

HOUSING AND COMMUNITY DEVELOPMENT AGENCY
BY: James F. Evans

PHONE: 966-6121

RECOMMENDED ACTION AND JUSTIFICATION: (POLICY ITEM: YES___ NO_X_)

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 \$ _____

SPECIAL INSTRUCTIONS:
List the attachments and number pages consecutively:
_____2 page memo_____

SOURCE: () 4/5ths vote required
A. Unanticipated revenues \$ _____
B. Reserve for contingencies \$ _____
C. Source description: _____
Balance in Reserve for Contingencies, if approved: \$ _____

CLERK'S USE ONLY:
Resolution No.: 94-197
Ordinance No.: _____
Vote - Ayes: _____ Noes: _____
Absent: _____ Abstain: _____
() Approved () Denied
(X) Minute Order Attached
() No Action Necessary

ADMINISTRATIVE OFFICER'S RECOMMENDATION:
This item on agenda as:
 Recommended
 Not Recommended
 Policy Determination
 Submitted w/ Comment
 Returned for further action

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

Comment: _____

A.O. Initials [Signature]

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 *mw*

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

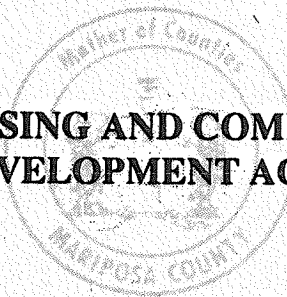
BOARD ACTION: Following discussion with Jim Evans,
(M)Balmain, (S)Parker, Res. 94-197 adopted approving
revision for the subject request, with direction that future
requests come back to the Board for consideration/Ayes:
Unanimous.

cc: Jeffrey G. Green, County Counsel
File



James F. Evans Director

**HOUSING AND COMMUNITY
DEVELOPMENT AGENCY**



- Calaveras/Mariposa County
Community Action Agency
- Head Start
- Housing Authority of the
County of Mariposa
- Recreation Programs

May 17, 1994

TO: Board of Supervisors
FROM: James F. Evans, Director *JFE*
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 to 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 its 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.

Internal Revenue Service

Department of the Treasury

District
Director

55 South Market Street, San Jose, CA 95113

> Mariposa County
Housing & Community
Development Agency
P.O. Box 39
Mariposa, CA 95338

Person to Contact:

L. Lopez
Telephone Number:

(408) 291-2659
Refer Reply to:

Date:

May 5, 1994

Re:

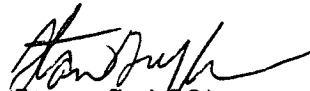
Gentlemen:

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. Recordation costs are not payable by the Internal Revenue Service.

Sincerely,


Stan Griffin
Chief, Advisory