

**MOORPARK CITY COUNCIL
AGENDA REPORT**

To: Honorable City Council

From: Nancy Burns, Senior Management Analyst 

Date: November 29, 2006 (CC Mtg. of December 6, 2006)

Subject: Authorize Application for HOME Funds to Acquire Existing Condominium Units to be Resold as Affordable Housing

BACKGROUND

The County of Ventura is accepting applications for HOME funds for the upcoming 2007/2008 funding cycle. Applications are due by January 8, 2007.

DISCUSSION

Low Income households in Moorpark continue to face substantial obstacles to home ownership. The City's Inclusionary program has been successful in securing the ongoing affordability of fifteen (15) ownership units in the Mountain View development and providing ownership opportunities to six (6) households in the Moondance development and one (1) in the TR Partners development. In addition, two (2) more households are currently in escrow for units in Canterbury Lane. However, the need for affordable housing continues to outpace the number of affordable units available.

With HOME funding assistance, existing condominium units could be acquired, renovated (new carpeting, paint and other minor repairs), if necessary, and resold at an Affordable Sales Price to low income households. For a market rate unit with an estimated cost of three hundred sixty thousand dollars (\$360,000.00), which would be acquired and resold to a low income buyer at the Affordable Sales Price of one hundred sixty thousand dollars (\$160,000.00), the HOME funding contribution would be one hundred fifty thousand dollars (\$150,000.00) and the City's contribution of matching funds would be fifty thousand dollars (\$50,000.00) for each unit's "Silent Second". Any costs for renovation would be funded by the Redevelopment Agency separately from HOME funding. (The HOME program requires a twenty-five per cent (25%) match of funds.)

The low income buyer would provide a minimum five per cent (5%) down payment and the unit(s) would be sold through the City's First Time Home Buyer Program. The City's Affordable Housing deed restrictions would be recorded against the unit(s), to provide long-term affordability.

If the proposed HOME application is successful, staff will request funding authorization, as required by HOME regulations, at that time.

STAFF RECOMMENDATION

Authorize submittal of HOME application for Down Payment Assistance.