



# REQUEST FOR CITY COUNCIL ACTION

**MEETING DATE:**

October 2, 2019

**DEPARTMENT:**

Community Development

**DIVISION:**

Neighborhood Services

- ☒ Motion
- ☐ Resolution
- ☐ Ordinance - Introduction
- ☐ Ordinance - Adoption
- ☐ Public Hearing

**TITLE:**

Agreement Amendment: 2018 HOME Investment Partnership Program CHDO agreement

**SUMMARY RECOMMENDATION:**

Authorize the City Administrator to execute an amended 2018 HOME Community Housing Development Organization agreement with Housing America Corp (Community Development/ Neighborhood Services) (Laurie Lineberry)

**REPORT:**

The City of Yuma as the lead agency for the Yuma County HOME Consortium contracted with Housing America Corp (HAC) for a 2018 HOME Community Housing Development Organization (CHDO) award (Agreement). With the HOME funds, HAC will construct three single-family homes to sell to low-to-moderate income buyers at affordable prices.

Exhibit F: Additional CHDO Requirements of the Agreement incorrectly defines “net sales proceeds” from the sale of homes constructed by the CHDO as “Program Income”. Regulations do not allow HAC to retain “Program Income” thus preventing HAC from using proceeds from the sale of the homes for the creation of additional affordable homebuyer opportunities.

U.S. Department of Housing and Urban Development guidance to its grant recipients in the form of Community Planning and Development (CPD) Notices provides that net sales proceeds from the sale of CHDO-constructed homes are **not** program income; thus in order to allow HAC to retain net sales proceeds, staff recommends City Council authorize the execution of a corrected Agreement which amends Exhibit F to correctly define net sales proceeds.

Existing language at Section D of Exhibit F shall be amended as follows:

*Net proceeds from the sale of units may be retained by HAC and used for affordable housing*

*activities that benefit low-income persons. HUD guidance on use of CHDO project proceeds at CPD Notice 97-11 and 97-09 shall be followed.*

*Prior to each closing, HAC will provide YCHC the estimated settlement statement along with a reconciliation statement, draft note and mortgage. The reconciliation statement shall account for the HOME funds to be awarded to the buyer and secured by HOME security instruments, sales price of the home, and the CHDO project proceeds to be retained by HAC.*

By approving this motion, the City Council authorizes the City Administrator to execute a corrected agreement with HAC for 2018 HOME CHDO funding. All other terms of the Agreement, Exhibits A through E and the balance of Exhibit F shall remain the same.

FISCAL REQUIREMENTS	CITY FUNDS:	\$0.00	BUDGETED:	\$162,489.00
	STATE FUNDS:	\$0.00	AVAILABLE TO TRANSFER:	\$0.00
	FEDERAL FUNDS:	\$162,489	IN CONTINGENCY:	\$0.00
	OTHER SOURCES:	\$0.00 \$0.00 \$0.00	FUNDING FOR THIS ITEM IS FOUND IN THE FOLLOWING ACCOUNT / FUND / CIP:	
	TOTAL:	\$162,489.00		
	FISCAL IMPACT STATEMENT:			
ADDITIONAL INFORMATION	SUPPORTING INFORMATION NOT ATTACHED TO THE CITY COUNCIL ACTION FORM THAT IS ON FILE IN THE OFFICE OF THE CITY CLERK: 1. Original 2018 HOME CHDO Agreement with Housing America Corp 2. 3. 4. 5.			
	IF CITY COUNCIL ACTION INCLUDES A CONTRACT, LEASE OR AGREEMENT, WHO WILL BE RESPONSIBLE FOR ROUTING THE DOCUMENT FOR SIGNATURE AFTER CITY COUNCIL APPROVAL?  <input type="radio"/> Department <input checked="" type="radio"/> City Clerk's Office <input type="checkbox"/> Document to be recorded <input type="checkbox"/> Document to be codified			
SIGNATURES	CITY ADMINISTRATOR:		DATE:	
	John D. Simonton		9/24/2019	
	REVIEWED BY CITY ATTORNEY:		DATE:	
	Richard W. Files		9/23/2019	
	RECOMMENDED BY (DEPT/DIV HEAD):		DATE:	
Laurie Lineberry		8/28/2019		
WRITTEN/SUBMITTED BY:		DATE:		
Rhonda Lee-James		8/28/2019		