

**SUBMITTAL TO THE BOARD OF SUPERVISORS  
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

560



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
September 5, 2008

**SUBJECT:** Economic Recovery Action Plan

**RECOMMENDED MOTION:** That the Board appoint the Economic Development Agency (EDA) as lead agency to coordinate all county actions to implement HR 3221 and direct the EDA to formulate an action plan to implement HR 3221 and return for Board approval.

**BACKGROUND:** For the first time in many years, Riverside County's economy is in recession and experienced negative job growth in 2007. The unemployment rate jumped to 9.3% in July. The housing market continues to falter, and the County ranks 4<sup>th</sup> in the nation in the number of foreclosures, according to RealtyTrac. There are approximately 27,000 bank-owned homes in the County and thousands more in the foreclosure process. The Economic Development Agency (EDA) has been actively pursuing a multi-pronged approach to address this situation and promote economic recovery including: partnering with regional organizations, providing assistance to unemployed residents, funding foreclosure prevention and outreach, and stimulating housing demand.

Departmental Concurrence

(Continued on Page 2)

*Robin Zimpfer*

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Robin Zimpfer  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	NA
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	08/09

**COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: NO**

<b>SOURCE OF FUNDS: N/A</b>	<b>Positions To Be Deleted Per A-30</b>	<input type="checkbox"/>
	<b>Requires 4/5 Vote</b>	<input type="checkbox"/>

**C.E.O. RECOMMENDATION:** APPROVE

BY: *Jennifer L. Sargent*

**County Executive Office Signature** Jennifer L. Sargent

Policy  
 Consent  
 Policy  
 Consent  
 Dept Recomm.:  
 Per Exec. Ofc.:

<b>Prev. Agn. Ref.:</b>	<b>District:</b>	<b>Agenda Number:</b>
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**3.21**

**BACKGROUND (Continued):** On May 31, 2008, EDA represented the County at the inaugural Inland Empire Economic Recovery Coalition meeting, and on August 15, EDA represented Supervisor Tavaglione in the Local Leadership Caucus meeting for that effort. This coalition includes public and private sector leaders from both Riverside and San Bernardino Counties working to build a foundation for economic recovery in the region.

EDA participated the inaugural Riverside Red Team meeting on July 18, a joint effort between the County and the city of Riverside formed by Supervisor Tavaglione and Riverside Mayor Ron Loveridge. The goals of the Riverside Red Team are to strengthen the local economy, strengthen regional prosperity, create jobs and home ownership and increase government funding.

In May, EDA's Workforce Development Department won a competitive Construction Talent Transfer grant from the State of California Labor and Workforce Agency. The \$466,806 grant funds a collaborative effort with San Bernardino County with Riverside County as the lead agency. The funds will be used to re-train unemployed residential construction workers to transition into public works and/or commercial construction. Implementation of this grant has started, and the first workshop was held two weeks ago. In addition, EDA's Workforce Development Centers are assisting hundreds of residents each week, providing job seeker assistance and partnering with employers to host job fairs.

In April, the Board approved a new home buyer assistance program and in July EDA launched a portfolio of homebuyer assistance programs. On August 5, EDA hosted a press conference and ribbon cutting with Supervisor Tavaglione at a homeownership site in Home Gardens and officially launched a new countywide marketing campaign promoting homeownership in Riverside County. The event was widely covered by television and print media. The marketing campaign features a new web site, [ww.rchomelink.com](http://ww.rchomelink.com), and includes radio, billboards and print advertisements. The campaign has generated significant interest and our homeownership programs are experiencing high demand.

On July 28, President Bush signed HR 3221, the Housing & Economic Recovery Act. In addition to widely publicized mortgage reforms, the Act also created a new block grant program for local communities to address the foreclosure issue. HUD has until September 28 to develop the formula and must distribute the funds by the end of October. EDA is prepared to quickly implement this Act with a slate of potential programs to include:

- Financial education and counseling
- First time home buyer assistance to purchase foreclosed homes
- Tax exempt issue of mortgage revenue bonds to refinance homes facing foreclosures
- Acquisition of foreclosed homes for rehabilitation and resale to owner occupants

On August 18, EDA facilitated a meeting between HUD Assistant Secretary Susan Pepler and Supervisor Stone to provide input on the formula, to advocate for the county as a direct recipient of the funds, and to emphasize our preparations to implement HR 3221.

On July 29, Supervisor Tavaglione requested that a committee be formed regarding HR 3221, and EDA subsequently formed this committee and held the initial meeting with staff from the Assessor-Clerk-Recorder and Treasurer-Tax Collector offices. At that meeting, it was recommended that EDA take the lead and the other departments would serve as resources to EDA.

EDA continues to maintain close communication with HUD and has begun to prepare an action plan to implement HR 3221. At this time we are requesting that the Board affirm EDA's actions and direct the preparation of an Economic Recovery Action Plan for approval by the Board.