File No. 120968 Committee Item No. 3
Board Item No. _____

COMMITTEE/BOARD OF SUPERVISORS

AGENDA PACKET CONTENTS LIST

Committee: Budget and Finance Committee **Date** 10/10/2012

Board of Supervisors Meeting **Date** _____

Cmte	Board	
☐	☐	Motion
☒	☐	Resolution
☐	☐	Ordinance
☐	☐	Legislative Digest
☐	☐	Budget and Legislative Analyst Report
☐	☐	Legislative Analyst Report
☐	☐	Youth Commission Report
☐	☐	Introduction Form (for hearings)
☒	☐	Department/Agency Cover Letter and/or Report
☐	☐	MOU
☒	☐	Grant Information Form
☒	☐	Grant Budget
☐	☐	Subcontract Budget
☐	☐	Contract/Agreement
☐	☐	Form 126 – Ethics Commission
☐	☐	Award Letter
☒	☐	Application
☐	☐	Public Correspondence

OTHER **(Use back side if additional space is needed)**

☐	☐	_____
☐	☐	_____
☐	☐	_____
☐	☐	_____
☐	☐	_____
☐	☐	_____
☐	☐	_____
☐	☐	_____

Completed by: Victor Young **Date** October 5, 2012
Completed by: Victor Young **Date** _____

FILE NO. 120968 RESOLUTION NO.

[Accept and Expend - FY2011 CalHome Grant - $1,500,000]

Resolution authorizing the Mayor's Office of Housing to accept and expend the FY2011 CalHome grant from the California Department of Housing and Community Development in a total amount of $1,500,000 and to expend program income from associated loan repayments to assist low-income first-time homebuyers and low-income homeowners.

WHEREAS, The California Department of Housing and Community Development (HCD) issued a Notice of Funding Availability (NOFA) for the CalHome program established by Chapter 84, Statues of 2000 and codified in Chapter 6 (commencing with Section 50650) of Part 2 of Division 31 of the Health and Safety Code (the Statue). Pursuant to the Statute, HCD is authorized to approve funding allocations utilizing monies made available by the State legislature to the CalHome program, subject to the terms and conditions of the Statute and the CalHome Program Regulations adopted by HCD on August 15, 2003; and

WHEREAS, The City submitted an application as authorized by Board of Supervisors' Resolution 490-11 on December 7, 2011 to request from HCD an allocation of $1,500,000 through the CalHome Program; and

WHEREAS, The City was awarded on June 28, 2012 an allocation of $1,500,000 through the CalHome Program in order to provide Mortgage Assistance Loans and Owner Occupied Rehab loans to income-qualifying borrowers; and

WHEREAS, There is no matching funds requirement for this grant; and

WHEREAS, HCD permits the City to retain loan delivery fees to cover administrative costs, totaling approximately 8% of the award, but does not allow other indirect costs; and

WHEREAS, The terms of the grant program stipulate that repayment proceeds from the initial loans are to be dedicated for a revolving loan pool to extend new loans to low-income homebuyers and low-income homeowners; and

WHEREAS, No amendment of the Annual Salary Ordinance is required by the acceptance of this grant, now, therefore, be it

RESOLVED, That the Director of the Mayor's Office of Housing of the City is hereby authorized, on behalf of the Mayor, to accept and expend the CalHome Program funds to assist first time, low-income homebuyers to purchase below-market rate residences and to assist existing low-income homeowners to rehabilitate single family residences by providing CalHome downpayment assistance loan funds and CalHome rehabilitation loan funds to eligible applicants purchasing or rehabilitating a home in the City; and be it

FURTHER RESOLVED, That the City agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above, and, be it

FURTHER RESOLVED, That the City and County of San Francisco authorizes the Director of the Mayor's Office of Housing or his designee, to execute in the name of the City, the Standard Agreement and all other documents required by the HCD for participation in the CalHome Program, and any amendments thereto.

Recommended:

Mayor's Office of Housing

Olson Lee, Director

Approved:

Edwin M. Lee, Mayor

Ben Rosenfield, Controller

MAYOR'S OFFICE OF HOUSING
CITY AND COUNTY OF SAN FRANCISCO

EDWIN M LEE
MAYOR

OLSEN LEE
DIRECTOR

TO: **Angela Calvillo, Clerk of the Board of Supervisors**

FROM: **Olson Lee, Director, Mayor's Office of Housing**

DATE: **September 18, 2012**

SUBJECT: **Accept and Expend Resolution for 2011 CalHOME Grant**

GRANT TITLE: **2011 CalHOME Grant**

Attached please find the original and 4 copies of each of the following:

_X_ Proposed resolution; original signed by Department, Mayor, Controller

_X_ Grant information form

_X_ Grant budget

_X_ Grant application (summary)

_X_ Grant award letter from funding agency

_NA_ Ethics Form 126

___ Other (Explain):

Departmental representative to receive a copy of the adopted resolution:

Name:	Sonia Delgado-Schaumberg
Phone:	701-5584
Interoffice Mail Address:	Sonia.delgado-schaumberg@sfgov.org
Certified copy required	Yes ☐ No ☐

(Note: certified copies have the seal of the City/County affixed and are occasionally required by funding agencies. In most cases ordinary copies without the seal are sufficient).

File Number: _____
(Provided by Clerk of Board of Supervisors)

Grant Information Form
(Effective January 2000)

Purpose: Accompanies proposed Board of Supervisors resolutions authorizing a Department to accept and expend grant funds.

The following describes the grant referred to in the accompanying resolution:

1. Grant Title: FY2011 CalHome Program

2. Department: Mayor's Office of Housing (MOH)

3. Contact Person: Sonia Delgado-Schaumberg Telephone: 701-5540

4. Grant Approval Status (check one):

[X] Approved by funding agency [ ] Not yet approved

5. Amount of Grant Funding Approved or Applied for: $ 1,500,000

6a. Matching Funds Required: None required
b. Source(s) of matching funds (if applicable):

7a. Grant Source Agency: California Department of Housing and Community Development
b. Grant Pass-Through Agency (if applicable): N/A

8. Proposed Grant Project Summary:
The award will be used to implement and administer the Mayor's Office of Housing BMR DALP (Below Market Rate Downpayment Assistance Loan Program) and CalHome Property Rehabilitation Loan Program (PRLP). The BMR DALP program will provide down-payment and closing cost assistance to low-income first time homebuyers of Below Market Rate (BMR) units. The CalHome PRLP program will provide low-income homeowners a payment deferred, low interest loan to address deferred maintenance, code deficiencies, and accessibility modifications.

9. Grant Project Schedule, as allowed in approval documents, or as proposed:

Start Date: Upon HCD approval End Date: April 5, 2015

10. Number of new positions created and funded: 0

11. If new positions are created, explain the disposition of employees once the grant ends? N/A

12a. Amount budgeted for contractual services: $0

b. Will contractual services be put out to bid? N/A

c. If so, will contract services help to further the goals of the department's MBE/WBE requirements? Yes

d. Is this likely to be a one-time or ongoing request for contracting out? N/A

13a. Does the budget include indirect costs? [ ] Yes [X] No

b1. If yes, how much? $0
b2. How was the amount calculated?

c. If no, why are indirect costs not included?
[ ] Not allowed by granting agency [] To maximize use of grant funds on direct services
[X] Other (please explain): The grantor allows grantees to charge a Delivery Fee for each loan made to cover the grantee's administrative costs. The Delivery Fee must be a non-reoccurring loan fee/cost; such as an underwriting fee or a construction monitoring fee.

14. Any other significant grant requirements or comments:
The CalHome program requires annual and quarterly progress reports.

****Disability Access Checklist*****

15. This Grant is intended for activities at (check all that apply):

[ ] Existing Site(s)	[X] Existing Structure(s)	[ ] Existing Program(s) or Service(s)
[ ] Rehabilitated Site(s)	[ ] Rehabilitated Structure(s)	[ ] New Program(s) or Service(s)
[ ] New Site(s)	[ ] New Structure(s)	

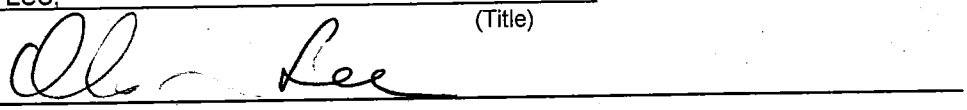
16. The Departmental ADA Coordinator and/or the Mayor's Office on Disability have reviewed the proposal and concluded that the project as proposed will be in compliance with the Americans with Disabilities Act and all other Federal, State and local access laws and regulations and will allow the full inclusion of persons with disabilities, or will require unreasonable hardship exceptions, as described in the comments section:

Comments:
For capital projects, ADA compliance and review is required before the project can commence and before any funds are expended. MOH works closely with MOD to obtain project-by-project approvals as necessary.

Departmental or Mayor's Office of Disability Reviewer: _____
(Name)

Date Reviewed: 08/31/2012

Department Approval: Olson Lee, Director
(Name) (Title)



(Signature)

CalHOME 2011 Grant Budget

Sources		
2011 Grant Amount	$	1,500,000.00
Uses		
Direct Loans	$	1,380,361
Loan Delivery Fees	$	119,639
Total Uses	$	1,500,000

	Estimated Number of Loans at Maximum Loan Amount	Maximum Loan Amount	Subtotal	Estimated Delivery Fee	Total
Mortgage Assistance Loans	19.6	$ 36,000	$ 704,685	$ 45,315	$ 750,000
Owner Occupied Rehab Loans	12.7	$ 53,000	$ 675,676	$ 74,324	$ 750,000
			$ 1,380,360	**$ 119,639**	**$ 1,500,000**

Mortgage Assistance Loans

Number of Loans	Loan Amount	Loan Amount Total	Delivery Fee	Delivery Fee Total
19	$ 36,000	$ 684,000	$ 2,315	$ 43,985
1	$ 20,685	$ 20,685	$ 1,330	$ 1,330
*** Delivery Fee for MA loans is fixed at $2,315 for each $36,000 loan.*				$ 45,315

Owner Occupied Rehab Loans

Number of Loans	Loan Amount	Loan Amount Total	Delivery Fee Total	
12	$ 53,000	$ 636,000	$ 69,960	
1	$ 39,676	$ 39,676	$ 4,364	
*** Delivery Fee for OOR loans is 11% of the loan.*			$ 74,324	

Note that the split between Mortgage Assistance Loans and Owner Occumpied Rehab loans is estimated only. The final split will be determined by the number of applications received for each program.

CalHome Program

Application for General Program Funding NOFA

Mortgage Assistance and/or Owner-Occupied Rehabilitation

California Department of Housing and Community Development
Financial Assistance Division
P.O. Box 952054, Sacramento, CA 94252-2054
Or
1800 3rd Street, MS 390-2
Sacramento, CA 95811
916-327-3646

This application, if approved for funding, will be a part of your Standard Agreement with the Department of Housing and Community Development (HCD). In order to be considered for funding, all sections of this application, including attachments and exhibits, must be complete and accurate. **Application forms must not be modified.** No facsimiles, incomplete applications, or application revisions will be accepted prior to, or after the application deadline. Applications must meet all eligibility requirements upon submission. Applications containing material internal inconsistencies will not be rated and ranked. Use **Exhibit A**, Attachment Checklist, as an aid in completing the application. HCD must receive in its office a complete original application in a three ring binder **no later than 5:00 P.M. Wednesday, December 7, 2011.**

For purpose of this NOFA, this will be a Program NOFA which will include first-time homebuyer mortgage assistance activities and owner-occupied activities. A separate CalHome Project NOFA to support the development of new homeownership housing has been released separately.

Please note: applicants are eligible to apply for both a CalHome Program Grant and/or a CalHome Project Grant. However, a property may have only one CalHome lien on it.

SECTION I. APPLICATION SUMMARY:

A. Name of Applicant: City and County of San Francisco Mayor's Office of Housing

B. Applicant Address: 1 S Van Ness Avenue, 5th Floor

City: San Francisco Zip Code: 94103

C. Chief Executive Name and Title: Olson Lee, Director

D. Contact Person Name and Title: Brian Cheu, Director of Community Development

E. Phone Number: (415) 701-5500 FAX: (415) 701-5501 E-Mail: brian.cheu@sfgov.org

F. Proposed Activity:

You may apply for one or two program activities, the aggregate amount of both activities may not exceed the maximum application amount, and the amount for any one activity may not be less than the minimum activity amount, as specified in the NOFA. The maximum amount is $1 Million for most jurisdictions or $1.5 Million for High Population Areas. Only apply for the amount that you know you can use. Recipients who do not use at least 95% of their funds will be penalized in future funding rounds for not meeting performance goals. Localities shall only be eligible to apply for an award of CalHome funds for a local program within its jurisdictional boundaries. A nonprofit corporation may propose programs in a county or counties in which they have operated a housing program within the past 4 years, or in a county or counties for which the nonprofit corporation has an existing 523 technical assistance services agreement with the United States Department of Agriculture.

Activity: Submit Appropriate Attachment Number	No.of CalHome Assisted Units Proposed	County or Counties of Activity	Census Tracts if Proposing 100% Rural Activity*
1. FTHB Mortgage Assistance Program	19	San Francisco	N/A
2.Owner-Occupied Rehabilitation Program	13	San Francisco	N/A
Total	32		

* If your activity is located entirely within a rural census tract or non-metro county as defined in the CalHome Program Regulations and you want to receive consideration for the rural set-aside, you must provide the census tract or tracts or list the non-metro county information in the table above. If the proposed area is rural, applicants must indicate census tract numbers in order to receive consideration under the rural set-aside. Programs in rural census tracts must document that their program is located in a rural area. Follow the steps outlined below to determine if your proposed program is located in a rural area, and to document this rural area status. Programs located in the following counties do not have to provide documentation of their rural status, and will be considered rural applicants:

Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Trinity and Tuolumne.

If your site is not located within one of the listed counties, below are two alternate ways to qualify:

Alternative 1: **Rural Housing Services (RHS) Eligible Area** – With an established address, go to the USDA Rural Development website to qualify if the site is RHS-eligible: http://www.rurdev.usda.gov/rhs/.

Once on the website, look to the right hand side of this page and click on "Income and Property Eligibility". On the page that follows, under "Property Eligibility", click on your program type (single family) and follow the instructions so that you may enter your program address. If your program is RHS-eligible, you will be able to print a map indicating that the program is eligible. Submit this documentation with your application.

If your program is not listed as RHS eligible, or if you do not yet have a site address, go to Step 2.

Alternative 2, Step 1: Small City Status - Is your program located within or adjoining a city with a population of 40,000 or less that is not part of a Census-designated urbanized area?

Go to the State Department of Finance website to verify the city's population estimate:
http://www.dof.ca.gov/HTML/DEMOGRAP/ReportsPapers/Estimates/E1/E-1text.asp .
If the city has a population of 40,000 or less, print the page of Table E-1 which indicates this, and go to Step 3. If the city is more than 40,000, STOP. Your program may not be located in a rural area. Proceed to Step 2 to confirm if your area is rural or not.

Step 2: Census Map - If the proposed program is located in an incorporated city of 40,000 or less, or in the unincorporated area adjoining that small city, the program may be considered rural if the program's census tract is not designated "as an urbanized area" or "part of an urbanized area."

a) Go to the Census Bureau's 201000 Census website at: http://www.census.gov/main/www/cen2000.html

b) Under "Access Data by Geography" select the "street address" link (regardless of whether the program has an established address).

c) On the subsequent screen, enter the program's address or that of another nearby property located within the same census tract (as close to the program as possible). Select "Go" and additional information will display at the bottom of the page.

d) Select "Census Tract" in the Geographies section of the enhanced screen and select "Map It."

e) Print the census tract map provided and your jurisdiction's population estimate from Table E-1, (see Step 1 above), and submit these two documents with the application. The map may show the census tract as "urban" according to the legend provided with the map. However, the census tract will only be considered urban if the map includes bold face type with a "UA" designation. If the map includes no such designation, or shows the census tract as urban but has a "UC" designation, the census tract is still considered rural.

Activities without an identified site at time of application (a.k.a. "Programs")

Program-activities for the following jurisdictions do not have to provide documentation of their rural status. These counties are automatically considered rural: Alpine, Amador, Calaveras, Colusa, Del Norte, Glenn, Humboldt, Inyo, Lake, Lassen, Mariposa, Mendocino, Modoc, Mono, Nevada, Plumas, Sierra, Siskiyou, Tehama, Trinity and Tuolumne.

If your program activity is not located in one of the above counties, follow the processes below to document that the project is located in a rural area.

1) Go to the State Department of Finance website at:
http://www.dof.ca.gov/research/demographic/reports/estimates/e-1/documents/E-1_2011_Internet_Version.xls to verify the jurisdiction's population estimates for 2011. (If you are asked for a username and password, click "cancel" until the file comes up.) If your program activity is for a city of more than 40,000, stop. Your program activity is not located in a rural area.
If your program is located in a city of 40,000 or less or in an unincorporated area, print the page of Table E-1 which shows this population figure, and go to Step 2.

2) Go to the NEW American FactFinder at the US Census Bureau website:
http://factfinder2.census.gov/main.html
a) Select "Topics" in the left-hand menu
b) At the bottom of the "Topics" drop-down menu click "Dataset" to reveal this drop-down menu
c) Select "2000 SF1 100% Data" under "Dataset"
d) Above "Dataset", click on "Product Type" to reveal this drop-down menu
e) Select "Detailed Table" under "Product Type" ("2000 SF 1 100% Data" and "Detailed Table" should now be listed in the "Your Selections" box (top left))
f) Select "Geographies" in the left-hand menu
g) Under "Geography Filter Options" click on "Within Census Tract".(You will need to do this twice.)
h) Type in the Census tract number and click "Go"
i) On the next screen, click the box for that census tract (Make sure County and State name are correct). Click "Add" to add this census tract number to your Geography Filters.
j) Repeat steps f) through i) until all census tracts to be served by your program are listed in the Your Selections box in the upper-left corner of the screen
j) Once all Census tracts for your program are listed, scroll up to select "Topics" again (left-hand side of screen)
k) Click the "Urban and Rural" link in the list on the right, then click "View"

If you tried all three of these alternatives and the end result shows that your program is not classified as rural, but you believe that it should be considered rural, or if you have other questions, problems, or concerns in determining rural designation pursuant to the above process, please contact Christina DiFrancesco at (916) 322-0918.

G. Proposed Grant Amount: *$1,500,000

* If the grant request is over $1,000,000 (up to $1,500,000), the city, county or nonprofit will need to provide the following: The name of the city or unincorporated areas of counties with a population of over 400,000. If a County operates their programs in the small cities within the county as well as the unincorporated areas, we will allow the aggregate population of the unincorporated areas plus these small cities to be combined for determining the maximum award amount only where we have letters/resolutions from the included small cities

verifying the County's authority to operate with the cities. A list of cities and unincorporated areas of counties in California with population over 400,000 is included in this application labeled **Exhibit D**. Please provide the required documentation as **Attachment 3**.

H. Brief Description of Each Program Activity Applied for:

The Mayor's Office of Housing will utilize this Mortgage Assistance Program award to provide down-payment and closing cost assistance to loans towards the purchasers of Below Market Rate (BMR) units. The Mortgage Assistance loans will be payment deferred, accrue 0% interest and will be due with share of appreciation upon resale or in 30 years. BMR units are priced as affordable to households earning 90% of the Area Median Income. Loans from this CalHome award will be made available to households earning at or below 80% of the HCD low income limits, thus filling a substantial affordability gap and making the dream of homeownership available to lower income households. The maximum loan amount will be $36,000. This is especially important in the Latino, African American and the Asian communities in San Francisco, where the average household income is lower than that of the median for the entire population.

The owner-occupied rehabilitation loans will be payment deferred, 3% interest and due in 30 years or upon sale of the property, transfer of title, or non-occupancy, whichever comes first. Loans from this CalHome award will be made available to households earning 80% of AMI or below, thus providing affordable financing to households who would otherwise not be able to afford property rehabilitation healthy homes retrofits. The maximum loan amount will be $60,000 and will not exceed a 105% post-work loan to value (LTV). This type of financing is especially important to low-income homeowners whose properties are dilapidated and faced with health and safety issues and sanctions from local building inspection and health departments. The CalHome loan will address minor to intermediate rehabilitation work and will most likely be coupled with existing programs to address a more holistic rehabilitation, including healthy home and energy efficiency retrofits.

SECTION II. LEGISLATIVE REPRESENTATIVES:

A form is included in this application labeled **Exhibit B**. Please complete the information on this form and attach as **Attachment 5**.

SECTION III. GOVERNING BOARD RESOLUTION:

Attach the resolution, duly executed by the governing board of the local public agency or nonprofit corporation, granting authority to make an application to HCD for a funding commitment from the CalHome Program. Label as **Attachment 6** Governing Board Resolution. Please review the sample resolution which is included in this application package as **Exhibit C.** Be sure that the resolution authorizes a signatory for submittal of this application and the resolution is an action of the governing body of the applicant. If someone signs the application other than the person authorized in the resolution, submit evidence that shows that the person signing has the authorization to sign. Such evidence could be in the form of an ordinance or code, or an opinion from the applicant's legal counsel. Include such authorization with **Attachment 6**.

SECTION IV. APPLICANT INFORMATION:

A. The applicant is a (check one):[ ] City [ ] County [✓] City and County [ ] Nonprofit Corporation

1. If a Nonprofit Corporation, Submit copies of:

IRS approval of 501(c) (3) status: as **Attachment 7a**

Secretary of State Letter of Good Standing: as **Attachment 7b**
Articles of Incorporation: as **Attachment 7c**
Bylaws: as **Attachment 7d**
List of names of Board of Directors as **Attachment 7e**
Financial Statements (for the last 2 fiscal years, one of which must be must be audited): as **Attachment 7f**

SECTION V. ACTIVITY ATTACHMENT:

Applicants must complete at least one attachment:

Attachment 1, First-Time Homebuyer Mortgage Assistance, or
Attachment 2, Owner-Occupied Rehabilitation Program

These attachments are part of this application. At least one must be completed and must be included or the application will not be complete and will be ineligible for funding consideration.

SECTION VI. APPLICANT CERTIFICATION AND COMMITMENT OF RESPONSIBILITY:

As the official designated by the governing body, I hereby certify that if approved by HCD for a CalHome Program funding allocation, the City and Count of San Francisco, Mayor's Office of Housing (Applicant name) assumes the responsibilities specified in the CalHome Program Regulations and certifies that:

A. It possesses the legal authority to apply for the allocation and to execute their proposed program or project;

B. Before committing funds to a homebuyer/homeowner, it will evaluate the funding eligibility in accordance with CalHome Program Regulations and will not invest any more CalHome funds in combination with other governmental assistance than is necessary to provide affordable housing;

C. The Applicant **does not** have any unresolved audit findings for prior HCD or federally-funded housing or community development projects or programs.

D. There are **no** pending lawsuits that would impact the implementation of this program or project.

E. It will comply with all statutes and regulations governing the CalHome Program.

F. The information, statements, and attachments contained in this application are, to the best of my knowledge and belief, true and correct.

G. It has the ability to perform the duties for the activity(s) applied for in accordance with Section 7718 of the CalHome Program Regulations.

I authorize the Department of Housing and Community Development to contact any agency, whether or not named in this application, which may assist in determining the capability of the Applicant. All information contained in this application is acknowledged to be public information. (This certification must be signed by the person authorized in the Resolution)

*Signature: _____ Title: Director

Type Name: Olson Lee Date: _____

*Must be signed by authorized signatory per the resolution.

EXHIBIT A

Attachment Checklist

Please tab each attachment required by the application and place the attachments behind the completed application in a three ring binder according to the corresponding number listed below.

Check if Included	Att. No.	Attachment Title
✓	1	Program: First-time Homebuyer Mortgage Assistance Program
✓	2	Program: Owner-Occupied Rehabilitation Program
✓	3	Documentation regarding population over 400,000 for requesting funds over $1,000,000 (up to $1,500,000)
✓	4	Additional Documentation
✓	5	Legislative List
✓	6	Copy of Resolution authorizing this application. As a time-saver, the Resolution may also authorize execution of the contract and other documents needed to process a loan
✓	Bonus-A	Energy Efficient/Green Building Standards
N/A	Bonus-B	Universal Design Standards
N/A		**Nonprofit corporations must provide the following information:**
N/A	7a	IRS approval of 501(c)(3) status
N/A	7b	Copy of current certification of 501(c)(3) status with Secretary of State that is less than one year old
N/A	7c	Copy of Articles of Incorporation
N/A	7d	Copy of Bylaws
N/A	7e	List of officers and Board of governing body of Applicant
N/A	7f	Financial Statements (one of the last 2 years must be audited)

Exhibit B

LEGISLATIVE REPRESENTATIVES

Indicate all Legislators who represent any portion of the proposed service area. If you have vacancies in your legislative seats, please list your district number and district address.

A. **Members of the State Assembly:**

District number:	12	District number:	13
Name:	Fiona Ma	Name:	Tom Ammiano
District Address:	455 Golden Gate Ave., STE 14600	District Address:	455 Golden Gate Ave., STE 14300
City:	San Francisco	City:	San Francisco
Zip Code:	94102	Zip Code:	94102

B. **Members of the State Senate:**

District number:	8	District number:	3
Name:	Leland Y. Yee	Name:	Mark Leno
District Address:	455 Golden Gate Ave., STE 14200	District Address:	455 Golden Gate Ave., STE 14800
City:	San Francisco	City:	San Francisco
Zip Code:	94102	Zip Code:	94102

C. **Members of the U.S. House of Representatives:**

District number:	8	District number:	12
Name:	Nancy Pelosi	Name:	Jackie Speiers
District Address:	90 7th Street, Ste. 2-800	District Address:	400 S. El Camino Real, STE 410
City:	San Francisco	City:	San Mateo
Zip Code:	94103	Zip Code:	94402

EXHIBIT C

SAMPLE GOVERNING BOARD RESOLUTION

RESOLUTION NO. _____

THE GOVERNING BOARD OF

_____
(Title of Applicant)

HEREBY AUTHORIZES THE SUBMITTAL OF AN APPLICATION TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT FOR FUNDING UNDER THE CALHOME PROGRAM; THE EXECUTION OF A STANDARD AGREEMENT IF SELECTED FOR SUCH FUNDING AND ANY AMENDMENTS THERETO; AND ANY RELATED DOCUMENTS NECESSARY TO PARTICIPATE IN THE CALHOME PROGRAM.

WHEREAS:

A. _____ **(name of applicant)**, a **[political subdivision of the State of California or nonprofit public benefit corporation]**, wishes to apply for and receive an allocation of funds through the CalHome Program; and

B. The California Department of Housing and Community Development (hereinafter referred to as "HCD") has issued a Notice of Funding Availability ("NOFA") for the CalHome program established by Chapter 84, Statutes of 2000 (SB 1656 Alarcon), and codified in Chapter 6 (commencing with Section 50650) of Part 2 of Division 31 of the Health and Safety Code (the "statute"). Pursuant to the statute, HCD is authorized to approve funding allocations utilizing monies made available by the State Legislature to the CalHome program, subject to the terms and conditions of the statute and the CalHome Program Regulations adopted by HCD in April 2004; and

C. The _____ **(name of Applicant)** wishes to submit an application to obtain from HCD an allocation of CalHome funds in the amount of $_____.

IT IS NOW THEREFORE RESOLVED THAT:

1. The _____**(name of applicant)** shall submit to HCD an application to participate in the CalHome Program in response to the NOFA issued on _____ which will request a funding allocation for the following activities:

(Briefly describe the proposed activities, including dollar amount of each)

located in _____
[Program/project location(s)]

2. If the application for funding is approved, the _____**(Name of applicant)** hereby agrees to use the CalHome funds for eligible activities in the manner presented in the application as approved by HCD and in accordance with program regulations cited above. It also may execute any and all other instruments necessary or required by HCD for participation in the CalHome Program.

3. The_____(**name of Applicant**) authorizes _____ [**office or position titles of authorized person(s)**] to execute in the name of the _____ (name of Applicant), the application, the Standard Agreement, and all other documents required by HCD for participation in the CalHome Program, and any amendments thereto.

PASSED AND ADOPTED THIS ____Day of _____, 20 _____, by the following vote:

AYES: _____ NAYS: _____ ABSTAIN: _____ ABSENT: _____

The undersigned _____(**title of officer**) of the _____ (**name of Applicant**) there before named does hereby attest and certify that the foregoing is a true and full copy of a resolution of the Governing Board adopted at a duly convened meeting on the date above-mentioned, which has not been altered, amended or repealed.

_____

Signature Date

NOTES:

1. This is intended to be a sample resolution authorizing submittal of an application to HCD. **Applicants may use their own format if it contains all of the authorizations contained in this sample.**
2. The sample resolution should be modified by nonprofit organizations as appropriate to meet the corporate structure of the nonprofit organization.
3. The **person attesting to the signing of the resolution cannot be the same person who is authorized to execute documents in the name of the applicant.**
4. The Resolution must be the original or a certified copy of the original.

EXHIBIT D

Cities and unincorporated areas of counties in California with population over 400,000.

• City of Los Angeles	3,864,400
• City of San Diego	1,275,100
• Unincorporated Los Angeles County	1,048,600
• City of San Jose	925,000
• City and County of San Francisco	791,600
• Unincorporated Sacramento County	616,700
• City of Long Beach	481,000
• Unincorporated Riverside County	465,800
• Unincorporated San Diego County	458,500
• City of Fresno	448,500
• City of Sacramento	433,400
• City of Oakland	412,200

In our current NOFA, these jurisdictions will be able to apply for an aggregate maximum award of $1,500,000.

Regarding the situation where the County operates their programs in the small cities within the county as well as the unincorporated areas, we would allow the aggregate population of the unincorporated areas plus these small cities to be combined for determining the maximum award amount only where we have letters/resolutions from the included small cities verifying the County's authority to operate within the cities.

CalHome Program Application

Attachment 1
First-Time Homebuyer Mortgage Assistance Program

This Application form is for homebuyer mortgage assistance to first-time homebuyers of new or existing homes, or for purchase of existing homes to be rehabilitated by the homebuyer. An applicant may only apply for funds under this attachment when it will be providing the services required in Section 7729 of the program regulations.

SECTION I. APPLICANT INFORMATION

Name: City and County of San Francisco, Mayor's Office of Housing

SECTION II. FIRST-TIME HOMEBUYER PROGRAM EXPERIENCE

A. Provide the following information for each year of first-time homebuyer program operation for 12 consecutive months, by calendar year. Applicant organizations should only list those homebuyer units for which they provided the mortgage assistance services.

PERMANENT FINANCING FUNDING SOURCE(S)							NO. OF PURCHASE ESCROWS	AVERAGE AMOUNT OF ASSISTANCE PROVIDED PER BUYER					
YEAR	DALP	CITY 2ND LOAN	CalHome BMR-DALP	MORTGAGE ASSISTANCE / ADDI	TND	PIC	UNDERWRITTEN AND CLOSED	DALP	CITY 2ND LOAN	CalHome BMR-DALP	MORTGAGE ASSISTANCE / ADDI	TND	PIC
2010	17	7	1	2	12	5	44	$67,315	$45,000	$36,000	$10,000	$20,000	$20,000
2009	70	4	34	-	13	4	125	$99,882	*GRFR	$34,727	-	$20,000	$20,000
2008	36	6	21	-	6	4	73	$110,024	$43,000	$32,520	-	$20,000	$20,000
2007	20	15	-	-	-	-	35	$108,185	$127,500	-	-	-	-
2006	41	5	-	39	-	-	46	$48,061	$80,079	-	$17,501	-	-
2005	36	11	-	34	-	-	47	$55,748	$77,868	-	$16,680	-	-
2004	-	16	-	-	-	-	17	-	$85,016	-	-	-	-
2003	-	22	-	-	-	-	23	-	$81,379	-	-	-	-
2002	50	21	-	-	-	-	71	$71,329	$82,517	-	-	-	-
2001	53	10	-	-	-	-	63	$75,859	$73,754	-	-	-	-
2000	68	9	-	-	-	-	77	$67,129	$35,309	-	-	-	-

*** Grant Right of First Refusal**

B. For years 2007 through 2010, provide a narrative of applicant's history and experience with the proposed activity, including evidence of program operation for each year listed: e.g., board resolution authorizing the program; award letters; program financial pages from annual audit, annual reports or other evidence that will demonstrate program operation. **(Attach as Exhibit 1-1)**

SECTION III. LOAN UNDERWRITING EXPERIENCE

A. For the years 2007 through 2010, the total number of homebuyer loans applicant has underwritten and closed, which included preparation of loan documents and escrow instructions. 277 #_____

SECTION IV. LOAN SERVICING EXPERIENCE

A. For the years 2007 through 2010, the total number of homebuyer loans closed for which the applicant was the named beneficiary on the loan documents. 277 #_____

B. As of the CalHome NOFA issuance date, the total number of homeowner loans in the applicant's portfolio. 692 #_____

C. Number of loans identified in B. above that are being directly serviced by the applicant. 692 #_____

D. Number of loans identified in B. above that are being serviced by a third party. 0 #_____

E. As of the CalHome NOFA issuance date, the total number of homebuyer loans the applicant is servicing for another entity. 0 #_____

F. If there are zero loans identified in C, D **and** E, submit a narrative identifying how loans will be serviced, how the servicing activities will be funded or provided and the procedures for implementing loan servicing operations. **In addition** to the narrative, attach either: 1) a budget that provides an identified source of financing, for a period of at least 5 years, for contracting loan servicing with a third party who is in the business of loan servicing; 2) a commitment letter from a third party, who is in the business of loan servicing, willing to provide loan servicing at no cost to the applicant; or 3) the résumé of a current employee(s) of the applicant that describes the employee(s)'s experience in homeowner loan servicing. **(Attach as Exhibit 1-2)**

SECTION V. PROGRAM TARGETING

A. Number of homebuyers to be assisted with this application for CalHome funds #19

B. Program will be operated **entirely within a federally defined Qualified Census Tract(s)located in Appendix B in the training manual** (ONLY MARK YES IF ALL HOMES TO BE ASSISTED WITH CALHOME FUNDS SHALL BE LOCATED IN THE AREA(S) IDENTIFIED HERE):

Yes _____ No ✓

Federally defined Qualified Census tract(s) No. _____

C. Program will be operated **entirely within a designated redevelopment area under the jurisdiction of a local Redevelopment Agency** (ONLY MARK YES IF ALL HOMES TO BE ASSISTED WITH CALHOME FUNDS SHALL BE LOCATED IN THE AREA(S) IDENTIFIED HERE):

Yes _____ No ✓

Attach a redevelopment area map and indicate program location on the map. **(Attach as Exhibit 1-3)**

D. Nonprofit corporations must list the county or counties in which the program will be operated.
county/counties N/A

E. Provide the data source used to project median sales price: HUD

SECTION VI. FINANCING AND AFFORDABILITY

A. Proposed Permanent Financing (other than CalHome) (check all that apply):

[x] Conventional [ ] FHA [ ] CalHFA [ ] USDA-Rural Development
[ ] Federal HOME [ ] Redevelopment Agency [x] Other

Describe the financing structure, first mortgage and any subordinate financing in addition to CalHome that will finance the purchase of the properties.

Source of Financing	Proposed Lien Position
Conventional loan provided by participating lenders	1st
BMR Lien	2nd
CalHome Program	3rd

B. Projected Average Housing Cost and Affordability:

1.	Expected Average Sales Price, Less Homebuyer Equity:	$ 250,000
2.	Less Average CalHome Mortgage Assistance to be given:	$ 36,000
3.	Less Average Other Mortgage Assistance to be received, if any:	$ N/A
4.	Average First Mortgage:	$ 200,000
5.	Estimated Monthly Payment on First Mortgage (PITI):	$ 1,290
6.	Annual Income Needed to Support above Payment (Based on the homebuyer paying 30% of gross annual income for PITI)	$ 72,400

SECTION VII. CONTRIBUTED LABOR PROGRAMS – Self-Help, Volunteer Labor and Youth Construction Training Labor.

Important Note: Only complete this section, if the applicant meets the two-year minimum experience requirement for operation of a program, a minimum of 500 hours of onsite contributed construction labor per assisted unit must be provided, and that financed purchase of homes involving this type of construction or developed homes involving this type of construction and the entire program will be restricted to units involving this type of construction.

A. Check if project involves any of the following types of contributed onsite construction labor:

1. Self-Help labor: Yes _____ No _____

   No. of hours of guaranteed self-help onsite construction labor per unit: _____ hrs

2. Volunteer labor: Yes _____ No _____

No. of hours of guaranteed volunteer onsite construction labor per unit: _____ hrs

3. A youth construction skills training program: Yes _____ No _____

   Name of program: _____

   No. of hours of guaranteed youth construction training onsite construction labor per unit, provided by participants age 16 to 24 years old only: _____ hrs

4. **If the answer to A. 1, 2 or 3 above is yes**, indicate the minimum number of onsite construction labor hours per unit to be provided by the homebuyer: ___ hrs

B. Describe the criteria for participation in your contributed labor program. **(Attach as Exhibit 1-4)**

C. Attach a copy of the agreement form used for the contributed labor program. **(Attach as Exhibit 1-4a)**

D. Provide description of activities performed by contributed labor participants. **(Attach as Exhibit 1-4b)**

E. Provide description of activities normally contracted out. **(Attach as Exhibit 1-4c)**

F. What percentage of total onsite construction labor per unit will be performed by contributed labor: _____%

Please provide evidence of previous administration of the type of contributed labor program proposed in this application. This could include, but not be limited to, the nonprofit corporation charter or a copy of the board resolution authorizing the program supported by documentation of completed projects; or copies of contracts with contributed labor participants. (**Attach as Exhibit 1-4d)**

SECTION VIII . HOMEBUYER EDUCATION

A. Does the applicant currently provide homebuyer education classes?
   Yes _____ No ✓____

   If not, describe arrangements for providing homebuyer education in Attachment 4-Additional Documentation.

SECTION IX. BONUS POINTS FOR NEW POLICY OBJECTIVES MORTGAGE ASSISTANCE ACTIVITIES ONLY

A. Energy Efficient / Green Building features (Attach as Bonus Exhibit A)

Bonus points will be given in the scoring of this application for applicants that use their mortgage assistance loans for home purchase transactions where the units purchased are developed by including the mandatory or voluntary exclusively green building measures (see Appendix A4 at http://www.hcd.ca.gov/codes/shl/2010_CA_Green_Bldg.pdf). For the submission of your application, you may self-certify that you intend to meet the CALGreen Tier 1 or Tier 2 design criteria (see application self-certification check list and attach as Bonus Exhibit A of the Application). An architect or the local inspection agency must certify that the design actually meets the criteria for CALGreen Tier 1 or Tier 2 specified in the Code. If bonus points are assigned to your application for this, it will be a condition of your contract and will affect all loans.

Yes ✓ No_____

B. Targeting homeownership units that meet universal design standards (Attach as Bonus Exhibit B)

Bonus points will be given in the scoring of this application for applicants that use their mortgage assistance loans exclusively for home purchase transactions where the units purchased are developed by meeting the following universal design standards:

- Provide at least one no-step entrance with beveled threshold. This may be at the front, side or back of the unit.
- Make doorways throughout the unit at least 32 inches wide and hallways at least 36 inches clear width.
- Reinforce walls around the toilet, bathtub and shower stall in order that grab bars may be added at a later time, if needed.
- Install light switches and electrical controls no higher than 48 inches and electrical plugs no lower than 15 inches above the floor.
- Install lever handles on all doors and plumbing fixtures.

Yes _____ No ____✓____

EXHIBIT 1-1

FIRST TIME HOMEBUYER MORTGAGE ASSISTANCE

PROGRAM NARRATIVE

History and Experience with Homeownership activities

The Mayor's Office of Housing (MOH) is the Housing Finance Agency for the City and County of San Francisco. MOH consists of three primary program units: Housing Development, Single Family Housing and Planning and Monitoring. The first-time homebuyer programs are administered through the Single Family Housing Programs. Six FTE staff positions are dedicated to the homeownership program activities — 2 full-time program managers and 1 full-time loan officer and underwriter, 1 full-time program coordinator and underwriter, 2 processors.

MOH has over 20 years experience administering the homeownership programs, which includes the following programs that offer financial assistance: City Second Loan Program, Downpayment Assistance Loan Program (DALP), the American Dream Downpayment Initiative (ADDI), Extra Credit Home Purchase Program (ECHPP), Mortgage Revenue Bond Program (MRB) with mortgage assistance, and Below Market Rate CalHome Downpayment Assistance Loan Program (BMR DALP). We also administer non-financial assistance homeownership programs, which include the Inclusionary Below Market Rate (BMR), Mortgage Credit Certificate (MCC) and Condominium Conversion BMR Programs. Although BMR program purchases do not involve a transfer of funds from the City, there is a lien on the individual BMR units for the difference between the restricted (BMR) price and the appraised market value of the property. This difference is substantial in the current market climate, and the City underwrites the liens utilizing the same criteria and underwriting guidelines as the downpayment assistance programs.

Community Need

San Francisco has one of the highest percentages of households overpaying for housing in California. For homeowners, the percentage of households earning less than 80% of the AMI with a housing cost burden was 60% and the percentage with severe housing cost burden was 42%. The homeownership rate for households with incomes below 80% of AMI is 26%.

Feasibility

The City of San Francisco will use this funding allocation to assist first time homebuyers of BMR units. These units are priced by the San Francisco planning code section 415 to be affordable for households earning 90% of AMI. The CalHome funds will allow the City to subsidize these units to make them affordable to families at 80% of AMI.

City Second Loan Program

The Mayor's Office of Housing offers second loans to eligible first-time homebuyers with deferred payments for 40 years or due on sale, rental or title transfer. This program is offered to first-time homebuyers of certain townhouses that were fully or partially developed with public funds in various neighborhoods throughout the city. The maximum loan is $100,000 or 20% of the purchase price; whichever is less. The amount of subsidy awarded depends on the household's income: the higher subsidy amount is given to those households who earn lower incomes compared to the area median (AMI). The City loan is in second position on title after the first mortgage and can be repaid at any time without penalty. Repayment includes the principal and proportional share of appreciation of the value of the property at time of resale.

Downpayment Assistance Loan Program (DALP)

The Downpayment Assistance Loan Program (DALP) assists eligible buyers purchase their first home, defined as any single-family detached residential, condominium or townhouse unit throughout the City and County of San Francisco. The maximum loan amount is $100,000 or 20% of the purchase price; whichever is less. As with the City Second Loan Program, the maximum subsidy is awarded to those households who earn lower incomes when compared to the AMI. The loan is deferred for 40 years, or due on sale, rental or title transfer. Repayment includes the principal and proportional share of the appreciation of the value of the property at the time of resale.

The American Dream Downpayment Initiative Program (ADDI)
The American Dream Downpayment Initiative Program (ADDI) is created to provide financial assistance to low-income, first-time homebuyers by providing assistance on downpayment and closing costs on home purchases within the City and County of San Francisco. The Mayor's Office of Housing (MOH) received three entitlement allocations for the American Dream Downpayment Initiate Program (ADDI). ADDI is available to first-time homebuyers whose annual incomes fit within HUD low-income limits and are purchasing their first home in the City and County of San Francisco.

Below Market Rate Downpayment Assistance Loan Program (BMR DALP) – The purpose of the CalHome BMR DALP is to support existing homeownership programs targeted at lower and very-low income households. The Mayor's Office of Housing administers several programs to assist low-income first time homebuyers. The BMR DALP will be used to provide downpayment assistance loans to households at or below 80% of the HCD low income Limits to purchase below market rate (BMR) condominium units.

Below Market Rate (BMR) Inclusionary Housing Program - Section 415 of the San Francisco Planning code allows qualifying developers to build on or off-site below market rate units instead of paying a required affordable housing fee. The code requires that 15% of all newly constructed dwellings (with 5 or more units) be reserved as affordable to middle-income households. Developers may also fulfill this obligation by building affordable units off-site, in which case they must build 20% of their market-priced units. BMR units are priced to be affordable to households earning 90% of the area median income. Three full time staff members at MOH administer the program, calculating the obligations of the developers for each site, approving marketing plans for the units, working closely with the homeownership counseling agencies to advertise among qualified households, overseeing the lottery to distribute the units, reviewing household applications and underwriting the transactions for the purchase of the individual units.

Police In The Community Program (PIC) - A downpayment assistance loan program for San Francisco police officers purchasing a first home in San Francisco. Borrowers must provide verification of employment with the SFPD as an officer in good standing.

Teacher Next Door Program (TND) - A loan program to assist teachers employed with the San Francisco Unified School District in purchasing a first home in San Francisco. This loan is forgiven after 10 years provided all program requirements are met.

Mortgage Credit Certificate (MCC)
MCC is a tax credit which reduces the amount of federal income taxes due from the homebuyer. Lenders use this information to qualify homebuyers for a larger mortgage amount than the buyer could normally afford with the same income. The tax credit represents 15% of the mortgage interest paid annually on a dollar for dollar basis.

Loan Servicing Experience:
The Planning and Monitoring unit of the Mayor's Office of Housing carries out monitoring of deferred first time homebuyer loans originated by the office. The properties are monitored annually to ensure that owner-occupancy and other program requirements are being met. If homeowners are found to be out of compliance, the Planning and Monitoring unit will issue notices of default and take other steps to bring the borrowers into compliance. The Planning and Monitoring unit also responds to requests for subordinations, demands, prepare loan payoffs, execute reconveyance instructions, and generally service all loans. MOH currently has 2 full time staff members performing servicing and monitoring functions for single family loans.

CalHome Program Application

Attachment II
Owner-Occupied Rehabilitation Program

This Application form is for rehabilitation of owner-occupied homes. An applicant may only apply for funds under this attachment when it will be providing the services required in Section 7733 and Section 7735 of the program regulations.

SECTION I. APPLICANT INFORMATION

Name: City and County of San Francisco, Mayor's Office of Housing

SECTION II. OWNER-OCCUPIED REHABILITATION PROGRAM EXPERIENCE

A. Provide the following information for each year of owner-occupied rehabilitation program operation for 12 consecutive months, by calendar year. Applicant organizations should only list those rehabilitated units for which they provided the rehabilitation services including loan underwriting and escrow closing.

Year	NO. OF HOME REHABILITATIONS COMPLETED				NO. OF ESCROWS CLOSED BY APPLICANT ORGANIZATION				AVERAGE AMOUNT OF ASSITANCE PROVIDED PER OWNER			
	CF	CH	UP	CAL	CF	CH	UP	CAL	CF	CH	UP	CAL
2010	1	6	0	13	1	6	0	13	$25,000	$75,600	$0	$37,883
2009	0	3	10	6	0	3	10	6	$0	$99,000	$2,653	$27,333
2008	2	14	16	7	2	14	16	7	$18,500	$93,948	$2,429	$98,096
2007	4	5	3	1	5	6	3	0	$12,268	$107,640	$3,367	$45,600
2006	1	9	5	0	6	6	5	0	$15,000	$91,437	$1,590	$0
2005	8	7	71	0	3	4	71	0	$8,625	$60,417	$1,869	$0
2004	4	24	38	0	4	24	38	0	$11,563	$64,098	$1,686	$0
2003	0	16	0	0	0	16	0	0	$0	$50,411	$0	$0
2002	0	35	0	0	0	35	0	0	$0	$47,024	$0	$0
2001	2	18	0	0	2	18	0	0	$15,000	$49,271	$0	$0
2000	1	5	0	0	1	2	0	0	$15,000	$35,999	$0	$0

**CF = CERF, CH = CHRP, UP = UUP, CAL = CalHome*

B. For years 2007 through 2010, provide a narrative of applicant's history and experience with the proposed activity, including evidence of program operation for each year listed: e.g., board resolution authorizing the program; award letters; program financial pages from annual audit, annual reports or other evidence that will demonstrate program operation. **(Attach as Exhibit 2-1)**

SECTION III. LOAN UNDERWRITING EXPERIENCE

A. For the years 2007 through 2010, the total number of homeowner rehabilitation loans applicant has underwritten and closed, which included preparation of loan documents and escrow instructions. # 91

SECTION IV. LOAN SERVICING EXPERIENCE

A. For the years 2007 through 20109, the total number of all types of homeowner rehabilitatic loans closed for which the applicant was the named beneficiary on the loan documents. # 62

B. As of the CalHome NOFA issuance date, the total number of homeowner rehabilitation loans in the applicant's portfolio. # 202

C. Number of loans identified in B. above that are being directly serviced by the applicant. # 202

D. Number of loans identified in B. above that are being serviced by a third party. # 0

E. As of the CalHome NOFA issuance date, the total number of homeowner loans the applicant is servicing for another entity. # 0

F. If there are zero loans identified in C, D **and** E, submit a narrative identifying how loans will be serviced, how the servicing activities will be funded or provided and the procedures for implementing loan servicing operations. **In addition** to the narrative, attach either: 1) a budget that provides an identified source of financing, for a period of at least 5 years, for contracting loan servicing with a third party who is in the business of loan servicing; 2) a commitment letter from a third party, who is in the business of loan servicing, willing to provide loan servicing at no cost to the applicant; or 3) the résumé of a current employee(s) of the applicant that describes the employee(s)'s experience in homeowner loan servicing. **(Attach as Exhibit 2-2)**

SECTION V. PROGRAM TARGETING

A. Number of homeowners to be assisted with this application for CalHome funds #13

B. Program will be operated **entirely within a federally defined Qualified Census Tract(s)** (ONLY MARK YES IF ALL HOMES TO BE ASSISTED WITH CALHOME FUNDS SHALL BE LOCATED IN THE AREA(S) IDENTIFIED HERE):

Yes ___ No ✓

Federally defined Qualified Census tract(s) No. _____

C. Program will be operated **entirely within a designated redevelopment area under the jurisdiction of a local Redevelopment Agency** (ONLY MARK YES IF ALL HOMES TO BE ASSISTED WITH CALHOME FUNDS SHALL BE LOCATED IN THE AREA(S) IDENTIFIED HERE):

Yes _____ No ✓

Attach a redevelopment area map and indicate program location on the map.
(Attach as Exhibit 2-3)

D. Nonprofit corporations must list the county or counties in which the program will be operated.

County/counties N/A

SECTION VII. FINANCING

A. Proposed Financing (other than CalHome) (check all that apply):

[ ] Federal HOME [ ] Redevelopment Agency [✓] Other

Describe the financing structure for any subordinate financing to be provided in addition to the CalHome loan. Do not list the CalHome loan:

Source of Financing	Proposed Lien Position*
Conventional first mortgage loan, if any	1st
MOH Rehab loan, if any	2nd
CalHome	3rd
Rehabilitation loans with the highest loan amount will assume the highest lien position after existing liens	

***Note: Assume the existence of a first mortgage.**

EXHIBIT 2-1

OWNER-OCCUPIED REHABILITATION PROGRAM

PROGRAM NARRATIVE

History and Experience with Property Rehabilitation activities

The Mayor's Office of Housing (MOH) is the Housing Finance Agency for the City and County of San Francisco. MOH consists of three primary program units: Housing Development, Single Family Housing and Planning and Monitoring. MOH's Housing Rehabilitation Program, which addresses substandard and deferred maintenance housing conditions, is an integral part of the Single Family Housing unit and includes programs to address lead remediation, correct housing and building code deficiencies, accessibility modifications, major and minor property rehabilitation.

MOH's mission in providing these property rehabilitation programs is to preserve San Francisco's existing housing stock and to provide low-income homeowners with decent, safe and sanitary housing. Participants in the program typically are not able to secure home rehabilitation financing from commercial lenders and rely on the City as a lender of last resort. Three FTE staff positions are dedicated to the housing rehabilitation program activities—1 full time program manager, 1 full time underwriter, and 1 construction manager.

MOH has over 20 years of experience providing affordable financing to low-income homeowners to address deferred property maintenance. The following table provides information on programs that MOH has offered in the past.

LOAN FEATURES						
Loan/Grant Type	**Maximum Loan/Grant Amount**	**Unit Maximum**	**Interest Rate**	**LTV**	**Terms of the Loan/Grant**	**Funding Source**
CERF	$15,000 per unit	3 units	0%	95%	Sale, Title Transfer, or non-owner-occupied	Department of Building Inspections
CHRP	$125,000 one unit $200,000 two units	2 units	3%	95%	Sale, Title Transfer, or non-owner-occupied	CDBG annual federal grant
CalHome	105% LTV	4 units	3%	105%	30 years or Sale, Title Transfer, or non-owner-occupied	CA Depart. of Housing and Community Development
GRANT FEATURES						
UUP	$4,000 per unit	3 units	N/A	N/A	N/A	Department of Building Inspections
Lead Hazard Control	$25,000 per unit	None	N/A	N/A	5-year commitment to give priority to low-income families with children under 6 years old when re- renting	(HUD) Office of Healthy Homes and Lead Hazard Control (OHHLHC)

Loans are available to rehabilitate owner-occupied residential properties of up to four units. The program provides 3% interest, deferred loans to one- to four-unit residences. Payments of principal and accrued interest are deferred until a change of title through sale or transfer, rental of property, non-occupancy of property by the Homeowner, or thirty (30) years from the date of the loan closing, whichever comes first.

Loan Qualifications

The property must be free of all liens not approved by MOH. These are often negative liens such as for delinquent taxes, judgments, mechanics liens or any other liens that could jeopardize the City's loan security. More specifically;

- The property must be a permanent structure within the City and County of San Francisco.
- The property must be one (1) to four (4) attached unit dwelling units.
- The property must be the Homeowner's primary residence.

Rehabilitation work must address:

1. Corrections of current code violations of the City and County of San Francisco Housing Codes and/or Building Codes

2. Corrections to meet HUD Section 8 Housing Quality Standards (HQS)
3. Accessibility modifications for owners
4. Lead based paint hazard control and removal of environmental hazards such as asbestos, mold, and mildew
5. General improvements may be included for up to 20% of the total rehabilitation costs after all required work has been identified in the scope of work

Applicant Qualifications

1. The owner must be the legal owner of the property to be rehabilitated and must occupy the property. Each Homeowner must be named on the property's title.

2. Homeowners can retain up to $25,000 of liquid assets and still qualify for a loan. For the purpose of the asset test, the Homeowner's primary residence and martial possessions are not considered liquid assets. Retirement funds held in a pension account, retirement fund, 401k plan, 403b plan, trust fund, or similar asset that is not available for liquidation are exempt from the asset test.

3. All property must carry hazard insurance and the City and County of San Francisco must, at the time of the loan, be listed as loss payee.

4. The household gross income must meet the income guidelines. MOH's property rehabilitation loans vary by funding. The majority of the loans are available to households with a combined income of no more than HUD's Low-Income mark. The amounts are adjusted on an annual basis by household size.

Each loan is carefully underwritten and approved in order to balance the client's needs and MOH's security. At closing, the following documents are thoroughly explained to the borrower to ensure fully understanding of the borrower's obligations under the loan agreement and Promissory Note.

Loan Agreement – An agreement that details the parameters and conditions of the loan.

Promissory Note – A note that promises to repay the loan at certain interest rate within the term of the loan.

Deed of Trust – The deed is used to record the lien against the property. Any future liens against the property that jeopardize the City's security and interest in the property are subject to the approval of the Mayor's Office of Housing.

Notice of Default – A notice of default is recorded for each existing lien against the property. The Mayor's Office of Housing will be notified should any of the existing liens default.

Escrow Instructions – The escrow instructions provide the MOH Fiscal Department with information about the loan and its expenses. These instructions are used to set up the loan and all disbursements are made from this escrow account. All funds remaining in the account once the property rehabilitation work has been completed will be used to make a principal payment on your Property Rehabilitation Loan.

Truth in Lending – The truth in lending statement provides information on the actual cost of the loan when interest in taken into account.

Notice of Right to Cancel – The notice of right to cancel provides the borrower a three (3) day window in which to cancel the loan.

Loan Servicing Experience

The Planning and Monitoring unit of the Mayor's Office of Housing carries out monitoring of deferred first-time homebuyer loans originated by the office. The properties are monitored annually to ensure that owner-occupancy and other program requirements are being met. If homeowners are found to be out of compliance, the Planning and Monitoring unit will issue notices of default and take other steps to bring the borrowers into compliance. The Planning and Monitoring unit also responds to requests for demand, prepare loan payoffs, execute reconveyance

instructions, and generally service the deferred rehabilitation loans. MOH currently has one full time staff member performing servicing and monitoring functions for single family loans.

Community Needs

San Francisco has a large number of individuals living at or below the federal poverty level. An estimated 87,771 (or 11.3%) of the population live at or below the federal poverty level and 12.4% or 50,488 live in overcrowded housing. Given these circumstances, the Mayor's Office of Housing rehabilitation loans are in high demand often exceeding annual allocations.

Feasibility

The City and County of San Francisco has 346,527 housing units of which 81% or 282,341 were built prior to 1980, making San Francisco a prime market for housing rehabilitation services.

In Development

MOH is actively working with other City agencies to incorporate green building techniques and materials in our housing rehabilitation loan projects. Additionally, MOH is exploring possible acquisition and rehab programs of recently foreclosed properties.

STATE OF CALIFORNIA - BUSINESS, TRANSPORTATION AND HOUSING AGENCY
EDMUND G. BROWN JR., Governor

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
DIVISION OF FINANCIAL ASSISTANCE
HOME AND HOMEOWNERSHIP SECTION
1800 Third Street, Suite 390
P. O. Box 952054
Sacramento, CA 94252-2054
(916) 322-1560
FAX (916) 327-6660

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MAYOR'S OFFICE OF COMMUNITY INVESTMENT
BY

JUN 28 2012

Olson Lee, Director
City and County of San Francisco Mayor's Office of Housing
1 S. Van Ness Ave., 5th Floor
San Francisco, CA 94103

Dear Mr. Lee:

I am pleased to advise you that the Department of Housing and Community Development (HCD) has reserved $1,500,000 for the City and County of San Francisco Mayor's Office of Housing's application for the 2011 CalHome General Loan funding. These funds will ultimately be used to provide mortgage assistance loans to a proposed 19 first time, low-income, potential home buyers, and to provide rehabilitation assistance loans to a proposed 13 low-income homeowners.

The CalHome Program, funded by Proposition 1C, plays an important role in the efforts of the Governor and HCD to address California's housing and community revitalization needs. The Administration is committed to targeting valuable state resources to communities making progress in addressing their share of the regional housing need. We look forward to working with you and the opportunity to help you successfully implement this program.

Again, congratulations for having submitted a successful application. HCD applauds your commitment to provide affordable homeownership opportunities to low-income home buyers within your community.

If you have any questions, please contact Raymond Victor, CalHome Program Manager at (916) 327-8255.

Sincerely,

Laura Whittall-Scherlee
Deputy Director

OFFICE OF THE MAYOR
SAN FRANCISCO

EDWIN M. LEE
MAYOR

TO: Angela Calvillo, Clerk of the Board of Supervisors
FROM: Mayor Edwin M. Lee
RE: Accept and Expend – FY2011 CalHome Grant -- $1,500,000
DATE: September 25, 2012

Attached for introduction to the Board of Supervisors is the resolution authorizing the Mayor's Office of Housing to accept and expend the FY2011 CalHome grant from the California Department of Housing and Community Development in a total amount of $1,500,000 and to expend program income from associated loan repayments to assist low-income first-time homebuyers and low-income homeowners.

I request that this item be calendared in Budget and Finance Committee.

Should you have any questions, please contact Jason Elliott (415) 554-5105.

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2012 SEP 25 PM 2:09

1 DR. CARLTON B. GOODLETT PLACE, ROOM 200
SAN FRANCISCO, CALIFORNIA 94102-4681
TELEPHONE: (415) 554-6141

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