


Office of the City Manager

INFORMATION CALENDAR

November 18, 2003

To: Honorable Mayor and
Members of the City Council

From:  Phil Kamlarz, Acting City Manager

Subject: Housing Advisory Commission recommendation on the use of the Housing Trust Fund to resolve issues related to the CALDAP loan program (CF#189-01)

INTRODUCTION

On October 15, 2002, the City Council approved a recommendation asking the City Manager and the Housing Advisory Commission (HAC) to consider the use of Housing Trust Fund monies to resolve building problems that may have resulted from State of California home repair loans. These loans were made available under the California Disaster Assistance Program (CALDAP) to help property owners repair damage caused by the Loma Prieta earthquake and to make other improvements.

BACKGROUND

Since the City Council recommendation was approved, the firm of Interactive Resources was hired to perform a second set of property inspections to determine the cost of repairs done at the property owners' expense and repairs that were still needed. Housing staff reviewed the information provided by Interactive Resources and compared it to the loan files, permits and drawings used for the CALDAP loan program. In many, but not all, instances the issues raised by the CALDAP homeowners were either changed or deleted from the construction contract at the time the repairs were made, or were not part of the construction contract approved by the City.

The Housing Advisory Commission at its meeting on June 5, 2003 discussed the issue of using Housing Trust Funds (HTF) for CALDAP loan recipients. The use of HTF monies for such a purpose would require a revision of the HTF guidelines. The HTF is specific to the income limits of the population served by HTF funding and the CALDAP program did not require the homeowner to meet any income requirements. Also the use of HTF funds for this purpose would divert monies for the development of permanent affordable housing in order to provide assistance. It was the unanimous decision of the HAC that the Housing Trust Funds not be used for this purpose.

It should be noted that some CALDAP loan recipients meet the guidelines for the City's Senior and Disabled loan program and have taken no-interest, deferred payment loans from the City to make additional repairs to their homes subsequent to the CALDAP loan program.

POSSIBLE FUTURE ACTION

None are known to exist at this time.


FISCAL IMPACTS OF POSSIBLE FUTURE ACTION

There will be no fiscal impact if the City Council agrees with the recommendation of the Housing Advisory Commission.

CONTACT PERSON:

Janet H. Kennedy, Housing Services Manager 981-5430

Approved:



Stephen Barton, Housing Director