHB) Program (Exhibit No. 1).

II. RECOMMENDATION

APPROVE the First Time Home Buyer Program change reducing the FY 2010/11 proposed budget amount to \$750,000.00.

III. ALTERNATIVES

TAKE another action the Agency Board deems appropriate.

IV. BACKGROUND

During FY 2009/10, fourteen residents were assisted through the FTHB Program. The approved budget allocation for the year was \$1,500,000.00, with a maximum loan amount of \$100,000.00, and a total of \$1,300,784.00 was expended to fund the fourteen loans.

The program has been an effective tool for providing prospective buyers with a down payment to effectuate the purchase of their first home in the city of Carson. This program will be included in the proposed FY 2010/11 Redevelopment Agency budget to continue efforts to support affordable homeownership for moderate-income families.

However, the proposed budget will reduce the Agency funding to \$750,000.00. It will allocate another \$750,000.00 for down payment assistance from the Neighborhood Stabilization Program 2 (NSP2). This combination will maintain the FY 2009/10 funding level.

Based on the FY 2009/10 program experience and market conditions, staff proposes to reduce the maximum Agency loan amount from \$100,000.00 to \$75,000.00. This will enable funding of more loans, and conform the Agency program more closely to Housing Urban Development Department (HUD) NSP2 standards. All remaining parameters and guidelines approved by the Agency will remain the same (Exhibit No. 2).

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