

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

335



FROM: Economic Development Agency

SUBMITTAL DATE:
March 11, 2010

SUBJECT: Report of Activity Under the Neighborhood Stabilization Program

RECOMMENDED MOTION: That the Board receive and file the following report of activity under the Neighborhood Stabilization Program

BACKGROUND: The Neighborhood Stabilization Program (NSP) was authorized by the Housing and Economic Recovery Act of 2008 and implemented by the United States Department of Housing and Urban Development (HUD) with the intent of providing stability to neighborhoods impacted by vacant, abandoned, blighted, and foreclosed upon bank owned properties.

The County of Riverside received \$48,567,786 of NSP funds and entered into an agreement with HUD on February 25, 2009 to implement its proposed NSP programs. One of the central requirements of the NSP regulations is absolute performance and use of all the allocated NSP funds within eighteen months of the date of execution of the agreement with HUD. This eighteen month performance period matures on August 25, 2010.

(Continued)

Robert Field
Assistant County Executive Officer/EDA

FINANCIAL DATA	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:	09/10

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: Neighborhood Stabilization Program	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

County Executive Office Signature

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

Prev. Agn. Ref.: 3.17 of 3/16/10

District: ALL

Agenda Number:

2.14

Departmental Concurrence

BACKGROUND: (Continued)

The Riverside County Economic Development Agency (EDA) launched a slate of programs on March 17, 2009, which include objectives to acquire, repair, and sell single family homes; home buyer assistance to encourage households to acquire homes for owner occupancy; and acquisition of unfinished, abandoned, or otherwise blighted multifamily properties.

The County entered into development partnership agreements with thirteen private, non-profit or for profit and public entities as well as 110 private lenders to implement the above mentioned slate of the NSP programs.

As of the date of this report, the County is approximately 70% into the eighteen month performance period. During the same period, and as of the date of this report, the County's NSP programs (working in conjunction with our various partners) have accomplished the acquisition of 133 properties thus committing \$33,927,786 (which includes the internal allocation to administration). This committed amount represents 69.86% of the total fund allocation of \$48,567,786 from HUD to the County of Riverside.

The above stated committed amount of \$33,927,786 includes the cost of acquisition, repair, and resale to qualifying homeowners.

The 133 properties include various multi-family rental properties (abandoned or foreclosed upon) acquired by development partners with the stated objective of complying with specific NSP regulation requiring that not less than 25% of the HUD allocation to the County of Riverside be used to provide shelter to very low income households. As such, the 133 properties acquired represent 197 housing units with an average cost to acquire, repair, and place back into viable service of \$147,570 per housing unit.

Additionally, as of the date of this report, the various NSP programs and development partners have 39 properties in the escrow/acquisition process. Staff anticipates that these 39 properties will complete acquisition within thirty days. These same properties include six multi-family properties. This represents a potential future commitment of \$6,369,828, which will have committed \$40,297,041 (or 83%) of the total HUD allocation to the County of Riverside.

At the current pace, EDA expects to have fully committed the entire NSP allocation to the County of Riverside by June 30, 2010.

A return to homeownership of foreclosed or abandoned properties has been accomplished with direct homebuyer assistance. Various homeowners have already been identified to purchase the acquired and repaired homes. EDA staff is actively working on agreements to recapture funds and relend them for new rounds of acquisition, repair and resale.