

REPORT

DATE ISSUED: October 30, 2008

REPORT NO: HCR 08-129

ATTENTION: Chair and Members of the Housing Commission
For the Agenda of November 21, 2008

SUBJECT: Application for State of California Local Housing Trust Fund Program Funding
(Citywide)

REQUESTED ACTION: Recommend that the City Council authorize the Commission to apply for funding under the State of California's Housing Trust Fund Program, and execute agreements and related documents.

STAFF RECOMMENDATION: Authorize the President & Chief Executive Officer of the Commission or designee to apply for up to \$2 million in funding from the State of California's Housing Trust Fund Program, execute agreements and related documents, and amend the FY2009 budget to reflect any award of funding.

BACKGROUND: On October 28, 2008 the California Department of Housing and Community Development's Local Housing Trust Fund Program (the program) released a Notice of Funding Availability (NOFA) for Matching Grants for Local Entities Bringing Investments and Innovation to Affordable Housing. The program was created by AB 1891 and is funded under the Housing and Emergency Shelter Trust Fund Act of 2006 (Proposition 1C). The application deadline is February 18, 2009 and awards will be announced starting in April 2009.

State matching funds must be used for loans for development of rental housing projects with units restricted for at least 55 years to households earning less than sixty percent of area median income (AMI) (\$47,400 for a family of four), or for downpayment assistance to qualified first-time homebuyers. At least thirty percent of the total amount of the program funds and matching funds shall be expended on projects that are affordable to and restricted for extremely low-income households (up to thirty percent of AMI, or \$23,700 for a family of four). An AMI table is attached.

It should be noted that use of the funds would also have to comply with local Housing Trust Fund (HTF) program rules. For example, in any fiscal year, not more than ten percent of the local HTF program funds can be spent on homebuyer assistance to median-income households.

FISCAL CONSIDERATIONS: Should the City of San Diego's application be successful, between \$1 million and \$2 million in matching State grant funds would be available for downpayment assistance to first-time homebuyers and development of affordable housing projects funded by the City's Housing Trust Fund. Local matching funds are available at this time. Funds must be committed within thirty six months of receipt.

PREVIOUS COUNCIL and/or COMMITTEE ACTION: In November 2003 the City Council unanimously authorized an application for \$2 million in funding under the program's previous NOFA. The City of San Diego was awarded \$2 million, and all funds have been expended. The funds assisted

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two special purpose rental housing projects with a total of 38 rental units and a 112-bed special purpose housing project.

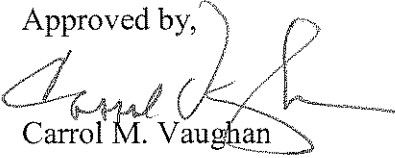
ENVIRONMENTAL REVIEW: The application for State funding is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15060 (c)(3) of State CEQA guidelines (the activity is not a project). This activity is also exempt from review under the National Environmental Policy Act (NEPA) as no federal funds are involved.

KEY STAKEHOLDERS & PROJECTED IMPACTS: Extremely low-income to moderate-income residents of the City of San Diego.

Respectfully submitted,


Cissy Fisher *For Cissy Fisher*
Director, Housing Finance

Approved by,


Carrol M. Vaughan
Executive Vice President &
Chief Operating Officer

Attachment: AMI Table

Hard copies are available for review during business hours at the Housing Commission offices at 1122 Broadway, San Diego, CA 92101, Main Lobby and at the Office of the City Clerk, 202 C Street, San Diego, CA 92101. You may review complete docket materials on the San Diego Housing Commission website at www.sdhc.org.

U.S. Department of Housing and Urban Development

2008 San Diego Median Income:

\$72,100

***Income Limits 80% and Below are Based on HUD Formula Income**

Limits Adjusted for High Housing Cost Area

	Extremely Low Income			Very Low Income
Family Size	30% Income	35% Income	40% Income	50% Income
ONE	\$16,600	\$19,350	\$22,100	\$27,650
TWO	\$18,950	\$22,100	\$25,300	\$31,600
THREE	\$21,350	\$24,900	\$28,450	\$35,550
FOUR	\$23,700	\$27,650	\$31,600	\$39,500
FIVE	\$25,600	\$29,850	\$34,150	\$42,650
SIX	\$27,500	\$32,050	\$36,650	\$45,800
SEVEN	\$29,400	\$34,300	\$39,200	\$49,000
EIGHT	\$31,300	\$36,500	\$41,700	\$52,150

				Low Income
Family Size	60% Income	65% Income	70% Income	80% Income
ONE	\$33,180	\$35,950	\$38,700	\$44,250
TWO	\$37,920	\$41,100	\$44,250	\$50,550
THREE	\$42,660	\$46,200	\$49,750	\$56,900
FOUR	\$47,400	\$51,350	\$55,300	\$63,200
FIVE	\$51,180	\$55,450	\$59,700	\$68,250
SIX	\$54,960	\$59,550	\$64,150	\$73,300
SEVEN	\$58,800	\$63,650	\$68,550	\$78,350
EIGHT	\$62,580	\$67,800	\$73,000	\$83,400

	Moderate Income	Moderate Income	Moderate Income	Moderate Income
Family Size	90% Income	100% Income	110% Income	120% Income
ONE	\$45,450	\$50,450	\$55,500	\$60,550
TWO	\$51,900	\$57,700	\$63,450	\$69,200
THREE	\$58,400	\$64,900	\$71,350	\$77,850
FOUR	\$64,900	\$72,100	\$79,300	\$86,500
FIVE	\$70,100	\$77,850	\$85,650	\$93,400
SIX	\$75,300	\$83,650	\$92,000	\$100,350
SEVEN	\$80,500	\$89,400	\$98,350	\$107,250
EIGHT	\$85,650	\$95,150	\$104,700	\$114,200