



HOUSING REHABILITATION PROGRAM

Recommendation:

1. Approve Housing Rehabilitation Assistance Program for Owner-Occupied Deed-Restricted-Affordable Units with Resale Price Restrictions (“Program”)
2. Approve \$22,500 agreement with Habitat for Humanity Monterey Bay for the Program



HOUSING REHABILITATION PROGRAM

2025 Program Implementation:

Program 5.1 Housing Rehabilitation Program

Assist 16 seniors, disabled, and lower income households during the planning period through the Housing Rehabilitation program.

Program 2.3 Preservation of Rental Housing:

Annually investigate new funding and financing opportunities to encourage the acquisition/rehabilitation of existing rental housing and conversion into long-term affordable housing.



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City's Fiscal Year 2024-2025 budget includes \$225,000 in funding in the Housing Trust Fund.

Primary HTF funding is Inclusionary Housing In-Lieu Fee for ownership housing (for projects with seven or more units) and Housing Impact Fee (for projects with fewer than seven units).

HTF funds may be used for affordable housing programs and administration, including housing rehabilitation.



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Proposed Housing Rehabilitation Assistance Program:

- Designed to provide grants of up to \$12,650 per household
- 16 total grants at maximum funding level



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Qualifying Households: Owner-occupied deed-restricted-affordable units with resale price restrictions

- Two Units - Heritage Lane
- Eight units - Capitola Beach Villas
- One Unit - Pearson Court and Tera Court
- Two Units - 2155 Wharf Road
- Even Units - Turner Lane Mobile Home Park
- Three Units - Brommer Street
- Three Units - 38th Avenue



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Habitat for Humanity Monterey Bay (HfHMB).

- 36 years of experience in affordable housing solutions
- Use of volunteer labor, donated materials, and cost-saving strategies when available.
- Compliance with all applicable building codes and accessibility standards. Oversight by a licensed contractor.
- Commitment to working exclusively on owner-occupied, deed-restricted properties within Capitola.



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The FY24/25 budget

\$225,000 in the Housing Trust Fund

\$22,500 for 10% HfHMB administration

\$202,500 for rehabilitation work, 16 or more households

(Maximum \$12,650 per household x 16 households = \$202,500).



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How Does the Program work?



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Step I: Habitat Notifies Qualified Property Owners of Program





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Step 2: Property owners inform Habitat for Humanity they would like to participate.

Property owner has 30 days to complete application.





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Step 3: Habitat for Humanity puts interested Property Owners on First Come First Serve Waitlist.

Priority given to units requiring emergency repairs for health and safety, seniors, and/or individuals with disabilities.





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Step 4: Once Property Owner submits a complete application, Habitat for Humanity reviews application, qualifies household and proposed project, and proceeds with work.





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Step 5: City staff to view final work and close out grant.





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Recommendation:

Adopt a resolution:

1. Approving Housing Rehabilitation Assistance Program for Owner-Occupied Deed-Restricted-Affordable Units with Resale Price Restrictions (“Program”) and adopting associated Program Guidelines,
2. Approving agreement with Habitat for Humanity Monterey Bay for the administration and operation of the Program in the amount of \$22,500,
3. Authorizing City Manager to execute agreement on behalf of City, and
4. Directing staff to oversee Program implementation.