

Mammoth Lakes Town Council Agenda Action Sheet

Title: Adopt a resolution approving a grant application of up to \$1,000,000 to the Home Investment Partnership Program (HOME) for the First-Time Homebuyer program to provide down payment assistance.

Council Meeting Date: 3/2/2022

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Recommended Motion: Adopt a resolution approving a grant application of up to \$1,000,000 to the Home Investment Partnership Program (HOME) for the First-Time Homebuyer program to provide down payment assistance.

Summary: The California Department of Housing and Community Development (HCD) is responsible for administering the HOME Program to all non-entitled state jurisdictions, with funding from the U.S. Department of Housing and Urban Development. The Town of Mammoth Lakes is eligible to apply for these funds from HCD to support housing programs for traditionally defined low- and very low-income households.¹ HOME funds are available under the 2020/2021 Notice of Funding Availability (NOFA) which was released on December 1, 2021. The application due date is March 10, 2022 and awards will be announced in August 2022. The Town is eligible to apply for up to \$2M under this NOFA; however, future grant eligibility is determined by how successful jurisdictions were on expending previous grants and to ensure that we are able to spend down the majority of the grant funds, if awarded, we are requesting only \$1M under this NOFA.

The Town, together with Mammoth Lakes Housing, Inc (MLH) acting as a subrecipient, are requesting authorization to apply for the HOME First-Time Homebuyer (FTHB) Program to provide down-payment assistance funding. The Town and MLH have administered the HOME FTHB program in Mammoth Lakes since 2006 and since that time, 28 households have been assisted. Approximately \$2.6M in HOME FTHB funds have been distributed to the community which has leveraged \$4.4M in private funds. These funds have furthered the community's goal of providing housing affordable to the workforce.

If the HOME Grant is awarded, these funds must be used for down payment assistance in the form of silent second mortgages for low-income households in Mammoth Lakes. The Program funds provide gap financing that is paired with traditional bank loans obtained individually by the homebuyers, thereby, leveraging public funds with private dollars.

Mammoth Lakes Housing, Inc. (MLH) will be a subrecipient on the grant and will submit the HOME Grant Application, on behalf of the Town. If awarded the grant, MLH will then take the lead on the administration of the grant and assisting households through the homeownership process.

¹ The annual income limits for 2022 for Mono County are \$50,500 for a two-person household and \$63,100 for a four-person household.