



Agenda Item:

050

COUNCIL COMMUNICATION City Manager's Office

GENERAL INFORMATION

Agenda Date: 06/07/04
No.: 04-261
Agenda Item Type: Resolution
No.:

Communication

Roll Call

Submitted by: Chris M. Johansen, Director, Housing Services Department

SUBJECT—

2004 Consolidated Plan Amendment.

SYNOPSIS—

City Council approval of an amendment to the Program Year 2004 HUD Consolidated Plan originally approved by the City Council on November 17, 2003 by Roll Call No. 03-2623.

FISCAL IMPACT—

Approval of amendment will facilitate the City's receipt of \$148,737 of American Dream Downpayment Initiative (ADDI) funding from HUD.

RECOMMENDATION—

Approval.

BACKGROUND—

On November 17, 2003, by Roll Call No. 03-2623, the City Council approved the 2004 HUD Consolidated Plan. On May 3, 2004, by Roll Call No. 04-928, the City Council approved HUD Grant Agreements of CDBG, HOME and ESG funding for the City's 2004 HUD Consolidated Plan. The aforementioned HOME Grant Agreement did not include ADDI funding which HUD

will provide upon the City's completion of an amendment to the City's 2004 HUD Consolidated Plan to address the use of ADDI funding.

The funding is somewhat complex in that it involves an allocation of 2003 (\$68,227) and 2004 (\$80,510) funding. The allocated amounts have different regulatory requirements because of amendments made at the federal level before the final regulations were adopted in the Interim Rule. The program will provide the greater of 6% of the purchase price or \$10,000 for down payment assistance for first-time homebuyers. A first-time homebuyer is an individual and his or her spouse who have not owned a home during a three-year period prior to purchase of a home with assistance from ADDI.

The proposed Consolidated Plan amendment recommends that ADDI funding be used in the King-Irving Neighborhood to supplement the current neighborhood redevelopment efforts in this area. Additionally, concentrating ADDI funding in this area will provide greater impact than if it were spread throughout the City. The City's Community Development Department, Neighborhood Conservation Services Division will administer the proposed program. ADDI funding can be used in conjunction with other HOME-funded programs that are currently available in the King-Irving Neighborhood. ADDI funds will be secured by a forgivable lien with a term of 60 months. ADDI funds cannot be used for administrative costs.

The City's Neighborhood Revitalization Board (NRB) reviewed the proposed 2004 HUD Consolidated Plan amendment at their meeting of May 19, 2004, and recommended their approval.