MARIPOSA COUNTY
AGENDA
DATE: 04/03/01
BOARD OF SUPERVISORS
ACTION FORM
AGENDA ITEM NO: CA-2
******************************************************************************
BOARD OF COMMISSIONERS FOR THE
HOUSING AUTHORITY OF THE COUNTY OF MARIPOSA
BY: Cheryle Rutherford-Kelly
PHONE: 966-3609

RECOMMENDED ACTION AND JUSTIFICATION: POLICY ITEM: YES ( ) NO (X)
See Attached Memo

BACKGROUND AND HISTORY OF BOARD ACTIONS:
See Attached Memo

ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION:
See Attached Memo
******************************************************************************

COSTS: (X) Not Applicable
A. Budgeted CURRENT FY $__________
B. Total anticipated costs $__________
C. Required add’l funding $__________
D. Internal transfers $__________

SOURCE: ( ) 4/5’s vote required
A. Unanticipated revenues $__________
B. Reserve for Contingencies $__________
C. Source description: ____________________________

Balance in Reserve for Contingencies, if approved: $__________
******************************************************************************

SPECIAL INSTRUCTIONS:
List the attachments and number pages accordingly:
2 page memo

CLERK’S USE ONLY:
Resolution No.: 01-79
Ordinance No.: ________________
Vote: Ayes: 5 Noes:______
Absent: ___ Abstain:___
Approved ( ) Denied ( ) Minute Order attached.
( ) No Action Necessary.
The foregoing instrument is a correct copy of the original on file in this office.
Date: ____________________

MARGIE WILLIAMS
Clerk of the Board,
County of Mariposa,
State of California

BY: __________________________
Deputy

******************************************************************************

ADMINISTRATIVE OFFICER’S RECOMMENDATION:
This item on Agenda as:
____Recommended ______Returned for further action
____Not recommended ______Submitted w/ comment
____Policy determination

Comment: ______________________________________
_________________________________________________

A.O. Initials: _______________________________
Date: April 3, 2001

To: Members of the County Board of Supervisors

From: Cheryle Rutherford-Kelly, Executive Director

Re: Development of a County Homeownership Program
Through Utilization of Existing Federal Contract Funds

Recommendation

It is respectfully requested that your Board grant approval to the Department; (1) to meet with the other Social Services Agencies in the County in order to obtain their support and input on the design of a Homeownership Program for Mariposa County and; (2) visit with local lending institutions in order to determine what their response would be to such a program.

Background

On October 12, 2000, HUD published the final rule on Section 555 of the Quality Housing and Work Responsibility Act of 1998. Under Section 8(y), homeownership option, a public housing agency may provide tenant-based assistance to an eligible household that purchases a dwelling unit that will be occupied by the household. This option will enable the working poor, and in some cases the elderly and disabled members of the community, to purchase homes with the help of Federal funds that are currently being used for rental subsidy payments.

Current Situation

The Homeownership Program, operational under HUD, provides Mariposa County with the opportunity to explore how such a program would work here. The Department believes that there are families in the community who could be enabled in their upward mobility with the prospect of becoming homeowners. We would like to explore the feasibility of implementing such a program through discussion with other agencies and the business community.

Some of the provisions of the law are as follows:

- Minimum homeowner down payment requirement of at least 3 percent of the purchase price with at least one percent of the purchase price coming from the family’s personal resources. The other two percent could come from down payment assistance programs.
- The Housing Authority has no responsibility for the mortgage or for possible default on the part of the purchaser.
Memo to Board of Supervisors
April 3, 2001

- The maximum time period to pay housing assistance payments is 15 years if the mortgage is for 20 years or more. The maximum time is 10 years if the mortgage is less than 20 years. There is no maximum time period for elderly, and or disabled clients.

- Financing must be provided, insured or guaranteed by the State or Federal government; comply with secondary mortgage market underwriting requirements or comply with generally accepted private sector underwriting requirements.

- Housing Counseling is Mandatory, suggested subjects are as follows:
  Home Maintenance
  Homeowner Insurance
  Mortgage Insurance
  How to Find a Home
  Budgeting and Money Management
  Credit Counseling
  Information about the Real Estate Settlement Procedures Act

- Some of the requirements for the family to qualify include:
  Must not be receiving welfare
  Is currently employed on a full time basis and has been continuously so employed for at least one year, except for the elderly or disabled
  In the event of default on a Homeownership Program mortgage, the program will not be available again for anyone who was on that deed.

- Some of the options for the Public Housing Authority are:
  PHA may limit the number of participants on the homeownership program
  PHA may make the Homeownership option available to certain categories of applicants/participants such as elderly and or disabled only

Financial

There is no financial impact to the County for the Homeownership Program.

Alternatives and Consequences of Negative Action

Your Board could chose not to pursue the Homeownership option of the Section 8 Program. It is not a mandatory program. There will be no local dollars involved in this program. However, as discussed above, there are members of the community who could benefit from the opportunity.