

**STAFF REPORT**  
City of Lancaster, California

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Date: July 24, 2007

To: Mayor Hearn and City Council Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Authorization to Submit and Execute the 2007 HOME (Home Investment Partnership) Program Application**

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**Recommendation:**

Adopt Resolution No. 07-150, authorizing the Executive Director and/or City Manager or his designee to make application to the California Department of Housing and Community Development ("Department") for Home Investment Partnerships ("HOME") Program funds, to execute a standard agreement, any amendments, and/or related documents to receive such funds and to take other actions necessary to facilitate the proposed HOME Projects, in its entirety.

**Financial Impact:**

None.

**Background:**

The City has an opportunity to secure from the California Department of Housing and Community Development ("Department") under the Home Investment Partnerships Program ("HOME") four million dollars to provide affordable housing in the North Downtown Transit Village ("NDTV").

The primary objective of the HOME Program is to provide affordable housing opportunities through program partnerships with local government entities consistent with their affordable housing priorities. The process of acquiring HOME funds is through a statewide competition with other cities. If HOME awards the four million dollars to the City, the City will use the funds to assist families and individuals to secure decent, safe, and sanitary shelter.

The Notice of Funding Availability ("NOFA") for the HOME Program was published on June 4, 2007, announcing the accepting of applications under HOME, for funds authorized by Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990. The Department must receive the 2007 HOME Applications no later than August 15, 2007. Staff is currently working on the City's application, subject to Council approval, for its eleventh grant to serve lower income households. If efforts are successful in acquiring the award of HOME funds, the City will use the funds to assist a developer in the construction of a 40-unit complex in the North Downtown Transit Village.

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One significant component of the removal of blight and revitalization of the Transit Village Project is to provide affordable housing. The City will lend North Downtown Renewal, LP \$2,000,000 of HOME funds, to assist with the leveraging of financing to construct a 40-unit complex for lower income families. The affordability period is for fifty-five years and the recording of Affordability Covenants, Conditions and Restrictions on the property will enforce the period of affordability and provide community benefits over the long term. The 40-unit complex is located at 44927 Date Avenue and has been named "The Commons of Lancaster."

For public agencies to provide affordable housing, they must persuade developers to participate in developing affordable housing by offering subsidies and/or incentives. Developers are required on the affordable units to have deed restrictions that limit rents for a period of fifty-five years. Taking into consideration the extraordinary use and/or quality restrictions imposed on the developer the developer must have the subsidies and/or incentives to complete and operate quality affordable housing project, therefore the City will waive all impact fees.