



CITY OF POMONA

COUNCIL REPORT

September 9, 2019

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Benita DeFrank, Neighborhood Services Director

SUBJECT: ADOPT A RESOLUTION AWARDED \$237,298 OF HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FUNDS TO SHIELD OF FAITH ECONOMIC DEVELOPMENT CORPORATION, A COMMUNITY HOUSING AND DEVELOPMENT ORGANIZATION (CHDO)

RECOMMENDATION:

It is recommended that the City Council take the following actions:

- 1) Adopt the following resolution (Attachment 1):

RESOLUTION NO. 2019-121 – A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF POMONA, CALIFORNIA, AWARDED \$237,298 OF HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FUNDS TO SHIELD OF FAITH ECONOMIC DEVELOPMENT CORPORATION, A COMMUNITY DEVELOPMENT AND HOUSING ORGANIZATION (CHDO)

- 2) Authorize the City Manager to amend the existing agreement with Shield of Faith Economic Development Corporation and to execute the agreement and related documents, subject to review by the City Attorney.

EXECUTIVE SUMMARY:

The HOME Investment Partnerships Program (HOME) rules require that at least 15% of a participating jurisdiction's annual allocation be set aside for Community Development Housing Organizations (CHDOs) for eligible housing activities. CHDOs are private, non-profit organizations with demonstrated capacity to develop housing in its local community. Staff is recommending award of the City's FY 2018-2019 and FY 2019-2020 HOME CHDO set-aside funds totaling \$237,298 to Shield of Faith Economic Development Corporation (SOFEDC), a City of Pomona CHDO. This funding will be used to supplement SOFEDC's existing funding to acquire and rehabilitate a vacant property for re-sale to a low-income first time homebuyer.

FISCAL IMPACT: Funds were approved under the Fiscal Year 2019-2020 City Operating Budget, as follows:

Program.	Fund	Account No.	Amount
HOME Program	Fund 214	214-1793-40848-41804	\$120,556
HOME Program	Fund 214	214-1793-40850-41904	116,742
Total			\$237,298

PREVIOUS RELATED ACTION: On April 1, 2019, the City Council approved the award of \$83,368 HOME CHDO set-aside funds for FY 2017-2018 to SOFEDC.

DISCUSSION:

Per HOME Program rules, 15% of the annual HOME entitlement allocation must be set aside for CHDOs for eligible HOME projects. Eligible projects include: acquisition, rehabilitation or new construction of homebuyer properties; acquisition, rehabilitation or new construction of rental housing; and, direct financial assistance to purchasers of HOME assisted housing that was developed by a CHDO with HOME funds. To qualify as a CHDO, an organization must be certified by the City to be private, not for profit; have a history of serving the community; have the capacity to implement the project; and not be controlled by a for-profit public entity.

SOFEDC was recently recertified by staff to meet CHDO qualification requirements, and on April 1, 2019, was awarded \$83,368 to acquire and rehabilitate a vacant property for re-sale to a qualified homebuyer. This will be augmented with SOFEDC funds representing proceeds from sale of previous properties amounting to \$178,530. Additional HOME funding is requested to proceed with the project.

Award of Additional HOME Funds

For FYs 2018-2019 and 2019-2020, the City's HOME CHDO allocation is \$120,556 and \$116,742, respectively, totaling \$237,298. Staff is recommending that this amount be awarded to SOFEDC to supplement current funding to acquire and rehabilitate one housing unit to be re-sold to a first time homebuyer.

Staff is further recommending that the City Manager be authorized to amend the existing agreement with SOFEDC and to execute the agreement and related documents, subject to review by the City Attorney.

COUNCIL PRIORITIES & GOALS:

This item supports 2019-2020 City Council Priority 2 – Economic Development and City Council Priority 3 – A Safe and Clean Pomona.

Prepared by: Maria A. Siacunco, Housing Grants Supervisor

ATTACHMENT:

Attachment No. 1 – Resolution No. 2019-121