



STAFF REPORT – CITY COUNCIL MEETING

March 01, 2023

TO: Honorable Mayor and City Council Members

FROM: David Loya, Director of Community Development

PREPARER: David Loya, Director of Community Development

DATE: February 23, 2023

TITLE: **Adopt Resolution No. 223-41, Authorizing Application to CalHome for a Homebuyer Assistance Program in the Amount of \$490,286.**

RECOMMENDATION:

Staff recommends the Council adopt Resolution No. 223-41, authorizing application to CalHome for a Homebuyer Assistance program in the amount of \$490,286.

INTRODUCTION:

The City's Homeownership Program has been underfunded or unfunded for a number of years. Recently, staff learned that HOME Partnership Program (HOME) funds could no longer be used to finance Community Land Trust homes. This poses a significant challenge maintaining the program. CalHome can finance Land Trust homes. Adopting Resolution No. 223-41 will authorize application to CalHome to establish a new Homeownership Program financing tool, as well as a new program to finance the purchase of mobilehomes.

BACKGROUND:

At the last City Council meeting, staff presented on the challenges facing the Community Land Trust. In short, the sources of funds the City previously relied on to finance Land Trust buyers are no longer available.

DISCUSSION:

The City may apply to CalHome to fund a new Homeownership Program. Applications are due on February 28, 2023. Staff has put together an application to finance a downpayment assistance program. Staff expects that most purchased financed with the funds, if awarded, will be Land Trust homes. Open market homes are generally too expensive in Arcata to qualify for financing.

The CalHome funds may also be used to finance purchase of a mobilehome. The City may apply for this option on the same application.

The total application amount would finance 3-5 homes and two mobilehomes.

POLICY IMPLICATIONS:

While it is uncertain, CalHome may help sustain the Land Trust.

COMMITTEE/COMMISSION REVIEW:

None

ENVIRONMENTAL REVIEW (CEQA):

None. This is not a project as defined by CEQA.

BUDGET/FISCAL IMPACT:

The CalHome is generally oversubscribed, but if awarded, the majority of the revenue would passthrough to homebuyers. There is a small amount of administrative funds, as well as some activity delivery funds that would help with staffing the program. The admin and delivery funds would not likely cover the entire cost of running the program.

ATTACHMENTS:

A. Resolution No. 223-41 (PDF)