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

FROM: Economic Development Agency

SUBMITTAL DATE:
June 17, 2010

SUBJECT: Resolution No. 2010-198, Approving an Amendment Request for Funding and the Execution of an Amended Grant Agreement and any Amendments thereto from the State of California Neighborhood Stabilization Program

RECOMMENDED MOTION: That the Board of Supervisors:

1. Conduct a public hearing on Resolution No. 2010-198, Approving an Amendment Request for Funding and the Execution of an Amended Grant Agreement and any Amendments thereto from the State of California Neighborhood Stabilization Program; and
2. At the close of the public hearing, adopt Resolution Number 2010-198.

BACKGROUND: In April 2009, the State of California issued a Notice of Funding Availability (NOFA) soliciting proposals for the use of the Neighborhood Stabilization Program funds as authority Federally by the Housing and Economic Recovery Act of 2008. The NOFA identified the Riverside County and the Cities of Calimesa, Coachella, Palm Desert, Palm Springs, and Rancho Mirage as eligible applicants if a joint application were submitted where the requested amount was in excess of \$1,000,000.

(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:	2009 / 2010

COMPANION ITEM ON BOARD OF DIRECTORS AGENDA: No

SOURCE OF FUNDS: State Neighborhood Stabilization Program Funds

Positions To Be Deleted Per A-30	<input type="checkbox"/>
Requires 4/5 Vote	<input type="checkbox"/>

C.E.O. RECOMMENDATION:

APPROVE

County Executive Office Signature

Jennifer L. Sargent

FORM APPROVED COUNTY COUNSEL
DATE 6/21/10
MICHELLE CLACK
Departmental Concurrence

Dept't Recomm.:	<input type="checkbox"/>	Consent	Policy	<input checked="" type="checkbox"/>
Per Exec. Ofc.:	<input type="checkbox"/>	Consent	Policy	<input checked="" type="checkbox"/>

Prev. Agn. Ref.: 9.9, 12/22/09

District: ALL

Agenda Number:

9.10

BACKGROUND: (Continued)

The Cities of Calimesa, Coachella, Palm Desert, Palm Springs, and Rancho Mirage are eligible to receive a maximum amount of \$287,701, \$974,583, \$326,784, \$549,970, and \$161,196 respectively. Despite being an eligible applicant, the Cities of Calimesa and Rancho Mirage chose to not solicit the funds allocated to them. Riverside County proposes to solicit the funds otherwise allocated to Calimesa and Rancho Mirage as role up funds.

The County of Riverside proposes to operate as the lead agency in applying for funds.

The Cities of Coachella, Palm Desert, and Palm Springs desire to join efforts with each other and the County of Riverside to request an amendment to the previously approved use of Neighborhood Stabilization Program funds from the State as follows:

COUNTY OF RIVERSIDE

The County of Riverside originally proposed to use its full allocation of \$448,898, to offer silent second loans in direct homeownership assistance to eligible first time home buyers who will purchase and occupy eligible foreclosed or abandoned bank owned single family homes.

The County of Riverside proposes to amend the use of the full allocation of \$448,898, to instead cause for the acquisition, rehabilitation, and resale of eligible foreclosed or abandoned bank owned single family homes throughout the County of Riverside by independent development partners. Homes that are acquired and rehabilitated will then be resold to income eligible home buyers who will purchase and occupy the single family home. The proposed acquisition, repair, remarketing, and resale activity may be accomplished in partnership with and by an independent private or public third party with a loan of the herein described Neighborhood Stabilization Program funds.

CITY OF COACHELLA

The City of Coachella originally proposed to use its full allocation of \$974,583, to offer silent second loans in direct homeownership assistance to eligible first time home buyers who will purchase and occupy eligible foreclosed or abandoned bank owned single family homes.

The City of Coachella proposes to amend the use of the full allocation of \$974,583, to instead cause for the acquisition, rehabilitation, and resale of eligible foreclosed or abandoned bank owned single family homes within the City of Coachella by independent development partners. Homes that are acquired and rehabilitated will then be resold to income eligible home buyers who will purchase and occupy the single family home. The proposed acquisition, repair, remarketing, and resale activity may be accomplished in partnership with and by an independent private or public third party with a loan of the herein described Neighborhood Stabilization Program funds.

(Continued)

BACKGROUND: (Continued)

CITY OF PALM DESERT

The City of Palm Desert originally proposed to use its full allocation of \$326,784, to offer silent second loans in direct homeownership assistance to eligible first time home buyers who will purchase and occupy eligible foreclosed or abandoned bank owned single family homes.

The City of Palm Desert wishes to amend its original proposed use of the full allocation of \$326,784, to include acquisition, rehabilitation, and resale as well as homebuyer assistance in the form of silent second loans for eligible foreclosed or abandoned bank owned single family homes within the City of Palm Desert. Homebuyer assistance offers silent second loans in direct homeownership assistance to income eligible home buyers who purchase and occupy eligible single family homes. The proposed acquisition, repair, remarketing, and resale activity may be accomplished in partnership with and by an independent private or public third party with a loan of the herein described Neighborhood Stabilization Program funds.

CITY OF PALM SPRINGS

The City of Palm Springs proposes to use \$400,000, of its allocation for the redevelopment of vacant land relative to storm water drainage improvements in support of the proposed Rosa Gardens Apartments to be located on Las Vegas Road between Eastgate Road and McCarthy Road in the City of Palm Springs, California. The City of Palm Springs proposes to use the remaining \$149,970 of its allocation to offer silent second loans, in direct homeownership assistance home buyers who will purchase and occupy eligible foreclosed or abandoned bank owned single family homes within the City of Palm Springs.

County Counsel has reviewed and approved the attached Resolution. Staff recommends approval.

RESOLUTION NUMBER 2010-198

AUTHORIZING A REQUEST TO THE CALIFORNIA STATE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO AMEND THE CONTRACT USE OF CALIFORNIA NEIGHBORHOOD STABILIZATION PROGRAM (NSP) FUNDING AND EXECUTION OF THE RELATED AGREEMENT AND ANY AMENDMENTS THERETO

RECITALS

WHEREAS, the California Department of Housing and Community Development ("HCD") has issued a Notice of Funding Availability ("NOFA") for the Neighborhood Stabilization Program; and

WHEREAS, the County of Riverside is an eligible applicant to the issued NOFA; and

WHEREAS, the County of Riverside and the incorporated municipalities within the County of Riverside is an area highly impacted by foreclosed or abandoned properties; and


WHEREAS, the County of Riverside, in conjunction with the City of Coachella, City of Palm Desert and City of Palm Springs, jointly applied for and received an allocation of funds through the Neighborhood Stabilization Program (NSP); and

WHEREAS, the County of Riverside, the City of Coachella, and the City of Palm Desert desire to request an amendment to the originally proposed and applied for use of NSP funds; and

WHEREAS, HCD has requested that a resolution in this form be adopted by the Board of Supervisors for the County of Riverside authorizing our request to amend the proposed use of funds.

BE IT RESOLVED, FOUND, DETERMINED, AND ORDERED by the Board of Supervisors of the County of Riverside, in regular session assembled on June 29, 2010, that:

1. The Board of Supervisors authorizes the Assistant County Executive Officer / EDA or designee to submit a request to HCD to amend the proposed use of funds allocated by

FORM APPROVED COUNTY COUNSEL
 BY: 
 DATE: 6/29/10
 MICHELLE CLACK

1 the State of California for California Neighborhood Stabilization Program (NSP) Funds
2 (and its contents) up to \$2,300,234 for the following activities:

3 a. County of Riverside (\$448,897)

4 i. Original proposed used of funds

- 5 1. Home purchase price assistance program to assist eligible home
6 buyers to acquired foreclosed or abandoned single family homes.
7 2. Provide after acquisition funding to make necessary repairs to the
8 acquired foreclosed or abandoned single family home.
9 3. This program will be available within the established NSP eligible
10 target areas as identified on target area maps located at
11 www.rivcoeda.org.

12 ii. Proposed amended use of funds

- 13 1. The County of Riverside proposes to amend the use of the full
14 allocation \$448,898 to cause for the acquisition, rehabilitation, and
15 resale of eligible foreclosed or abandoned bank owned single
16 family homes throughout the County of Riverside by independent
17 development partners.
18 2. Homes that are acquired and rehabilitated will then be resold to
19 income eligible home buyers who will purchase and occupy the
20 single family home.
21 3. The proposed acquisition, repair, remarketing and resale activity
22 may be accomplished in partnership with and by an independent
23 private or public third party with a loan of the herein described
24 Neighborhood Stabilization Program funds.
25 4. This program will be available within the established NSP eligible
26 target areas as identified on target area maps located at
27 www.rivcoeda.org.

28 b. City of Coachella (\$925,854)

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i. Original proposed used of funds

- 1. Home purchase price assistance program to assist eligible home buyers to acquired foreclosed or abandoned single family homes.
- 2. This program will not provide after acquisition funding to make necessary repairs to the acquired foreclosed or abandoned single family home.
- 3. This program will be available within the established NSP eligible target areas as identified on target area maps located at www.coachella.org.

ii. Proposed amended use of funds

- 1. The City of Coachella proposes to amend the use of the full allocation \$974,583 to cause for the acquisition, rehabilitation, and resale of eligible foreclosed or abandoned bank owned single family homes within the City of Coachella by independent development partners.
- 2. Homes that are acquired and rehabilitated will then be resold to income eligible home buyers who will purchase and occupy the single family home.
- 3. The proposed acquisition, repair, remarketing and resale activity may be accomplished in partnership with and by an independent private or public third party with a loan of the herein described Neighborhood Stabilization Program funds.
- 4. This program will be available within the established NSP eligible target areas as identified on target area maps located at www.coachella.org.

c. City of Palm Desert (\$294,106)

i. Original proposed used of funds

1. Home purchase price assistance program to assist eligible home buyers to acquired foreclosed or abandoned single family homes.
2. Provide after acquisition funding to make necessary repairs to the acquired foreclosed or abandoned single family home.
3. This program will be available within the established NSP eligible target areas as identified on target area maps located at <http://www.cityofpalmdesert.org/Index.aspx?page=102>.

ii. Proposed amended use of funds

1. The City of Palm Desert wishes to amend its original proposed use of the full allocation of \$326,784, to include acquisition, rehabilitation, and resale as well as homebuyer assistance in the form of silent second loans for eligible foreclosed or abandoned bank owned single family homes within the City of Palm Desert.
2. Homebuyer assistance offers silent second loans in direct homeownership assistance home buyers who purchase and occupy eligible single family homes.
3. The proposed acquisition, repair, remarketing and resale activity may be accomplished in partnership with and by an independent private or public third party with a loan of the herein described Neighborhood Stabilization Program funds.
4. This program will be available within the established NSP eligible target areas as identified on target area maps located at <http://www.cityofpalmdesert.org/Index.aspx?page=102>.

d. City of Palm Springs (\$549,970)

i. Original proposed use of funds

1. Home Purchase Price Assistance (149,970)
2. Home purchase price assistance program to assist eligible home buyers to acquired foreclosed or abandoned single family homes.

1 3. This program will not provide after acquisition funding to make
2 necessary repairs to the acquired foreclosed or abandoned single
3 family home.

4 4. This program will be available within the established NSP eligible
5 target areas as identified on target area maps located at
6 www.palmsprings-ca.gov.

7 ii. Redevelopment of Vacant Land (\$400,000)

8 1. Construction of a storm water drainage system for the benefit of
9 an affordable multi-family housing project to be known as the
10 Rosa Gardens Apartments and located at 3603 McCarthy Way in
11 Palm Springs, CA and referenced with Assessor Parcel Number
12 669-420-009.

13 2. The City of Palm Springs does not propose an amendment to their
14 use of funds.

15 2. If any additional NSP funding becomes available at a later date, the County of Riverside
16 is authorized to apply for, and/or accept funding, up the amount eligible under any
17 revised or reissued notice of funding availability. Any additional NSP funding will be
18 used in accordance with funding requirements established by the State of California
19 Neighborhood Stabilization Program.

20 3. The above described, originally submitted and approved application was a joint
21 application by and between the County of Riverside, the City of Coachella, the City of
22 Palm Desert, and the City of Palm Springs.

23 4. The herein authorized request for amended use of NSP funds is also a joint request by
24 the County of Riverside, the City of Coachella, the City of Palm Desert and the City of
25 Palm Springs.

26 5. The County of Riverside accepts the role and responsibility of the lead agency for the
27 NSP application activities.
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- 6. The County of Riverside has determined that federal Citizen Participation requirements were met during the development of the original application and as a result of a public hearing held prior to the adoption of this resolution.
- 7. The Assistant County Executive Officer / EDA is hereby authorized and directed to act on the County's behalf in all matters pertaining to the original application and the herein authorized request for amendment.
- 8. If the request for amendment is approved by HCD, the Assistant County Executive Officer / EDA is authorized to enter into and sign the related agreement or amended agreement by and between the State of California and the County of Riverside, subject to approval by County Counsel, and any subsequent amendments thereto.
- 9. If the request for amendment is approved by HCD, the Assistant County Executive Officer and or the Assistant Director of EDA for Housing are authorized to sign Fund Requests and other required reporting forms.

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