



# RESOURCE MANAGEMENT AGENCY

# COUNTY OF TULARE AGENDA ITEM

ALLEN ISHIDA
District One
PETE VANDER POEL
District Two
PHILLIP A. COX
District Three

J. STEVEN WORTHLEY
District Four
MIKE FNNIS

District Five

AGENDA DATE: June 2, 2009

Public Hearing Required Scheduled Public Hearing w/Clerk Published Notice Required Advertised Published Notice Meet & Confer Required Electronic file(s) has been sent Budget Transfer (Aud 308) attached Personnel Resolution attached Resolution, Ordinance or Agreeme Chairman is marked with tab(s)/flag(s)	) Yes	ire a ⊠	No 🗌	N/A	 	line	for
CONTACT PERSON: Celeste Perez	PHC	NE:	(559) /33-6	5291			

SUBJECT:

Approve an application for funding from the State of California Neighborhood Stabilization Program

# REQUEST(S):

That the Board of Supervisors:

- 1. Hold a Public Hearing at 9:30 a.m. on June 2, 2009, to approve an application for funding from the State of California Tiers 1 & 2 Neighborhood Stabilization Program (NSP).
- 2. Review and approve submittal of the joint NSP application for \$4,097,846 in funding to be distributed as follows:

Activity	Amount	Target Area			
Financing Mechanisms	\$1,291,868	Dinuba, Farmersville, Porterville,			
		Tulare, Cutler-Orosi, Ivanhoe,			
		Earlimart			
Purchase/Rehabilitation	\$1,482,688	B Lindsay, Porterville, Tulare, Cutler-			
		Orosi, Ivanhoe, Earlimart			
Landbanking	\$354,817	Porterville, Tulare			
Demolition	\$135,000	Porterville, Tulare			
Redevelopment	\$833,474	Porterville, Tulare, Cutler-Orosi,			
		Ivanhoe, Earlimart			

 If any additional NSP funding becomes available at a later date, authorize the application for, and/or accept funds up to \$610,396. Any additional NSP funding will be used in accordance with funding requirements by the State of California NSP. SUBJECT: Approve an application for funding from the State of California

Neighborhood Stabilization Program

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4. Determine that Citizen Participation requirements were met during the development of this application.

- 5. Approve a Joint Powers Agreement (JPA) with the Cities of Lindsay, Porterville and Tulare to implement the NSP activities in their target areas.
- 6. Authorize the Chairman of the Board to execute the JPA.
- 7. Adopt the NSP Program Income Reuse Plan, Anti-Displacement Policy and Relocation Plan, Acquisition/Rehabilitation Program Guidelines, Homebuyer Program Guidelines and Homebuyer New Construction Project Mortgage Assistance Guidelines.
- 8. Approve the use of Tulare County Redevelopment Agency funds in the amount of \$130,000 to be used as the County's leverage for this application.
- 9. Accept the role and responsibility of the lead entity for the NSP application activities.
- 10. Authorize and direct the Chairman of the Board to sign the completed application and accompanying documents on behalf of the County.
- 11. Authorize and direct the County Administrative Officer to act on the County's behalf in all matters pertaining to this application.
- 12. Authorize and direct the Chairman of the Board of Supervisors to enter into and sign the Standard Agreement and any subsequent amendments thereto, with the State of California for the purpose of this grant, subject to County Counsel approval as to form.
- 13. Authorize and direct the Resource Management Agency Assistant Director of Community & Development Services or Manager of the Community Development and Redevelopment Division to sign Funds Requests and other required reporting forms.
- 14. Review and receive public comment on the future Tier 3 NSP funding, which targets households at or below 50 percent of area median income.

### **SUMMARY:**

The State Department of Housing and Community Development (HCD) will make NSP funds available to the County as authorized by Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA). This public hearing is the second of two required public hearings to solicit public input on submittal of the NSP grant application. The first public hearing was conducted by your Board on December 16, 2008.

The NSP application is a joint venture with the cities of Lindsay, Porterville and Tulare, with the County acting as lead entity. The NSP Program requires a minimum application of \$1 million which prevents the cities from applying individually. Approval of the JPA is requested for this reason. The County and partnering cities must use/obligate 75% of funds by December 31, 2009 and use/obligate 100% of funds by March 31, 2010; 100% of the NSP funds must be expended by September 30, 2013.

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NSP funding will be used to purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell such properties; and to provide direct homeownership assistance and housing counseling for those seeking to take part in the activity. Housing assisted with NSP funds will provide permanent housing to low-, moderate- and middle-income (LMMI) persons; also referred to as the National Objective. These activities will be performed within the target areas of Cutler-Orosi, Dinuba, Earlimart, Farmersville, Ivanhoe, Lindsay, Porterville and Tulare. NSP funds will also be used within the target areas of Porterville and Tulare to establish land banks for homes that have been foreclosed upon and to demolish blighted structures, as well as to redevelop demolished or vacant properties within the target areas of Cutler-Orosi, Earlimart, Ivanhoe, Porterville and Tulare.

If additional monies become available, it is recommended the County apply for the maximum available under the NSP Allocation for the same activities to be performed in the areas previously mentioned.

Tier 3 funding, which is 25 percent of the State's initial NSP allocation, will be distributed to cities and counties that can meet HUD's requirement for housing targeted to households at or below 50 percent of area median income. An additional or second public hearing will be conducted prior to application submittal of this Tier 3 allocation and will fulfill the Citizen Participation requirements for that program.

#### FISCAL IMPACT/FINANCING:

Preparation of the NSP application is an eligible pre-award cost and can be reimbursed by the grant if funded. Should the County's application not be funded, these costs will be paid by Budget No. 001-230-4215. There is no net County cost to the General Fund.

### LINKAGE TO THE COUNTY OF TULARE STRATEGIC BUSINESS PLAN:

**Economic Well Being** – The grant will allow the County to provide much needed assistance to low-, moderate- and middle-income residents throughout the County by providing housing assistance consistent with the County's General Plan, Housing Element. The grant will also assist to stabilize neighborhoods and stem the decline of house values of neighboring homes.

**Quality of Life** – The grant will allow the County to demolish and redevelop blighted structures and preserve existing housing stock, which improves public health and welfare and further attainment of a suitable, affordable housing environment.

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# **ALTERNATIVES:**

The Board could decline to hold the public hearing and decline to approve the NSP application; however, to do so would allow deterioration due to abandoned housing units, as well as the potential for increased illegal activity, to continue. Furthermore, it would prevent the cities of Dinuba, Farmersville, Lindsay, Porterville and Tulare from accessing NSP funds.

# **INVOLVEMENT OF OTHER DEPARTMENTS OR AGENCIES:**

State Department of Housing and Community Development to review the grant application and monitor grant implementation; Tulare County Auditor/Controller to provide accounting and funds disbursement; County Counsel to review documents; the cities of Lindsay, Porterville and Tulare to assist with grant implementation; and Tulare County Redevelopment Agency to provide leverage funds.

### **ADMINISTRATIVE SIGN-OFF:**

William L. Hayter, Assistant Director Community & Development Services

cc: Auditor/Controller

County Counsel

County Administrative Office (2)

Attachment(s)

**NSP** Application

**NSP Joint Powers Agreement** 

NSP Program Income Reuse Plan

NSP Anti-Displacement Policy and Relocation Plan

NSP Acquisition/Rehabilitation Program Guidelines

NSP Homebuyer Program Guidelines

NSP Homebuyer New Construction Project Mortgage Assistance Guidelines

# BEFORE THE BOARD OF SUPERVISORS COUNTY OF TULARE, STATE OF CALIFORNIA

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ВС	DARD OF SUPERVISORS,	AT AN OFF	ICIAL ME	ETING HELD <u>JUNE 2, 200</u>	<u>)9,</u> BY
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