

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

877



FROM: Economic Development Agency

SUBMITTAL DATE:
October 10, 2008

SUBJECT: Substantial Amendment to the 2008-2009 One-Year Action Plan

RECOMMENDED MOTION: That the Board of Supervisors:

1. Amend the 2008-2009 One-Year Action Plan of the 2004-2009 Five-Year Consolidated Plan by adding the Neighborhood Stabilization Program (NSP) as shown on Attachment "A"; and
2. Direct the Economic Development Agency to prepare the Final Plan for the use of NSP funds, including detailed program descriptions, and return to the Board of Supervisors for approval.

BACKGROUND: The Neighborhood Stabilization Program (NSP) is a special allocation of Community Development Block Grant (CDBG) funds provided through the U.S. Department of Housing and Urban Development (HUD) under the Housing and Economic Recovery Act of 2008. The allocation to be received through the NSP appropriation is \$48,567,786.

(Continued on Next Page)

Deanna Lorson

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Robin Zimpfer, Assistant County Executive Officer/EDA,
by Deanna Lorson, Managing Director

FINANCIAL DATA	Current F.Y. Total Cost:	\$ 48,567,786	In Current Year Budget:	No
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2008-2009

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

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

C.E.O. RECOMMENDATION: APPROVE

BY *Jennifer L. Sargent*
Jennifer L. Sargent

County Executive Office Signature

Policy
 Consent

 Policy
 Consent

 Dept't Recomm.:
 Per Exec. Ofc.:

Prev. Agn. Ref.:

District: ALL

Agenda Number:

3.19
Form 11 (Rev 06/2006)

BACKGROUND (Continued): The basic intent of the NSP is to mitigate the impacts of increasing foreclosures and falling home prices by: purchasing foreclosed and abandoned homes and other residential properties at a discounted value, rehabilitating or redeveloping these properties if necessary, and reselling or reusing the properties.

Under the requirements provided by HUD, the County of Riverside must give priority emphasis to the areas of greatest need, including those:

- (1) with the greatest percentage of foreclosures;
- (2) with the highest percentage of homes financed by subprime mortgage related loans; and
- (3) identified as likely to face a significant rise in the rate of home foreclosures.

The Economic Development Agency is currently developing the methodology in which to determine the geographical areas of greatest need within the County using the HUD requirements and local data. It is the Agency's intent to not only target and stabilize these neighborhoods in the short term but to strategically incorporate modern, green-building, and energy-efficiency improvements in NSP activities thereby providing increased sustainability and attractiveness of housing and neighborhoods.

Based upon the eligible uses and income requirements of the NSP, EDA has identified a need for the following County-wide programs to include 14 participating cities and recommends the following funding allocations:

- (1) Enhanced First-Time Homebuyer Program - \$9,700,000
- (2) Acquisition and Resale - \$21,855,000
- (3) Special Housing Projects - \$12,157,000
- (4) Administration - \$4,855,786

The County is required to utilize one hundred percent (100%) of the NSP funds for activities that benefit individuals and families whose incomes do not exceed one hundred twenty percent (120%) of area median income. At least twenty-five percent (25%) of NSP funds must be used to house individuals or families whose incomes do not exceed fifty percent (50%) of area median income.

The Agency recommends amending the 2008-2009 *One-Year Action Plan* to include the Neighborhood Stabilization Program grant and authorizing EDA to develop the Final Plan, which will be made available to citizens through the County's website. EDA will return to the Board for approval of the Final Plan, which is due to HUD no later than December 1, 2008. Additionally, at that time EDA will request Board approval of the necessary budget adjustment to add this program to EDA's approved budget for FY 08/09.

FINANCIAL:

The NSP program is one hundred percent (100%) federally-funded through HUD. A detailed budget adjustment will be prepared for Board approval concurrent with approval of the Final Plan, prior to December 1, 2008.

ATTACHMENT "A"

Neighborhood Stabilization Program (NSP): The NSP is a special allocation of Community Development Block Grant funds provided through the U.S. Department of Housing and Urban Development (HUD) under the Housing and Economic Recovery Act of 2008. The County will receive a NSP appropriation of \$48,567,786. The NSP funds will be used for the following purposes:

Enhanced First Time Home Buyer Assistance: \$9,700,000
Acquisition and Resale: \$21,855,000
Special Housing Projects: \$12,157,000
Administration: \$4,855,786
TOTAL: \$48,567,786