Resolution adopting revision #3 to the Community Development Block Grant Housing Rehabilitation Program Guidelines. (Board action required to amend Guidelines. Revision requested to improve the performance of the program).

BACKGROUND AND HISTORY OF BOARD ACTIONS:

The Board has revised the CDBG Housing Rehabilitation Program Guidelines to increase the maximum loan amount (94-61) and streamline the Contractor selection process (93-472).

LIST ALTERNATIVES AND CONSEQUENCES OF NEGATIVE ACTION.

Do not approve revisions to the CDBG Housing Rehabilitation Program Guidelines.

COSTS: (X) Not Applicable
A. Budgeted NEXT FY $________
B. Total anticipated costs $________
C. Required Add’l funding $________
D. Internal Transfers $________

SOURCE: ( ) 4/5ths 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 consecutively:

2 page memo

CLERK’S USE ONLY:
Resolution No.: 94-197
Ordinance No.: 
Vote - Ayes:______ Noes:______
Absent:______ Abstain:______
( ) Approved ( ) Denied
( ) No Action Necessary

The foregoing instrument is a correct copy of the original on file in this office.
Date: ______________

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

By: ______________
Deputy
MARIPOSA COUNTY BOARD OF SUPERVISORS

MINUTE ORDER

TO: JIM EVANS, Housing and Community Development
Agency Director

FROM: MARGIE WILLIAMS, Clerk of the Board

SUBJECT: Revision #3 to the Community Development
Block Grant Housing and Rehabilitation
Program Guidelines
Resolution Number 94-197

THE BOARD OF SUPERVISORS OF MARIPOSA COUNTY, CALIFORNIA,

ADOPTED THIS Order on May 24, 1994

ACTION AND VOTE:

10:08 A.M. Jim Evans, Housing and Community Development
Agency Director;
   B) Resolution Adopting Revision #3 to the Community
Development Block Grant Housing Rehabilitation Program
Guidelines
BOARD ACTION: Following discussion with Jim Evans,
(M)Balmain, (S)Parker, Res. 94-197 adopted approving
revision for the subject request, with direction that future
requests come back to the Board for consideration/Ayes:
Unanimous.

cc: Jeffrey G. Green, County Counsel
File
May 17, 1994

TO: Board of Supervisors

FROM: James F. Evans, Director

SUBJECT: CDBG Housing Rehabilitation Program Guidelines Revision #3

I request your consideration of revision #3 to the CDBG Housing Rehabilitation Program Guidelines. Approval of this request will enable this program to be used in unique circumstances while still protecting the County’s financial interest.

Currently, the Guidelines state:

Loan amounts generally will be limited by the owner’s available post-rehab equity, but generally not the exceed the maximum of $35,000

Revision #3 is proposed to state:

Loan amounts will be limited by the owner’s available post-rehab equity not to exceed the maximum loan amount of $35,000 except when an existing debt or lien is subordinated so that the CDBG loan is within the 100% debt-to-equity ratio. Under no circumstances will a CDBG loan be approved that is not within the 100% debt-to-equity ratio.

Why is this revision necessary?

1) State HCD no longer accepts the nebulous “generally” to approve CDBG loans with unique circumstances. State HCD now requires specific amendment language which must be approved by the Board of Supervisors.

2) A unique case has arisen where the Internal Revenue Service has agreed to subordinate it’s lien to the CDBG loan (see attached). If this revision were not approved the CDBG loan could not be made to the homeowner because the debt-to-value ratio would exceed 100%. The subject house has serious health and safety problems that must be addressed.

Approval of this revision will enable substandard homes to be brought up to basic health and safety standards while not endangering the County’s security for the CDBG loan.

Thank you very much for your consideration of this matter.
Mariposa County Housing & Community Development Agency
P.O. Box 39
Mariposa, CA 95338

Re:

Gentlemen:

Your application for a Certificate of Subordination under the provisions of Section 6325(D)(2) of the Internal Revenue Code has been investigated. I will issue a Certificate Subordinating the Government's interest in the property described below upon receipt of completion of all terms outlined in the "Rehabilitation Construction Contract (055-0511-903-0435) for direct improvements of the subject property to a note and deed of trust in an amount not to exceed ($27,000.00) Twenty Seven Thousand dollars and 00/100, in favor of Mariposa County Housing & Community Development Agency as Beneficiary; Monroe as Trustor; Mariposa County Housing & Community Development Agency, as Trustee:

See Exhibit "A"

This commitment letter will be valid for a period of thirty (30) days from the date hereon. Recodnation costs are not payable by the Internal Revenue Service.

Sincerely,

Stan Griffin
Chief, Advisory