

REPORT

DATE ISSUED: January 14, 2008 REPORT NO: HCR 08-09

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of February 1, 2008

SUBJECT: Budget Revision – First Time Homebuyer Program

REQUESTED ACTION:

Amend the Fiscal Year 2008 Housing Commission budget to reflect an additional \$1,200,000 from Centre City Development Corporation (CCDC).

STAFF RECOMMENDATION:

Recommend Housing Commission and Housing Authority approval of an amendment to the Fiscal Year 2008 Housing Commission budget to increase the Homeownership Loans and Grants by \$1,132,500 from \$5,439,130 to \$6,571,630 and to place \$67,500 in reserves for administration of the CCDC Downtown First Time Homebuyer Program.

BACKGROUND:

In August 2002, the San Diego Housing Commission and CCDC entered into a Cooperation Agreement. Under the terms of the Agreement, the Housing Commission is to originate and service the second trust deed loans on behalf of CCDC for their Downtown First Time Homebuyer Program. The Housing Commission received a one-time set-up fee in the amount of \$25,000 and receives a \$4,500 administration fee for each loan that is closed. CCDC's initial investment in the homebuyer program was \$1,000,000. Since the CCDC program was created, the Housing Commission has originated 12 loans totaling \$871,630 and received \$54,000 in administrative fees. An additional \$5,000 was spent to market the CCDC program. The original investment has been reduced to \$69,370; additional funds are needed to continue the program.

On November 16, 2007, the Redevelopment Agency of the City of San Diego authorized the expenditure of an amount not to exceed \$1,200,000 of low-and moderate-income housing set-aside tax increment funds from the Centre City and Horton Plaza Redevelopment Project Areas allocated from the Fiscal Year 2007-2008 Budget to be used toward the purposes of the Downtown First Time Homebuyer Program. In turn, CCDC will disburse the funds to the Housing Commission to use for the benefit of eligible buyers to purchase their first home pursuant to the terms outlined in the Cooperation Agreement.

FISCAL CONSIDERATIONS:

Amendment of the Housing Commission's Fiscal Year 2008 budget to accept the \$1,200,000 from CCDC for the CCDC Downtown First Time Homebuyer Program will increase the homeownership budget from \$5,439,130 to \$6,571,630 and place \$67,500 in reserves for administration. The reserve funds will be drawn down in \$4,500 increments as individual CCDC loans are funded.

AFFORDABLE HOUSING IMPACT:

Approximately 15 moderate income first time homebuyers would be assisted with the purchase of an eligible unit located in the Centre City and Horton Plaza redevelopment area.

ENVIRONMENTAL REVIEW:

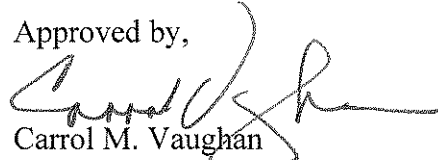
This activity is not a project within the meaning of California Environmental Quality Act and is categorically exempt and/or excluded under the provision of National Environmental Policy Act; see 24 CFR 58.35(a).

Respectfully submitted,



Cissy Fisher
Director of Housing Finance and Development

Approved by,



Carrol M. Vaughan
Interim President & Chief Executive Officer

Attachments: 1 – Summary of Expenditure Homeownership

Distribution of these attachments may be limited. Copies available for review during business hours at the Housing Commission offices at 1122 Broadway, Main Lobby.

Summary of Expenditures
Homeownership

	Current Budget	Proposed Revision	Proposed Budget
Salaries & Benefits	231,884	0	231,884
Services & Supplies			
Legal	20,000		20,000
Training	2,322		2,322
Travel	2,000		2,000
Contract/Consultant	11,000		11,000
Office Rent	30,428		30,428
Sundry	16,973		16,973
Total Services & Supplies	82,723	0	82,723
Housing Programs			
Loans & Grants	5,439,130	1,132,500	6,571,630
Total Housing Programs	5,439,130	1,132,500	6,571,630
Reserves		67,500	67,500
Total Budget	5,753,737	1,200,000	6,953,737