



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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The City Council entered into a consortium agreement with Los Angeles Neighborhood Housing Services (LANHS) for the NSP2, (Exhibit No. 3). The city has been approved to receive an allocation amount of \$2,000,000.00 for down payment assistance. The NSP2 down payment assistance is up to \$50,000.00, for moderate- income families and up to \$75,000.00 for low-income families. The approval to utilize the first \$1,000,000.00 will supplement down payment assistance to moderate-income families to purchase real estate owned (REO) properties in the city of Carson. The LANHS guidelines and parameters will be used pursuant to the Agreement approved by HUD.

V. FISCAL IMPACT

None.

VI. EXHIBITS

1. Minutes, August 4, 2009, Item No. 3 (pg. 3)
2. Minutes, February 17, 2010, Item No. 9 (pgs. 4-5)
3. Minutes, September 15, 2009, Item No. 12 (pg. 6)

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Prepared by: Debra Scott, Housing and Neighborhood Development Division_

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Reviewed by:

City Clerk	City Treasurer
<u>Administrative Services</u>	<u>Development Services</u>
<u>Economic Development Services</u>	<u>Public Services</u>

Action taken by City Council	
Date _____	Action _____

ITEM NO. (3) CONSIDERATION OF ALLOCATING FUNDS TO THE FIRST TIME HOME BUYER PROGRAM FOR FISCAL YEAR 2009/10 AND APPROVAL OF RESOLUTION NO. 09-27 FOR USE OF LOW AND MODERATE HOUSING FUNDS OUTSIDE OF THE CARSON REDEVELOPMENT PROJECT AREAS (ECONOMIC DEVELOPMENT)

THIS IS A JOINT AGENDA ITEM WITH COUNCIL ITEM NO. 5

This item was heard jointly with Council Item No. 5 after Agency Item No. 6 at 10:37 P.M.

RECOMMENDATION for the Redevelopment Agency:

TAKE following actions:

1. APPROVE the allocation of \$1,500,000.00 for the First Time Home Buyer program for FY 2009/10.

ACTION: It was moved to approve all Agency New Business Calendar Items and Council New Business Consent Calendar Item No. 5 only on motion of Dear, seconded by Gipson and unanimously carried by the following vote:

Ayes: Mayor/Chairman Dear, Mayor Pro Tem/Chairman Pro Tem Davis-Holmes, Council/Agency Member Santarina, Council/Agency Member Gipson, and Council/Agency Member Ruiz-Raber
Noes: None
Abstain: None
Absent: None

ITEM NO. (9) CONSIDERATION OF MODIFICATIONS TO THE FIRST-TIME HOME BUYERS' PROGRAM (ECONOMIC DEVELOPMENT)

This item was heard after Item No. 6.

Economic Development General Manager Graves summarized staff report and recommendation.

Chairman Dear noted the hour of 11 P.M. and requested the consensus of the Agency to continue the agenda.

Agency Member Davis-Holmes requested the inclusion of remaining Oral Communications, which was accepted with no objections heard.

RECOMMENDATION for the Redevelopment Agency:

1. APPROVE the proposed program changes.

ACTION: Agency Member Davis-Holmes referred to Exhibit No. 2, Priority System Established, Universal Funds, 30% of funds available to all applicants on a first come-first served basis and requested staff to change the availability of the Universal Funds to be available to people who work in Carson.

It was moved to change the availability of the Universal Funds to be available to people who work in the City of Carson and would include employees of fire departments, law enforcement agencies, and school districts, which would include teachers, on motion of Dear and seconded by Santarina.

Chairman Pro Tem Gipson offered an amendment to the motion to include employees of police and fire agencies who intend to live or work in the City of Carson, which was accepted by the maker and the second.

Upon inquiry, Economic Development General Manager Graves stated that conditional approval letters would be signed by the Agency, not by a consultant.

At the request of Chairman Dear, Agency Secretary Kawagoe read back the motion.

Whereupon, Agency Member Davis-Holmes clarified that it was her intent that people who interface with the Carson community would be considered eligible for the program, such as Los Angeles County Sheriff's Department, Los Angeles County Fire Department, and Los Angeles Unified School District teachers.

Chairman Dear clarified that only one amendment to a motion was allowed.

The amended motion failed to carry by the following vote:

Ayes: Chairman Dear



Noes: Chairman Pro Tem Gipson, Agency Member Santarina, Agency Member Williams, and Agency Member Davis-Holmes
Abstain: None
Absent: None

Upon inquiry, Agency Attorney Wynder clarified that a proposal to narrow the employment options would be appropriate in a new motion.

It was moved to include law enforcement, school districts, universities and colleges and would include the Los Angeles Community College District, Cal-State University System, and UC System, Los Angeles County Fire Department, Los Angeles Unified School District, Compton School District, that were represented in Carson, and all Carson residents, which was not considered due to lack of a second.

It was moved to Approve the staff recommendation and to change the availability of the Universal Funds to be available to the following: Los Angeles Unified School District teachers, employees of the Los Angeles County Fire and Sheriff's Departments, employees of California State University Dominguez Hills, people who work in Carson, and Carson residents, seconded by Santarina and unanimously carried by the following vote:

Ayes: Chairman Dear, Chairman Pro Tem Gipson, Agency Member Santarina, Agency Member Williams, and Agency Member Davis-Holmes
Noes: None
Abstain: None
Absent: None

ITEM NO. (12) AUTHORIZATION TO ENTER INTO A CONSORTIUM AGREEMENT WITH LOS ANGELES NEIGHBORHOOD HOUSING SERVICES AS A PART OF THE NEIGHBORHOOD STABILIZATION PROGRAM 2 (NSP2) (ECONOMIC DEVELOPMENT)

Economic Development General Manager Graves summarized the staff report and recommendation.

RECOMMENDATION for the City Council:

TAKE the following actions:

1. APPROVE the Neighborhood Stabilization Program 2 Consortium Agreement.
2. AUTHORIZE the Mayor to execute the Consortium Agreement, and any subsequent amendments thereto, with LANHS for the purposes of participating as a local jurisdiction under the Neighborhood Stabilization Program 2.

ACTION: It was moved to Approve staff recommendation Nos. 1 and 2 on motion of Davis-Holmes, seconded by Ruiz-Raber and unanimously carried by the following vote:

Ayes: Mayor Dear, Mayor Pro Tem Davis-Holmes, Council Member Gipson, and Council Member Ruiz-Raber
Noes: None
Abstain: None
Absent: Council Member Santarina