



NEVADA COUNTY
HEALTH & HUMAN SERVICES
AGENCY

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NEVADA COUNTY BOARD OF SUPERVISORS
Board Agenda Memo

MEETING DATE: April 28, 2020
TO: Board of Supervisors
FROM: **Mike Dent**
SUBJECT: Resolution approving execution of Standard Agreement Number 18-HOME-12592 between the County of Nevada and the State Department of Housing and Community Development (HCD) for the HOME grant program in the maximum amount of \$1,000,000 upon HCD approval through February 2, 2048.

RECOMMENDATION: Approve the attached Resolution.

FUNDING: HOME is a federally funded reimbursement program. Funds for this award were budgeted under to 2019/2020 county wide budget process and there are no county general fund dollars required in the Agreement.

BACKGROUND: The California Department of Housing and Community Services (HCD) released an annual notice of funding availability (NOFA) on June 5, 2018 under the HOME Program. HOME program funds can be used to fund a first-time homebuyer (FTHB) program that provides down payment assistance to low-income households to secure their first home. Additionally, program funds may be allocated for a Tenant-Based Rental Assistance (TBRA) program, which provides monthly rental subsidies for up to 12 months along with rental security deposits and utility deposits to very low-income households.

The County's application in the amount of \$1,000,000 was successful, and the execution of the Standard Agreement is the first step in accessing these funds. All funds must be expended by February 2, 2023. \$926,250 of the HOME grant funds, based on our original request, were awarded to continue Nevada County's First Time Homebuyer (FTHB) Down Payment Assistance Program (DAP) providing low and very-low income household's assistance. Additionally, \$48,750 were award for use in the Tenant-Based Rental Assistance (TBRA) Rental Program, based on our 2018 request. The HOME program does *not* require a cash match (local share or leverage) from the County.

The County of Nevada has successfully operated a FTHB Program since 1998. The FTHB Program will offer down payment assistance at between 1% and 3% simple interest based on the applicant's level of income, with payments deferred for up to 45 years. The County began operating a TBRA program in December 2004, previously only providing rental security deposit assistance. Due to the COVID 19 pandemic, the immediate need for rental assistance is increasing. HCS staff has reached out to HCD and requested that a total of \$500,000 of the award be made available to the community through the TBRA program to encompass monthly rental assistance along with security and utility deposits. This funding shift to the TBRA program will provide rental subsidies to an estimated 25 low-income households for up to 12 months, thereby assisting these households to obtain housing or maintain their current housing. The FTHB and TBRA programs are utilized as a method to address affordable housing in Nevada County and in efforts to comply with the County's Housing Element.

It is recommended that the Board approve the 18-HOME-12592 Standard Agreement for the operation of the First Time Home Buyers Down Payment Assistance Program and Tenant Based Rental Assistance Program.

Item Initiated and Approved by: Mike Dent, Director of Housing & Community Services