

**COMMUNITY DEVELOPMENT
COMMISSION**

For City Clerk's Use:

☐ **APPROVED** ☐ **DENIED**

Reso No. CDC _____ File No. _____

Ord No. CDC _____

Agenda Item No.: 20

Date: June 22, 2011

TO: Chair and Commissioners

FROM: Jerry Van Leeuwen, Director of Community Services

SUBJECT: Budget Allocation Recommendations for FY 2011-2012 Housing Set-Aside Funds

RECOMMENDATION:

Approval of the FY 2011-2012 Housing Set-Aside Funds Budget and adoption of CDC Resolution 2011-05.

Staff requests additional direction on the creation of a HOME-FR program regarding eligible City employees.

FISCAL ANALYSIS:

Under the Community Redevelopment Law, at least 20% of collected redevelopment funds are set aside and held in a low- and moderate-income housing fund. All interest or revenue generated by the fund accrues to the fund. In addition, repayments of loans originally funded from Housing Set-Aside Funds are returned to the fund. By law, these funds must be used to increase and improve the supply of low- and moderate-income housing within Escondido.

State law provides that the agency may exercise any and all of its powers to provide low- and moderate-income housing, including the acquisition of land or buildings, the provisions of subsidies to eligible persons or families, and the payment of principal and interest on bonds, loans and advances to finance or carry out its charges. The use of these housing funds assists the City in meeting its housing goals under three major policy documents: the Housing Element of the City's General Plan; the Implementation Plan for the Escondido Redevelopment Area; and the Consolidated Plan (a federally required document).

When possible, the Housing Set-Aside Funds are used as leverage for other public and private financing. By loaning rather than granting the funds, the City anticipates loan payoffs from the First-time Homebuyer Program, the Rehabilitation Loan Program, and other special project loans that accrue to the fund and may be reused for new loans or programs.

GENERAL PLAN ANALYSIS:

The proposed program budget is consistent with the City's adopted Housing Element. The fund expenditures assist the City in the creation of new housing opportunities through conservation, preservation, rehabilitation and construction of housing units.

BACKGROUND:

The needs assessment conducted for the City's Consolidated Plan (approved in May of 2010) demonstrated that the housing assistance needs of Escondido households far exceeded the resources that are projected to be available during the five years (2010-2015) covered by the Consolidated Plan. Thus, priorities have been established in the City's Consolidated Plan.

The assessment identified a number of significant findings related to the housing assistance needs of lower-income residents of Escondido. Analysis of housing data contained in the 2000 Census data, as well as more recent data from SANDAG and the State Department of Finance, produced priorities that were approved by the City Council when the Consolidated Plan was adopted. Priorities include increasing home ownership opportunities, conserving the supply of existing ownership housing, expanding the supply of affordable rental housing, promoting neighborhood stability by increasing length of tenure of rental households, increasing the supply of well-designed multi-family units, and expanding the supply of three- and four-bedroom units for low-income families.

The Housing Set-Aside Funds, along with the City's federal sources of funding, Home Investment Partnerships (HOME) Program and Community Development Block Grant (CDBG) have been instrumental in producing a portion of the needed affordable housing units. In addition, other private, foundation and non-profit funds are leveraged to fulfill the City's housing needs.

As required by the State Health and Safety Code, an agency is required to adopt an annual budget containing all of the following specific information, including all activities to be financed by the Low and Moderate Income Housing Fund established pursuant to Health and Safety Code Section 33334.3:

- (a) The proposed expenditures of the agency.
- (b) The proposed indebtedness to be incurred by the agency.
- (c) The anticipated revenues of the agency.
- (d) The work program for the coming year, including goals.
- (e) An examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program.

As recommended, the 2011-2012 Housing Set-Aside Budget with the required components, pursuant to the Health and Safety Code, is detailed on page 5.

It should also be noted that the Health and Safety Code Section 33334.3, paragraph (d) requires that the Community Development Commission make an annual determination that the planning and administration expenses are necessary for the production, improvement, or preservation of low- and moderate-income housing. The 2011-2012 budget contains a series of prior and current projects and programs related to the provision of low- and moderate-income housing in amounts as follows:

Prior Obligations:

Cal HFA Loan P&I set-aside yr. 9 of 10 (Via Roble Reserve)	\$240,500
Cal HFA Loan P&I set-aside yr. 7 of 10 (Brotherton Sq. Reserve)	\$182,000
Cal HFA Loan P&I set-aside yr. 5 of 10 (Las Ventanas Reserve)	\$162,500
Cal HFA Loan P&I set-aside yr. 5 of 10 (Juniper Senior Reserve)	\$108,445
NSP Reimbursement	\$786,000

Current Year (2011-12) Obligations

Administration and Program Oversight	\$1,184,525
2010 Reservation of funds for redevelopment projects (El Norte Apartments)	\$350,000
Reservation of funds for redevelopment projects (El Norte Apartments)	\$1,111,030

Ongoing Programs:

Owner-Occupied Rehabilitation	\$600,000
First-Time Homebuyer	\$700,000
Mobile Home Rental Subsidy	\$130,000
Apartment Rental Subsidy	\$170,000
Contingency	--
MCC Contract Administration	\$ 5,000

The budget includes the allocation of funds for administration, loan payment reserves, various established ongoing programs and the reservation of funds for special projects approved by the CDC. The two reservations of funds above comprise one development project; the first reservation was approved on August 18, 2010, for predevelopment costs associated with the 36-unit El Norte Apartments; the second reservation is a two-year commitment of Housing Set-aside funds approved by the CDC on March 16, 2011, for El Norte Apartments development costs to leverage potential tax credit funding.

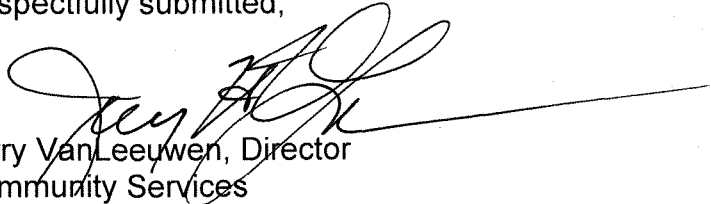
Federal stimulus funds under the Neighborhood Stabilization Program (NSP) have been used since fiscal year 2009-2010 to purchase abandoned or previously developed properties for future affordable housing units. Four properties have been purchased with these funds. Two properties, at 1282 N Broadway and 537 E Elm, are integral parts of current projects anticipated to provide 36 rental units and 14 home ownership units for low-income households. Two properties, at 3rd Avenue and Pine/2nd Avenue in the Mercado District were purchased with the intention of working with a non-profit to develop a third project. Redevelopment of these properties will not be possible within the NSP timeline. CDC funds will be used to repay the NSP obligation; the properties will be held by the CDC for future affordable housing redevelopment.

Additionally, in order to properly manage the various projects and programs above, and special projects yet to be determined, Staff recommends to the Community Development Commission that the Commission find it necessary to appropriate \$1,184,525 for the purpose of providing administrative, management and oversight of the housing programs and projects, and the administration and monitoring of the existing loan portfolio. The management of all the projects and programs involves not only oversight of current activity and loans but significant monitoring, management and reporting of prior activity and loans within the portfolio of each program.

CONCLUSION AND RECOMMENDATIONS:

Staff recommends approval of the Housing Set-Aside Budget and continuance of the First-Time Homebuyer Program, the Rehabilitation Loan Program, the Senior Rental Subsidy Programs and the Mortgage Credit Certificate (MCC) Program at the recommended funding levels as indicated on page 5 of this staff report and in the following narrative regarding the programs.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Jerry VanLeeuwen", with a long horizontal line extending to the right.

Jerry VanLeeuwen, Director
Community Services

PROPOSED FY 2011-2012 HOUSING SET-ASIDE BUDGET

Estimated Carry Forward Balance:	\$ 780,000
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Sources of Fiscal 2011-12 Revenue:

Tax Increment	\$ 4,750,000	
Interest	75,000	
Repayments	125,000	
Lot Sales		
2010-2011 Contingency Balance		
FY 2011-12 Total Sources		4,950,000

TOTAL FUNDS AVAILABLE:	\$ 5,730,000
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Use of Funds**Prior Obligations:**

Cal HFA Loan P & I (Via Roble Yr 9 of 10 - Reserve)	\$ 240,500
Cal HFA Loan P & I (Brotherton Sq. Yr 7 of 10 - Reserve)	182,000
Cal HFA Loan P & I (Las Ventanas Yr 5 of 10 - Reserve)	162,500
Cal HFA Loan P & I (SoCal Sr Hsg Yr 5 of 10 - Reserve)	108,445
NSP Reimbursement	786,000

Current Year (2011-12) Obligations:

Administration	1,184,525	
Reservation for Redevelopment Projects ¹	350,000	
Reservation for Redevelopment Projects ²	1,111,030	
Total prior and current year obligations		\$ 4,125,000

FY 2011-12 Available Balance :	1,605,000
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Proposed Uses of 2011-12 Available Funds**Proposed:**

Owner-Occupied Rehabilitation ³	\$ 600,000	
First-Time Homebuyer ⁴	700,000	
Mobilehome Rental Subsidy ⁵	130,000	
Senior Apartment Rental Subsidy ⁶	170,000	
Contingency ⁷	-	
MCC Contract Administration	5,000	
Total Programs		1,605,000

Reserved for future RFP:	0
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TOTAL FUNDS USED:	\$ 5,730,000
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¹ Committed to Community Housing Works for NSP property (Broadway) approved by CDC on August 18, 2010

² Additional commitment of \$1.9M to Community Housing Works for NSP property (Broadway) approved by CDC on March 16, 2011

³ Maximum income 80% of median, assumes approx. 7 single family rehabilitation loans @ \$40,000, 13 mobilehome loans @ \$20,000 two single family roof loans @ \$15,000 and three mobilehome roof loans @ \$10,000

⁴ Estimated 28 loans @ the maximum purchase price of \$25,000 for persons @ 81-120% of median income

⁵ Maximum income 50% of median, assumes flat \$75 subsidy for approximately 150 low-income seniors or disabled persons living in mobilehomes with carry forward of \$10,000 from fiscal year 2010-2011

⁶ Maximum income 50% of median, assumes flat \$100 subsidy for approximately 145 low-income seniors or disabled persons living in senior apartments complexes with carry forward of \$10,000 from fiscal year 2010-2011

⁷ Allow for additional roof loans, rehab loans or first-time homebuyer loans if demand is more than estimated goals

ADDITIONAL FY 2011-2012 HOUSING RESOURCES

Federal Rental Assistance

Section 8 - Serving approximately 1,142 households \$9,074,908

Homeless Prevention and Rapid Re-Housing Grant \$ 89,379¹

Supportive Housing Program Grants

\$973,277

(Estimated Federal funds to be received by local non-profits
in the City of Escondido)

Community Development Block Grant (CDBG)

Fair Housing Services \$10,000

Regional Winter Shelter \$33,300

NSP Remaining Balance as of 5/31/11 \$0

Loan Application & Lender Fees

Estimated First-time Homebuyer Program Lender Participation \$5,000
and applicant fees. (These funds are used to help support the
Fair Housing Association.)

Federal HOME Funds 2011

HOME Allocation \$816,169

Anticipated Program Income \$240,831

Interest Income \$5,000

¹ Remaining balance as of 5/31/11

SUMMARY OF HOUSING PROGRAMS PROPOSED FOR FUNDING FROM HOUSING REDEVELOPMENT REVENUES

Owner-Occupied Housing Rehabilitation

Program Description:

The Housing Rehabilitation Loan Program assists owner-occupants of both single-family homes and mobile homes. The program provides low- or no-interest loans that allow owners to make needed repairs and improvements to their homes. The program offers a no-interest, deferred payment loan to mobile home owners and a 3% simple interest deferred loan to single-family homeowners. In all cases, repayment of the rehabilitation loan is due when the property is sold or refinanced, upon change of title, or if the property is no longer owner-occupied by the rehabilitation loan recipient.

Currently, the program offers loans up to \$20,000 to mobile home owners with income at or below 80% of the area median income (AMI) and loans up to \$40,000 to single-family homeowners with income at or below 80% of AMI. An additional \$15,000 is available to those single-family home applicants who require connection to the local sewer system.

The roof only repair program offers a \$10,000 loan to low-income owners of mobile homes and a \$15,000 loan for roof repairs to single-family homeowners who earn less than 80% AMI. The loan may also cover exterior repairs to mobile homes when the park management has indicated the homeowner must comply with park covenants and restrictions by completing certain exterior repair items such as repairs to steps, skirting and flashing. The purpose of the program is to streamline a major component to the Rehabilitation Program (roof repair) when an applicant only requires exterior repairs. If a recipient needed to apply for additional assistance from the Rehabilitation Loan Program, total assistance may not exceed \$20,000 for mobile home loans and \$40,000 for single-family home loans.

As of May 31, 2011, 21 loans were funded for a total amount of \$449,191. Due diligence is underway on an additional seven loans. Eighteen of these funded loans were issued to mobile home owners and three loans were issued to owners of single-family residences. No loans exclusively for roof repair or replacement were issued during the current 2010-11 fiscal year.

Proposed Funding Level for FY 2010-2011:

A total of \$600,000 is recommended for the program. This amount of funding will be sufficient for approximately seven single-family rehabilitation loans at \$40,000, 13 mobile home loans at \$20,000, two single-family roof loans up to \$15,000, and three mobile home roof loans up to \$10,000.

On January 24, 2001, the CDC approved a program for lead-based paint testing and hazard reduction in pre-1978 housing. The grant program was designed to work in conjunction with the Housing Rehabilitation Loan Program.

Since that time, staff has collected data to determine that an estimated amount of \$25,000 should be reserved for grants for lead-based paint testing and hazard reduction when required. This amount is reserved in the Housing operating budget.

As of May 31, 2011, grants of \$5,930 has been expended for testing (\$1,230) and remediation (\$4,700) of lead-based paint.

Mobile Home Park Conversion

Program Description:

In past years, the City of Escondido assisted three mobile home parks in the process of conversion to resident ownership. This program works in combination with the State Mobile Home Park Resident Ownership Program (MPROP) in order to maintain a stable housing cost level in mobile home parks. The City also assists those who wish to acquire mobile home parks for conversion to resident ownership by providing technical assistance and information. The City has an adopted mobile home conversion policy and application form that is available upon request.

In early 1991, the City purchased two mobile home parks, the Escondido Views Mobile Home Park and the Mountain Shadows Mobile Home Park, for the purpose of assisting the residents in converting their parks to resident ownership. The sale of lots to their respective residents began in FY 1991-1992. By summer of 1995, a majority of the lots were sold in both the Escondido Views and Mountain Shadows mobile home parks.

As of May 31, 2011, 178 of the 209 lots (85%) in Mountain Shadows had been sold and 144 of the 152 lots (95%) in Escondido Views had been sold. Residents who did not wish to purchase their lots continue to rent their spaces from the City. During fiscal year 2010-2011 no lots in either park were sold, although six unoccupied lots are currently listed for sale.

Proposed Program Revisions:

No revisions are recommended at this time.

Proposed Funding Level for FY 2011-2012:

Previously, sales of the lots have been directed to the payment of the bond that financed the purchase of the parks. At the March 1, 2007 bond call, the remaining balance of the bond and accrued interest was paid. Revenue received from all future sales of the remaining 39 lots will accrue to the housing fund.

Therefore, no funding is required for 2011-2012, as the rental income on the lots is expected to cover any administration and maintenance costs on the remaining lots that are managed by the Housing Division.

Mobile Home Rent Subsidy Program

Program Description:

In the spring of 1999, the Escondido City Council adopted a mobile home rent subsidy program for seniors and persons with disabilities. Eligible mobile home recipients receive a \$75 rent reduction each month from the City via payments made on their behalf to the mobile home park. The resident income limit for the Mobile Home Rent Subsidy Program cannot exceed 50% of AMI. Recipients are required to show application to HUD for Section 8 rental assistance. Once they receive Section 8 benefits, they are no longer eligible for the City assistance.

Approximately 145 residents are now being served by the program in the 14 mobile home parks that are currently participating in the program. Currently, this program has a short list of eligible households for this program. It is anticipated that in the upcoming year the number of households that will be assisted will be approximately 150 per month.

Proposed Funding Level for FY 2010-2011:

To assist an average of 150 residents monthly, \$130,000 is recommended toward program funding and deemed adequate. This budget is consistent with FY 2010-11 funding levels.

Apartment Rent Subsidy Program

Program Description:

In December 2001, the Escondido City Council approved a rent subsidy program for seniors and persons with disabilities renting apartments. This program is modeled after the City's Mobile Home Rent Subsidy program with the exception that households receive \$100 toward their rent each month instead of \$75.

Approximately 145 eligible households are assisted each month from the eight senior apartment complexes that have signed the Master Contract with the City. There is currently a 6-month list of eligible households for this program. Recipients must earn less than 50% of area median income and

are required to show application to HUD for Section 8 rental assistance. Once accepted onto the Section 8 program, they are no longer eligible for the City's program.

Proposed Program Revisions and Funding Level for FY 2010-2011:

To assist an average of 145 residents monthly, \$170,000 is recommended toward program funding and deemed adequate. This budget is consistent with FY 2010-11 funding levels.

HOME OWNERSHIP MADE EASY (HOME)
HOMEOWNERSHIP DOWN PAYMENT/CLOSING COST ASSISTANCE PROGRAM

Program Description:

This program provides loans of up to \$25,000 for down payment and/or closing cost assistance to eligible first-time homebuyers with income between 80% and 120% of area median income (AMI). The program mirrors the federally funded HELP program that assists first-time buyers with income at or below 80% of AMI. As of May 31, 2011, 45 loans had been issued.

The Housing Division is developing a new program leveraging the success of the HOME Homeownership Down Payment/Closing Cost Assistance Program: HOME-FR (Home Ownership Made Easy – First Responder). This program is intended to help first responders become first-time homebuyers in the City of Escondido to allow faster response to all types of City emergencies. The program will use the general policies and process of the existing HOME program and will leverage the City's current relationships with approved lenders now using the HOME program and affordable housing providers to promote the program.

Proposed Funding Level for FY 2010-2011:

The funding recommendation is \$700,000 for the first-time homebuyer program. The first-time homebuyer loans will continue to be issued for the lesser amount of either 5% of the purchase price or a maximum amount of \$25,000. This recommendation allows for a minimum of 62 loans @ 5% of purchase price, average loan of \$12,615. The maximum sales price limit is \$362,790. Applications currently being received range from \$200,000 to \$350,000.

HOME - Local Matching Funds

Program Description:

The City receives HOME funds directly from the Federal Department of Housing and Urban Development (HUD) as a Participating Jurisdiction (PJ). HUD requires 25% local matching funds in order for the City to be eligible to receive HOME funds. The City has greatly exceeded these requirements in past years by leveraging the City's contribution to projects receiving HOME funds and by supporting Tax Credit applications for individual developers.

Proposed Program Revisions:

No revisions are recommended at this time.

Mortgage Credit Certificates

Program Description:

This program involves the cooperation of the City, local lenders and real estate companies in a partnership to provide affordable ownership opportunities to low- and moderate-income first-time homebuyers. Homeownership opportunities are increased when homebuyers receive a Mortgage Credit Certificate (MCC). The MCC reduces the homebuyer's federal income taxes, which results in an increase in the buyer's net earnings. Lenders then consider this increase when underwriting the buyer for a mortgage loan.

Escondido is a participating city in the San Diego County Regional MCC Program. An independent firm, under a contract with San Diego County, administers the MCC program. Each participating city pays the administration costs specifically related to the average mortgage costs and the number of MCCs issued in its jurisdiction.

As of December 2010, four MCCs have been issued in FY 2010-2011 (statistics for the second half of the fiscal year will not be available until August).

Proposed Funding Level for FY 2010-2011:

An allocation of \$5,000 that pays for the administration of the Mortgage Credit Certificate Program is recommended. No revisions are recommended at this time.

COMMUNITY REDEVELOPMENT LAW OF CALIFORNIA
Summary of Affordability Guidelines
Monthly Housing Payment (Ownership) Restrictions

EFFECTIVE JULY 2010 *Subject to Revision*			MAXIMUM UNIT PRICE ^{3, 4}
LOW-RISE STACKED-FLAT CONDOMINIUMS			
# of BEDROOMS	LOWER INCOME (51-80% of MEDIAN)	MAXIMUM YEARLY HOUSEHOLD INCOME	FORMULA 30% OF 70% of 100% (HUD)
0	1 PERSON	44,000	90,000.00
1	2 PERSON	50,250	98,000.00
2	3 PERSON	56,550	106,000.00
3	4 PERSON	62,800	116,000.00
4	5 PERSON	67,850	122,000.00
TOWNHOMES/SINGLE-FAMILY HOMES			
# of BEDROOMS	LOWER INCOME (51-80% of MEDIAN)	MAXIMUM YEARLY HOUSEHOLD INCOME	FORMULA 30% OF 70% of 100% (HUD)
0	1 PERSON	44,000	106,000.00
1	2 PERSON	50,250	117,000.00
2	3 PERSON	56,550	128,000.00
3	4 PERSON	62,800	140,000.00
4	5 PERSON	67,850	144,000.00
CDC HAS THE OPTION TO REQUIRE 30% OF ACTUAL ANNUAL INCOME		LOW-RISE STACKED-FLAT CONDOMINIUMS	
# of BEDROOMS	MODERATE INCOME (81-120% of MEDIAN)	MAXIMUM YEARLY HOUSEHOLD INCOME	FORMULA 35% OF 110% of 100% (HCD)
0	1 PERSON	63,400	203,000.00
1	2 PERSON	72,500	227,000.00
2	3 PERSON	81,550	251,000.00
3	4 PERSON	90,600	277,000.00
4	5 PERSON	97,850	296,000.00
CDC HAS THE OPTION TO REQUIRE 30% OF ACTUAL ANNUAL INCOME		TOWNHOMES/SINGLE-FAMILY HOMES	
# of BEDROOMS	MODERATE INCOME (81-120% of MEDIAN)	MAXIMUM YEARLY HOUSEHOLD INCOME	FORMULA 35% OF 110% of 100% (HCD)
0	1 PERSON	63,400	219,000.00
1	2 PERSON	72,500	246,000.00
2	3 PERSON	81,550	272,000.00
3	4 PERSON	90,600	301,000.00
4	5 PERSON	97,850	318,000.00

³ Gross housing payment includes an estimate of the following costs for the upcoming twelve months:

- Principal and interest payment on the mortgage loan, including rehabilitation loans
- Mortgage loan insurance fees
- Property taxes and assessments
- Fire and casualty insurance
- Property maintenance and repairs
- A reasonable allowance for utilities (including garbage collection, sewer, water, electricity, gas, and other fuels but not telephone service). Such an allowance shall take into consideration the cost of an adequate level of service
- Developer must submit schedule of utility allowances with methodology to Housing Division for review and approval
- Homeowner association fees
- Space rent, if the housing unit is on rented land

⁴ Gross maximum payments are based on the number of bedrooms in a unit, not household size.

COMMUNITY REDEVELOPMENT LAW OF CALIFORNIA
Summary of Affordability Guidelines
Monthly Housing Rental Restrictions

EFFECTIVE JULY 2010 *Subject to Revision*			GROSS MAXIMUM HOUSING PAYMENTS ^{1, 2}
# of BEDROOMS	EXTREMELY LOW INCOME (BELOW 40% of MEDIAN)	MAXIMUM YEARLY HOUSEHOLD INCOME	FORMULA 30% OF 40% of 100% (HUD)
0	1 PERSON	22,000	550.00
1	2 PERSON	25,120	589.00
2	3 PERSON	28,280	707.00
3	4 PERSON	31,400	816.00
4	5 PERSON	33,920	911.00
# of BEDROOMS	VERY LOW INCOME (BELOW 50% of MEDIAN)	36,440	FORMULA 30% OF 50% of 100% (HUD)
0	1 PERSON	27,500	661.00
1	2 PERSON	31,400	755.00
2	3 PERSON	35,350	849.00
3	4 PERSON	39,250	944.00
4	5 PERSON	42,400	1,019.00
# of BEDROOMS	LOWER INCOME (51-80% of MEDIAN)	MAXIMUM YEARLY HOUSEHOLD INCOME	FORMULA 30% OF 60% of 100% (HUD)
0	1 PERSON	44,000	793.00
1	2 PERSON	50,250	906.00
2	3 PERSON	56,550	1,019.00
3	4 PERSON	62,800	1,133.00
4	5 PERSON	67,850	1,223.00
# of BEDROOMS	MODERATE INCOME (81-120% of MEDIAN)	MAXIMUM YEARLY HOUSEHOLD INCOME	FORMULA 30% OF 110%
0	1 PERSON	63,400	1,453.00
1	2 PERSON	72,500	1,661.00
2	3 PERSON	81,550	1,869.00
3	4 PERSON	90,600	2,076.00
4	5 PERSON	97,850	2,243.00

¹ Gross rent includes the total of monthly payments for all of the following:

- Use and occupancy of a housing unit and land and facilities associated herewith
- Any separately charged fees or services charges assessed by the lessor which are required of all tenants other than security deposits
- A reasonable allowance for utilities (including garbage collection, sewer, water, electricity, gas, and other fuels but not telephone service). Such an allowance shall take into consideration the cost of an adequate level of service.
- Developer must submit schedule of utility allowances with methodology to Housing Division for review and approval.
- Possessory interest taxes or other fees or charges assessed for use of the land and facilities associated therewith by a public or private entity other than the lessor.

² Gross maximum rents are based on the number of bedrooms in a unit, not household size.

RESOLUTION NO. CDC 2011-05

A RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION ADOPTING THE HOUSING SET-ASIDE PROGRAM BUDGET FOR FISCAL YEAR 2011-2012 AND DETERMINING THAT THE PLANNING AND ADMINISTRATIVE EXPENSES ARE NECESSARY FOR THE PRODUCTION, IMPROVEMENT AND/OR PRESERVATION OF LOW- AND MODERATE-INCOME HOUSING

WHEREAS, Health and Safety Code section 33606 requires the Community Development Commission ("Agency") to adopt an annual budget containing all of the following information, including all activities to be financed by the Low- and Moderate-Income Housing Fund: (a) the proposed expenditures of the Agency; (b) the proposed indebtedness to be incurred by the Agency; (c) the anticipated revenues of the Agency; (d) the work program for the coming year, including goals; and (e) an examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program; and

WHEREAS, Health and Safety Code section 33334.3(d) requires that the Agency determine annually that the planning and administrative expenses are necessary for the production, improvement, or preservation of low- and moderate-income housing; and

WHEREAS, the Community Development Commission (CDC) desires at this time and deems it to be in the best public interest to approve the Budget, attached as Exhibit "A" and incorporated by this reference;

NOW, THEREFORE, BE IT RESOLVED by the Community Development Commission of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the budget for Housing Programs and the administration of the programs for the period July 1, 2011, through June 30, 2012, inclusive, contained in the FY 2011-12 Budget Documents, attached as Exhibit "A," are adopted as the final budget for the 2011-2012 fiscal year.
3. That the budget includes the proposed expenditures of the Agency, and the proposed indebtedness to be incurred by the Agency, as well as, anticipated revenues of the Agency.
4. That the budget also includes the work program for the coming year, including goals, an examination of the previous years' achievements, and a comparison of the achievements with the goals of the previous years' work program which is also detailed in the Annual Housing Report and Annual Performance Report.
5. That the amount designated for each activity and each fund in the budget are hereby appropriated to the Housing Redevelopment Set-Aside Program funds for which it is designated, subject to amendments from time to time as determined by the Community Development Commission. All expenditures and indebtedness of the Agency shall be in conformity with the adopted or amended budget.
6. That the planning and administration expenses set forth in the budget are necessary for the production, improvement, or preservation of low- and moderate-income housing.

Exhibit A

PROPOSED FY 2011-2012 HOUSING SET-ASIDE BUDGET		
Estimated Carry Forward Balance:		\$ 780,000
Sources of Fiscal 2011-12 Revenue:		
Tax Increment	\$ 4,750,000	
Interest	75,000	
Repayments	125,000	
Lot Sales		
2010-2011 Contingency Balance		
FY 2011-12 Total Sources		4,950,000
TOTAL FUNDS AVAILABLE:		\$ 5,730,000
Use of Funds		
Prior Obligations:		
Cal HFA Loan P & I (Via Roble Yr 9 of 10 - Reserve)	\$ 240,500	
Cal HFA Loan P & I (Brotherton Sq. Yr 7 of 10 - Reserve)	182,000	
Cal HFA Loan P & I (Las Ventanas Yr 5 of 10 - Reserve)	162,500	
Cal HFA Loan P & I (SoCal Sr Hsg Yr 5 of 10 - Reserve)	108,445	
NSP Reimbursement	786,000	
Current Year (2011-12) Obligations:		
Administration	1,184,525	
Reservation for Redevelopment Projects ¹	350,000	
Reservation for Redevelopment Projects ²	1,111,030	
Total prior and current year obligations		\$ 4,125,000
FY 2011-12 Available Balance :		1,605,000
Proposed Uses of 2011-12 Available Funds		
Proposed:		
Owner-Occupied Rehabilitation ³	\$ 600,000	
First-Time Homebuyer ⁴	700,000	
Mobilehome Rental Subsidy ⁵	130,000	
Senior Apartment Rental Subsidy ⁶	170,000	
Contingency ⁷	-	
MCC Contract Administration	5,000	
Total Programs		1,605,000
Reserved for future RFP:		0
TOTAL FUNDS USED:		\$ 5,730,000

¹ Committed to Community Housing Works for NSP property (Broadway) approved by CDC on August 18, 2010

² Additional commitment of \$1.9M to Community Housing Works for NSP property (Broadway) approved by CDC on March 16, 2011

³ Maximum income 80% of median. assumes approx. 7 single family rehabilitation loans @ \$40,000. 13 mobilehome loans @ \$20,000 two single family roof loans @ \$15,000 and three mobilehome roof loans @ \$10,000

⁴ Estimated 28 loans @ the maximum purchase price of \$25,000 for persons @ 81-120% of median income

⁵ Maximum income 50% of median. assumes flat \$75 subsidy for approximately 150 low-income seniors or disabled persons living in mobilehomes with carry forward of \$10,000 from fiscal year 2010-2011

⁶ Maximum income 50% of median. assumes flat \$100 subsidy for approximately 145 low-income seniors or disabled persons living in senior apartments complexes with carry forward of \$10,000 from fiscal year 2010-2011

⁷ Allow for additional roof loans, rehab loans or first-time homebuyer loans if demand is more than estimated goals