

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

23



**FROM:** Economic Development Agency

**SUBMITTAL DATE:**  
November 25, 2009

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

**RECOMMENDED MOTION:** That the Board of Supervisors:

1. Amend the County of Riverside 2008-2009 One-Year Action Plan of the 2004-2009 Five-Year Consolidated Plan to reallocate Neighborhood Stabilization Program (NSP) funds as described in Attachment "A"; and
2. Approve the Notice of Funding Availability (NOFA) by the Riverside County Economic Development Agency (EDA) for NSP.

**BACKGROUND:** The United States Department of Housing and Urban Development (HUD) requires that all substantial amendments to the Five-Year Consolidated Plan and the One-Year Action Plan be approved by the Board of Supervisors.

(Continued)

Robert Field  
Assistant County Executive Officer/EDA

<b>FINANCIAL DATA</b>	Current F.Y. Total Cost:	\$ 0	In Current Year Budget:	Yes
	Current F.Y. Net County Cost:	\$ 0	Budget Adjustment:	No
	Annual Net County Cost:	\$ 0	For Fiscal Year:	2009/2010

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

<b>SOURCE OF FUNDS:</b> Neighborhood Stabilization Program Funds	<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: Christopher M. Hans

County Executive Office Signature

FORM APPROVED COUNTY COUNSEL  
BY: MICHELLE CLACK  
DATE: 11/23/09  
Departmental Concurrence

Dep't Recomm.:  Consent     Policy  
Per Exec. Ofc.:  Consent     Policy

**Prev. Agn. Ref.:**                      **District:** ALL                      **Agenda Number:**

**3.14**  
EDA-001a-F11  
Form 11 (Rev 06/2003)

**BACKGROUND:** Pursuant to 24 CFR 91.105, the Economic Development Agency published a 15-day public notice notifying the public of the proposed amendment to the County of Riverside 2008-2009 One-Year Action Plan and the 2004-2009 Five-Year Consolidated Plan. Staff recommends approval of reallocated funds for NSP as described in Attachment "A".

Upon Board approval of reallocation of NSP funds EDA will be issuing a NOFA soliciting developers to submit applications for eligible NSP projects.

## Attachment "A"

### Amendment Action:

The amendment to the One-Year Action Plan will reallocate Neighborhood Stabilization Program (NSP) funds for the following described activities:

#### TITLE OF ACTIVITY AND AMOUNT:

NEIGHBORHOOD STABILIZATION PROGRAM – NSP-1 ACQUISITION, REHABILITATION, AND RESALE TO FIRST-TIME HOMEBUYERS – The County of Riverside will acquire and rehabilitate foreclosed, or abandoned (for at least 90 days) single-family homes and sell them to income-eligible first-time homebuyers. The County will partner with various public, private for-profit, and private non-profit organizations to carry out this activity, including, but not limited to the Housing Authority of the County of Riverside. The final sales price will not exceed the cost of acquisition, rehabilitation, and resale. Acquisitions will average at least one percent (1%) below the current market appraised value as determined within sixty (60) days of the date of the purchase offer. Homes may be purchased in bulk from a single seller. The eligible home buyers must not have owned a home in the previous three (3) years, have a household income that does not exceed 120% median and attend a HUD certified home buyer counseling session. Funding allocation increased by \$7,500,000, revised NSP-1 funding allocation \$32,427,000.

#### TITLE OF ACTIVITY AND AMOUNT:

NEIGHBORHOOD STABILIZATION PROGRAM – NSP-2 ACQUISITION, REHABILITATION, AND RENTAL OF AFFORDABLE UNITS – The County of Riverside may acquire and rehabilitate foreclosed, abandoned (for at least 90 days) single-family homes and rent them to households earning not more than fifty percent (50%) of the County area median income. The County will partner with various public and private non-profit organizations to carry out this activity including, but not limited to, the Housing Authority of the County of Riverside. Acquisitions will average at least one percent (1%) below the current market appraised value as determined within sixty (60) days of the date of the purchase offer. Homes may be purchased in bulk from a single seller. Funding allocation decreased by \$330,000, revised NSP-2 funding allocation \$204,000.

#### TITLE OF ACTIVITY AND AMOUNT:

NEIGHBORHOOD STABILIZATION PROGRAM – NSP-3 ENHANCED FIRST TIME HOME BUYER PROGRAM – The County of Riverside will offer a financing mechanism to eligible first-time home buyers to enable them to directly acquire vacant foreclosed single family homes using NSP funds. The *Enhanced First Time Home Buyer Program* provides purchase price and optional home repair and rehabilitation assistance to low, moderate and middle income households that have not owned homes within a three-year period. The program is available for households with an annual income that is no greater than 120% of the area median income as published by HUD. The Enhanced FTHB Program provides 20% of the purchase price with a 15- year affordability period as a "silent second" loan plus an optional repair and rehabilitation "silent third" loan to enhance the physical appearance and long term affordability of the home including improvements for energy efficiency, curb appeal and landscaping. The total amount of assistance for each home will not exceed \$75,000 (which includes both purchase price assistance and rehab). Funding allocation decreased by \$7,170,000, revised NSP-3 funding allocation \$2,403,684.

#### PROGRAM CHANGE:

NEIGHBORHOOD STABILIZATION PROGRAM – The County of Riverside will be allowing for-profit organizations in addition to non-profit and public organizations to apply for available NSP-funds.

## **PUBLIC NOTICE**

**November 19, 2009**

Jeff Stone, Chairman  
Riverside County Board of Supervisors  
County Administrative Center  
4080 Lemon Street, 5<sup>th</sup> Floor  
Riverside, California 92501

(951) 955-3418 Juan Garcia

### **TO ALL INTERESTED AGENCIES, GROUPS, AND PERSONS:**

The Riverside County Economic Development Agency hereby notifies concerned members of the public pursuant to 24 CFR §91.505 of its intent to amend the 2008-2009 One Year Action Plan. This amendment reports on a substantial change to the Action Plan. A substantial change occurs if the use of funds is changed from one eligible activity to another; a new, proposed activity is funded that was not described in the Consolidated Plan; an increase in the amount of Community Planning and Development (CPD) funds allocated to an existing activity; or a funded activity described in the Consolidated Plan is cancelled.

The following summary presents an overview of Neighborhood Stabilization Program (NSP) activities and the proposed amounts of re-allocated funds:

**TITLE OF ACTIVITY AND AMOUNT: NEIGHBORHOOD STABILIZATION PROGRAM – NSP-1 ACQUISITION, REHABILITATION, AND RESALE TO FIRST-TIME HOMEBUYERS** – The County of Riverside will acquire and rehabilitate foreclosed, or abandoned (for at least 90 days) single-family homes and sell them to income-eligible first-time homebuyers. The County will partner with various public, private for-profit, and private non-profit organizations to carry out this activity, including, but not limited to the Housing Authority of the County of Riverside. The final sales price will not exceed the cost of acquisition, rehabilitation, and resale. Acquisitions will average at least one percent (1%) below the current market appraised value as determined within sixty (60) days of the date of the purchase offer. Homes may be purchased in bulk from a single seller. The eligible home buyers must not have owned a home in the previous three (3) years, have a household income that does not exceed 120% median and attend a HUD certified home buyer counseling session. Funding allocation increased by \$7,500,000, revised NSP-1 funding allocation \$32,427,000.

**TITLE OF ACTIVITY AND AMOUNT: NEIGHBORHOOD STABILIZATION PROGRAM – NSP-2 ACQUISITION, REHABILITATION, AND RENTAL OF AFFORDABLE UNITS** – The County of Riverside may acquire and rehabilitate foreclosed, abandoned (for at least 90 days) single-family homes and rent them to households earning not more than fifty percent (50%) of the County area median income. The County will partner with various public and private non-profit organizations to carry out this activity including, but not limited to, the Housing Authority of the County of Riverside. Acquisitions will average at least fifteen percent (15%) below the current market appraised value as determined within sixty (60) days of the date

of the purchase offer. Homes may be purchased in bulk from a single seller. Funding allocation decreased by \$330,000, revised NSP-2 funding allocation \$204,000.

**TITLE OF ACTIVITY AND AMOUNT: NEIGHBORHOOD STABILIZATION PROGRAM – NSP-3 ENHANCED FIRST TIME HOME BUYER PROGRAM** – The County of Riverside will offer a financing mechanism to eligible first-time home buyers to enable them to directly acquire vacant foreclosed single family homes using NSP funds. The *Enhanced First Time Home Buyer Program* provides purchase price and optional home repair and rehabilitation assistance to low, moderate and middle income households that have not owned homes within a three-year period. The program is available for households with an annual income that is no greater than 120% of the area median income as published by HUD. The Enhanced FTHB Program provides 20% of the purchase price with a 15- year affordability period as a “silent second” loan plus an optional repair and rehabilitation “silent third” loan to enhance the physical appearance and long term affordability of the home including improvements for energy efficiency, curb appeal and landscaping. The total amount of assistance for each home will not exceed \$75,000 (which includes both purchase price assistance and rehab). Funding allocation decreased by \$7,170,000, revised NSP-3 funding allocation \$2,403,684.

**PROGRAM CHANGE:**

**NEIGHBORHOOD STABILIZATION PROGRAM** – The County of Riverside will be allowing for-profit organizations in addition to non-profit and public organizations to apply for available NSP-funds.

It is anticipated that the Board of Supervisors will take action on the amendment at its regular meeting to be held on December 8, 2009, in the meeting room of the Board of Supervisors, Riverside County, Administrative Center, 4080 Lemon Street, Riverside, California. Any interested person wishing to comment may submit written comments to Riverside County Economic Development Agency, 1325 Spruce Street, Suite 400, Riverside, CA 92507, Attention: Juan Garcia, Development Specialist by **December 7, 2009**, or may appear and be heard at the time of the hearing on December 8, 2009.