

CITY COUNCIL

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APPROVED

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DENIED

Reso No. _____

File No. _____

Ord No. _____

Agenda Item No.: 17

Date: April 14, 2010

TO: Honorable Mayor and Members of the City Council

FROM: Jerry Van Leeuwen, Director of Community Services
Roni Keiser, Housing Division Manager

SUBJECT: AMENDMENT TO APPROVED ACTIVITIES OF THE FY 2009 NEIGHBORHOOD STABILIZATION PROGRAM (NSP) GRANT

RECOMMENDATION:

Staff recommendation is for adoption of Resolution No. 2010-54 authorizing an amendment to the approved Redevelopment/Acquisition activities of the FY 2009 Neighborhood Stabilization Program (NSP) Grant to expand the categories of land uses and properties approved for acquisition, to include any previously-improved vacant properties or parcels of land that are suitable for redevelopment. Additional land use categories could include but are not limited to those properties zoned for single-family or multi-family residential, mixed-use (combined commercial and residential projects), or planned developments, within the approved NSP Target Areas.

FISCAL ANALYSIS:

The City has been awarded \$1,309,830 for Neighborhood Stabilization Program (NSP) activities from the California Department of Housing and Community Development (HCD). These are federal funds passed down from U.S. Department of Housing and Urban Development (HUD). All NSP activities and related administrative costs will be funded solely by NSP grant funds and will not impact the General Fund. Additional NSP funds may become available and are authorized for continuation of the same approved activities.

BACKGROUND:

In April of 2009 the State of California released a Notice of Funding Availability for Neighborhood Stabilization Program (NSP) activities.

On June 10, 2009, in a public hearing, Council adopted Resolution No. 2009-81 authorizing submittal of an application for funding from the State of California NSP program. The City's application outlined three specific activities of the program as follows:

Neighborhood Stabilization Program (NSP)

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- 1) Financing Mechanisms: Establishing financing mechanisms by offering a Homebuyer Down Payment Assistance Program for potential homebuyers whose income is at or below 120% of the area median income; and
- 2) Redevelopment: Acquiring vacant or demolished single-family homes for the purpose of demolishing those homes determined to be blighted structures. After demolition, the sites would be made available for future redevelopment of dwellings for potential renters/homebuyers whose income is at or below 120% of the area median income; and
- 3) Demolition: Demolition of blighted structures acquired that pose a threat to human health, safety and public welfare.

On November 12, 2009, the State notified the City that its planned activities were approved through execution of a Standard Agreement, contingent upon submittal of additional documentation for each site identified for acquisition and/or demolition.

Citizen Participation Requirements:

As required by the State's guidelines, a public hearing is necessary for the purpose of seeking public input into the design or any amendment to the NSP program activities. This hearing meets the Citizen Participation requirements for amendment to the Standard Agreement and approved grant activities.

Amendment to Program Activities:

At the time of submittal of the application to the State for NSP funding, it was City's intention to identify and acquire three to four vacant, single-family homes that were determined to be blighted and suitable for demolition (boarded up and deteriorating). To date, staff has researched over 40 different properties for potential acquisition with NSP funds. However, all of the single-family homes identified as potentially suitable for acquisition have been quickly absorbed by the open market.

Thus far, NSP funds have been used to acquire two vacant parcels previously-improved with single-family homes that were determined to be suitable for future redevelopment. Those properties will be included in an RFP tentatively scheduled to be released later this spring.

After re-evaluating the current market in Escondido, staff recommends amendment of the Redevelopment/Acquisition activity to allow acquisition of any previously-improved vacant properties or parcels of land that are suitable for future redevelopment, including properties zoned for single-family or multi-family residential, mixed-use (combined commercial and residential projects), or planned development, that are located within approved NSP Target Areas and which otherwise meet the eligibility criteria for NSP funding. Future redevelopment will include the provision of new

Neighborhood Stabilization Program (NSP)

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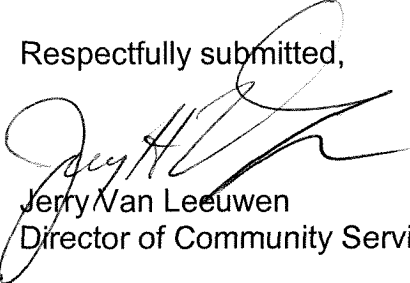
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construction of residential dwellings in order to rent or sell such dwellings to potential renters/homebuyers whose income is at or below 120% of area median income.

Conclusion:

Staff recommendation is for adoption of Resolution No. 2010-54 authorizing an amendment to the approved Redevelopment/Acquisition activities of the FY 2009 Neighborhood Stabilization Program (NSP) Grant to expand the categories of land uses and properties approved for acquisition to include any previously-improved vacant properties or parcels of land that are suitable for redevelopment. Additional land use categories could include but are not limited to those properties zoned for single-family or multi-family residential, mixed-use (combined commercial and residential projects), or planned developments, within the approved NSP Target Areas.

Respectfully submitted,



Jerry Van Leeuwen
Director of Community Services



Roni Keiser
Housing Division Manager

RESOLUTION NO. 2010-54

A RESOLUTION OF THE CITY COUNCIL OF
THE CITY OF ESCONDIDO, CALIFORNIA,
APPROVING AN AMENDMENT TO
APPROVED ACTIVITIES OF THE FY 2009
NEIGHBORHOOD STABILIZATION PROGRAM
(NSP) GRANT

WHEREAS, in April of 2009 the State of California released a Notice of Funding Availability for Neighborhood Stabilization Program (NSP) activities; and

WHEREAS, on June 10, 2009, at a Public Hearing, Council authorized submittal of the NSP grant application for the amount of \$1,309,830 for certain activities as set forth in the public notice and in Resolution No. 2009-81; and

WHEREAS, on November 12, 2009, the State of California entered into a Standard Agreement with the City for provision of the NSP program and the approved activities as set forth in the resolution; and

WHEREAS, the City now desires to amend the approved Redevelopment/ Acquisition activities of the NSP Grant to expand the categories of land uses and properties approved for acquisition to include any previously-improved vacant properties or parcels of land that are suitable for redevelopment, including, but not limited to, those properties zoned for single-family or multi-family residential, mixed-use (combined commercial and residential), or planned development, within the approved NSP Target Areas; and

WHEREAS, all of the above-mentioned activities are to be performed within the city limits of the City of Escondido, and within targeted census tracts and

neighborhoods, as submitted to and accepted by the State NSP program, specifically:

<u>Census Tract</u>	<u>Block Group(s)</u>
201.05	1, 2
201.06	1, 2
201.08	1, 2, 3, 4
201.09	3, 4, 6
202.02	1, 2, 3, 4
202.06	1, 2
202.07	1, 2
202.08	1
202.09	1, 2
202.10	2
202.11	1, 2, 3
202.12	1, 2, 3, 4
203.02	1, 2, 3, 4, 5
203.04	3
203.05	2
203.07	2, 3, 4, 5
204.04	1, 2
205.00	1, 2, 3, 4
206.01	1, 2, 3, 4
206.02	1, 2, 3, 4
207.05	1, 2, 3
207.06	2
207.07	1, 2
207.08	1
207.09	1

WHEREAS, on April 14, 2010, the City Council of the City of Escondido conducted a Public Hearing for the purpose of seeking public input for the inclusion of an amendment to the approved NSP program activities; and

WHEREAS, the City Council has determined that federal Citizen Participation requirements have been met regarding the approval of this amendment to the activities of the NSP Program; and

WHEREAS, the City Council desires at this time, and deems it to be in the best public interest to approve an amendment to the approved Redevelopment/Acquisition

activities of the NSP Grant to expand the categories of land uses and properties approved for acquisition to include any previously-improved vacant properties or parcels of land that are suitable for redevelopment, including, but not limited to, those properties zoned for single-family or multi-family residential, mixed-use (combined commercial and residential), or planned development, within the approved NSP Target Areas.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Escondido, California, as follows:

1. That the above recitations are true.
2. That the City Council approves the amendment to the approved Redevelopment/Acquisition activities of the NSP Program to expand the categories of land uses and properties approved for acquisition to include any previously-improved vacant properties or parcels of land that are suitable for redevelopment, including, but not limited to, those properties zoned for single-family or multi-family residential, mixed-use (combined commercial and residential), or planned development, within the approved NSP Target Areas.
3. That the City Manager is authorized to execute an amendment to the Standard Agreement with the State of California Housing and Community Development Department to include said amendment to the approved activities.
4. That all other provisions of Resolution No. 2009-81 remain in effect and applicable to the FY 2009 Neighborhood Stabilization Program (NSP) Grant.