

DATE: 1/19/99 AGENDA ITEM # 4.  
( ) APPROVED ( ) DENIED  
( ) CONTINUED TO \_\_\_\_\_

TO: James L. App, City Manager

FROM: Robert A. Lata, Community Development Director *RAL*

SUBJECT: Habitat for Humanity Assistance:

DATE: January 19, 1999

Needs: For the Redevelopment Agency to discuss a previous public comment regarding the use of Redevelopment Low and Moderate Income Housing (LMIH) Funds to offset Building Permit and Development Fees for three single family homes for low income households to be built by Habitat for Humanity.

- Facts:
1. At its meeting of November 17, 1998, the Redevelopment Agency approved a grant of \$35,000 in LMIH Funds to Habitat for Humanity to offset Building Permit and Development Fees for three single family homes for low income households.
  2. Joe Kelly recently expressed a concern to a Councilmember that the proposed grant of \$35,000 in LMIH Funds to Habitat for Humanity to offset City Building Permit and Development Fees for three single family homes for low income households is not in conformance with Habitat for Humanity International's policies on use of government funds.
  3. An ordinance to amend the Fiscal Year 1998/99 Redevelopment Budget and an Owner Participation Agreement for the Habitat for Humanity project are scheduled for review and action by the City Council and Redevelopment Agency on January 19, 1999.
  4. Attached is a copy of letter from Matt Hartley, an attorney for Habitat for Humanity International, to Jerry Whinery, President of the San Luis Obispo County Chapter of Habitat for Humanity. Mr. Hartley's letter explains that the proposed use of (LMIH) funds to defray building permit fees is consistent with Habitat for Humanity International's policies.

RIMC CODE  
DATE: January 19, 1999  
FILE PLAN/GEN CAT: CDD/Housing  
SUBJECT: Redevelopment LMIH Fund  
LOCATION: Housing Division Files  
RETENTION: 3 Years  
OTHER: ED\REDEV\HABITAT RDA REPORT 011999

Analysis and

Conclusion: Habitat for Humanity International, including its affiliates, is a non-profit organization that develops housing for low income households. California Redevelopment Law allows for the use of LMIH funds for building permit and development impact fees, subject to recordation of covenants to ensure that the assisted units remain affordable to low and moderate income households for specified periods of time (10 years for single family housing).

The issue of whether or not the proposed use of LMIH funds is in keeping with Habitat for Humanity International's policies has been answered via the attached letter.

Policy

Reference: California Redevelopment Law

Fiscal Impact: None to the City's General Fund or to the Redevelopment Fund.

- Options:
- a. Note and file Mr. Kelly's inquiry.
  - b. Amend, modify, or reject the above options.

Prepared By:



Ed Gallagher  
Housing Programs Manager

Attachments:

1. Letter from Matt Hartley of Habitat for Humanity International dated November 24, 1998



## **Habitat for Humanity International**

Building houses in partnership with God's people in need

November 25, 1998

Via Facsimile and U.S. Mail

Jerry Whinery  
President  
San Luis Obispo County Habitat for Humanity  
P.O. Box 613  
San Luis, California 93406

Re: Use of Government Funds for Pre-Construction Uses

Dear Mr. Whinery:

In response to your query, it is Habitat for Humanity International policy that U.S. affiliates may accept government funds to help set the stage for the construction of houses, provided that acceptance of the funds does not limit the affiliate's ability to proclaim its Christian witness, and further provided that the affiliate does not become dependent upon or controlled by government funds thus obtained.

Setting the stage for construction is interpreted to include: acquisition of land or houses for rehabilitation; infrastructure for streets and utilities; and administrative expenses, including building fees and permits.

If I may be of further assistance, please feel free to call me at (800) 422-4828, extension 2710.

Sincerely,



Matt Hattley  
Staff Attorney

cc: Regina Hopkins  
Rolf Bell  
Steve McGraw

43

