ITEM NO. 19

STAFF REPORT

CITY OF OCEANSIDE

DATE: June 10, 2009

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **RESOLUTION AUTHORIZING APPLICATION FOR GRANT FUNDS IN THE AMOUNT OF $1,422,487 FROM THE CALIFORNIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT THROUGH THE NEIGHBORHOOD STABILIZATION PROGRAM**

SYNOPSIS

Staff recommends that the City Council adopt a resolution authorizing application for grant funds in the amount of $1,422,487 from the California Department of Housing and Community Development (HCD) through the Neighborhood Stabilization Program, and authorize the Director of Neighborhood Services to sign the application, grant award documents, and all other documents required by HCD for participation in the Neighborhood Stabilization Program and any amendments thereto.

BACKGROUND

The Neighborhood Stabilization Program (NSP) was authorized by Congress under Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA) for the purpose of assisting in the redevelopment of abandoned and foreclosed homes. HERA provides under a rule of construction that the grants are to be considered Community Development Block Grant (CDBG) funds.

Under HERA, any local government that receives NSP funds shall, in distributing such funds, give priority emphasis and consideration to those urban areas, rural areas, low- and moderate-income areas, and other areas with the greatest need, including those:

- With the greatest percentage of home foreclosures;
- With the highest percentage of homes financed by a subprime mortgage related loan; and
- Identified by the State or local government as likely to face a significant rise in the rate of home foreclosures.

The U.S. Department of Housing and Urban Development (HUD) was given responsibility for program management. HUD distributed funds to eligible cities and counties that met a minimum $2,000,000 threshold based on the above factors, with remaining funds distributed to the states. The California Department of Housing and Community Development (HCD) used these same factors to compile a list of cities that are eligible to apply directly to HCD based on a minimum allocation amount of $1,000,000. Under the HCD formula the City of Oceanside is eligible to apply for $1,442,487 of NSP funds.

Under HERA guidelines, participating jurisdictions may allocate funds for the following eligible uses:

A. Establish financing mechanisms for purchase and redevelopment of foreclosed-upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers;

B. Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon in order to sell, rent, or redevelop such homes and properties;

C. Establish land banks for homes that have been foreclosed upon;

D. Demolish blighted structures; or

E. Redevelop demolished or vacant properties.

NSP funds must be used to benefit low-, moderate- and middle-income (LMMI) neighborhoods and must benefit the LMMI area (LMMA). NSP redefines and supersedes the definition of "low- and moderate-income" of the CDBG Program by allowing households whose incomes exceed 80 percent but are no greater than 120 percent of AMI to qualify for NSP funds. This new income group is referred to as "middle-income"; the NSP may thus, for example, benefit a family of four persons with household income of up to $89,880.

ANALYSIS

The City is eligible to apply for $1,442,487 of NSP funds from HCD. The City proposes to use these funds to address NSP-eligible activity (E), "redevelop demolished or vacant properties." Under this plan the City will assist a nonprofit housing developer to acquire and rehabilitate residential units that are vacant, including single-family homes, duplexes or small apartment buildings. The NSP requires that any units acquired must be rehabilitated to meet federal Housing Quality Standards (HQS). Once rehabilitation is complete, the units will be rented to households that graduate from transitional housing programs under a "Next Step" program helping the individuals or families move toward independent, self-sufficient living. Households will pay 30 percent of their income as rent, which will be used for utilities, maintenance and program management, and to develop a long-term major repair fund. Households must have been Oceanside residents prior to entering transitional housing.

The City will require 55-year affordability for NSP units to ensure that the units remain available to LMMI households. HCD has stated that this use meets the CDBG National Objective that NSP funds be used to benefit low- and moderate-income individuals, families and neighborhoods.

FISCAL IMPACT

The City is eligible to apply for $1,442,487 from the Department of Housing and Community Development under the Neighborhood Stabilization Program (NSP). Once the City's application is approved, HCD will prepare a grant agreement for the program; the Neighborhood Services Department will return to the City Council to accept the funds and appropriate funds for the program. All program delivery and staff costs will be paid with NSP funds. There will be no impact on the General Fund and there is no match requirement.

COMMISSION OR COMMITTEE REPORT

Guidelines for the NSP require jurisdictions to hold at least two public hearings, the first being a "Program Design" hearing to receive pubic comment and suggestions on the best use of NSP funds in the City, and a second "Application Submittal" hearing before the local legislative body to review and approve the application for submittal. The first hearing must be held at least fifteen days prior to the second one. The Housing Commission conducted the "Program Design" hearing on May 18, 2009, three weeks prior to the "Application Submittal" hearing. The Housing Commission heard explanation of the NSP from staff and received public comment on possible uses of NSP funds in the City. The Commission supported the concept proposed in the draft resolution and application, to redevelop vacant properties for ultimate use as rental units for low- and moderate-income households.

CITY ATTORNEY'S ANALYSIS

The City Council is authorized to hold a public hearing in this matter. Consideration of the matter should be based on the testimony and evidence presented at the hearing. After conducting the public hearing, the Council shall approve, modify or reject the plan. The supporting documents have been reviewed and approved as to form by the City Attorney.

RECOMMENDATION

Staff recommends that the City Council adopt a resolution authorizing application for grant funds in the amount of $1,422,487 from the California Department of Housing and Community Development (HCD) through the Neighborhood Stabilization Program, and authorize the Director of Neighborhood Services to sign the application, grant award documents, and all other documents required by HCD for participation in the Neighborhood Stabilization Program and any amendments thereto.

PREPARED BY:

John Lundblad
Management Analyst

SUBMITTED BY:

Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager

Margery M. Pierce, Director, Neighborhood Services

Teri Ferro, Director, Financial Services

ATTACHMENTS:

Exhibit A Resolution

Exhibit B Application for NSP grant funds

RESOLUTION NO.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF OCEANSIDE APPROVING APPLICATION FOR FUNDING AND THE EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS THERETO FROM THE STATE OF CALIFORNIA NEIGHBORHOOD STABILIZATION PROGRAM

WHEREAS, Congress authorized the Neighborhood Stabilization Program (NSP) under the Housing and Economic Recovery Act (HERA) of 2008 to provide financial assistance to acquire and redevelop abandoned and foreclosed residential properties that might become sources of blight in communities;

WHEREAS, the State of California Department of Housing and Community Development has announced the availability of funds for local jurisdictions through the State Neighborhood Stabilization Program;

WHEREAS, the City of Oceanside is eligible to apply for $1,422,487 from the State NSP to acquire and redevelop abandoned and foreclosed properties in the City;

NOW, THEREFORE, the City Council of the City of Oceanside does resolve as follows:

SECTION 1. The City Council has reviewed and hereby approves an application to the State Department of Housing and Community Development for $1,422,487 to acquire and redevelop vacant properties in low-, moderate- and middle-income areas of the City of Oceanside for ultimate use as rental properties for low-, moderate- and middle-income households. If additional NSP funding becomes available, the City of Oceanside is authorized to apply for and/or accept up to the maximum amount available. Any additional NSP funding will be used in accordance with funding requirements established by the State of California Neighborhood Stabilization Program and for the same purpose of redevelopment of vacant properties.

SECTION 2. The City Council has determined that federal citizen participation requirements were met during the development of this application.

SECTION 3. The Director of Neighborhood Services is hereby authorized and directed to act on the City's behalf in all matters pertaining to this application.

SECTION 4. If the application for State NSP funds is approved, the Director of Neighborhood Services is authorized to enter into and sign the grant agreement, and any subsequent amendments thereto, with the State of California for the purposes of this grant.

SECTION 5. If the application for State NSP funds is approved, the Director of Neighborhood Services is authorized to sign Fund Requests and other required reporting forms.

PASSED AND ADOPTED by the City Council of the City of Oceanside, California, this _____day of _____, 2009, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

_____
MAYOR OF THE CITY OF OCEANSIDE

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

Barbara Hamilton, ASST.
City Attorney

PART A – Application Summary Forms

California Department of Housing and Community Development
Neighborhood Stabilization Program (2009)

1. Lead Applicant

Applicant Agency Name: City of Oceanside

Address: 300 North Coast Highway

City: Oceanside State: CA Zip Code: 92054

Is this application being submitted on behalf of more than one jurisdiction?

☐ **Yes** *(Complete all joint applicant sections.)* **X NO**

Please note that the implementation of a joint agreement between all applicants is required. In addition, the lead agency must establish subrecipient agreements with any entity that will receive any NSP funds.

2. Authorized Lead Representative (per the Resolution)

Name: Margery M. Pierce Title: Director, Neighborhood Services Dept.

Phone: 760-435-3377 Ext: _____ FAX: 760-757-9076

E-mail: MPierce@ci.oceanside.ca.us

X *Check here if address information is the same as above; if not, fill in information below.*

Address: _____

City: _____ State: _____ Zip Code: _____

Signature: _____ Sign Here **Date:** _____

3. Lead Applicant Contact (if different than above)

X *Check here if address information is the same as above; if not, fill in information below. Note that this person will be contacted in the event that additional application information is required. Failure to respond to the Department's request in a timely manner may result in denial of the application.*

Name: John A. Lundblad Title: Management Analyst

Address: _____

City: _____ State: _____ Zip Code: _____

Phone: 760-435-3393 E-mail: JLundblad@ci.oceanside.ca.us

PART A – Application Summary Forms

4. Applicant Funding and Legislative Representatives	
Lead Agency: City of Oceanside	NSP Funding: $ 1,422,487
Legislative Representatives Information:	

	District #	First Name	Last Name
Assembly	**73rd**	**Diane**	**Harkey**
Senate	**38th**	**Mark**	**Wyland**
Congress	**CA49**	**Darrell**	**Issa**

	District #	First Name	Last Name
Assembly			
Senate			
Congress			

5. NSP Budget Requested

Double-click on the chart below to open Microsoft Excel chart with calculating functions.

Activity Description	Total Activity Budget	Activity Delivery %	Activity Dollars	Activity Delivery Dollars
(E) Redevelopment - acquisition	$1,000,000	6.0%	$943,396	$56,604
(E) Redevelopment - rehabilitation	$351,487	10.0%	$319,534	$31,953
			$1,262,930	$88,557
GENERAL ADMINISTRATION	$71,000	5.0%		
TOTAL FUNDING REQUESTED	**$1,422,487**			

6. NSP Proposed Number of Families/Units

As applicable to all proposed activities within this NSP application, please identify the proposed number of families, properties and/or housing units for each activity.

(A) Financing Mechanisms	Proposed Number of Families
Down-Payment Assistance	
Soft-Seconds	
Shared-Equity Loans	
Mortgage Write-down Assistance	
Silent Seconds	
Loan Loss Reserves	
Other: *(describe)*	
Other: *(describe)*	

(B) Purchase and Rehabilitation	Proposed Number of Properties/ Housing Units			
	Acquisition	Rehabilitation	Sale	Rental
Single-Family				
Multi-Family				

	Proposed Number of Properties/ Housing Units
(C) Landbanking	
(D) Demolition of Blighted Structures	
(E) Redevelopment of demolished or vacant properties	4-5 units
Other *(please identify)*:	

7. Leverage Sources

Identify other funding sources for each activity included in this NSP Application. Applicants will not be required to expend these leverage sources; however, periodic reporting of these expenditures will be very important in order for the Department to more accurately report to HUD how NSP funds were leveraged.

NSP Activity (purchase, residential rehab., homebuyer assistance, sale, etc.)	**Use of Funds** (fee waivers, staff in-kind, appraisal discount, etc.)	**Source of Funds** (local, private, State, federal, RDA)	**Dollar Amount ($)**	**Is there a Commitment for this Leverage?** (Yes or No)
		TOTALS:	**$ 0**	

PART B – Required Certifications and Documentation

1. Resolution by the Governing Body ***This document is required***. See sample in Appendices. (Original signatures must be in ***blue ink***.)

The Resolution submitted with this application must:

X be an **original or certified copy** of the Resolution;

X authorize submission of the application;

X clearly identify all activities in the application;

X clearly define the specific target area(s) for each activity;

X identify the commitment of any local cash match or leverage that is proposed for any NSP activities;

X approve the application's contents (total funding requested, all proposed activities, committed leverage, target areas for each activity, etc.);

X indicate the approval of the NSP Application's content;

X authorize acceptance of any additional NSP funding that may become available at a later date and indicate the maximum dollar amount that would be accepted;

X authorize the execution of a standard agreement (and any amendments thereto) with the Department;

X designate an official (by title) authorized to sign the NSP Application and enter into an agreement with the Department, if funded; and

X designate persons (by titles) authorized to sign all reports, including Funds Requests and required NSP reports. (It is recommended that more than one person be authorized).

Joint applicants must also adhere to the following:

☐ include the authorization for the jurisdictions to submit the joint application and acceptance of the jurisdiction to assume the role of lead agency for the NSP application activities;

☐ include an original or certified copy of the Resolution from each joint applicant, authorizing the joint agreement for the NSP funding, and

☐ include a copy of the joint agreement which has been signed by all joint applicants. In addition, a subrecipient agreement must also be executed and submitted with the NSP Application if any joint applicants, other than the lead agency, will have a role in the implementation of any NSP activities.

☐ if leverage is committed by RDA, a separate RDA resolution is required.

NSP strongly recommends that applicants use the suggested language in the sample Resolution. (See Appendices in this application package.)

Include all appropriate Resolutions immediately after this page.

PART B – Required Certifications and Documentation

2. NSP Statement of Assurances. *This document is required.*

All applicants must use the form provided by the State. An original signature is required from the Chief Executive Officer. (Use ***blue ink***.)

Applicants must submit the NSP Statement of Assurances form with the NSP Application. If an award is made, the grantee must assume responsibility for compliance with state, federal, and applicable local laws and regulations that apply to the expenditure of state NSP funds.

Program regulations require the applicant to assure that the jurisdiction and all subrecipients will comply with all applicable state and federal requirements. Some requirements pertain to all local NSP/CDBG activities such as audits and procurement standards while others are specific to certain activities, such as relocation law and labor standards.

The Statement of Assurances must be signed by the jurisdiction's Chief Executive Officer, regardless of any signatory designation in the governing body's resolution authorizing submission of the application.

The NSP Statement of Assurances Form begins on the following page.

PART B – Required Certifications and Documentation

NSP STATEMENT OF ASSURANCES

The City of Oceanside hereby assures and certifies that:

1. Legal Authority
   It possesses the legal authority to apply for the grant and to execute the proposed Neighborhood Stabilization Program (NSP) activities described in the NSP application in accordance with all applicable regulations.

2. Application Authority
   Its governing body has duly adopted or passed as an official act or resolution, motion, or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the applicant's chief executive officer or other designee to act in connection with the application and to provide such additional information as may be required.

3. Citizen Participation
   It has or will comply with all citizen participation requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP. Such requirements include, at a minimum, the following components:

   a. Provides for and encourages citizen participation, with particular emphasis on participation by persons of low-, moderate-, and middle-income who are residents of areas in which NSP funds are proposed to be used, and provides for participation of residents in low-, moderate-, and middle-income neighborhoods as defined by the local jurisdiction;

   b. Provides citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by NSP/CDBG regulations, and relating to the actual use of funds under this title;

   c. Provides for technical assistance to groups representative of persons of low-, moderate-, and middle-income that request such assistance in developing proposals with the level and type of assistance to be determined by the grantee;

   d. Provides for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the Neighborhood Stabilization Program. These include at least the development of needs and the review of proposed activities, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the disabled. This shall include one public meeting during the program design and prior to formal amendments. A public hearing shall also be conducted prior to application submittal;

   e. Solicits and provides for timely written answers to written complaints and grievances, within 15 working days where practicable; and

f. Identifies how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can reasonably be expected to participate.

4. Use of funds in 18 months
It will comply with Title III of Division B of the Housing and Economic Recovery Act of 2008 by using/obligating, as defined in the NSP Notice, all of its grant funds within 12 months of the contract execution date between the California Department of Housing and Community Development and the U.S. Department of Housing and Urban Development.

5. Use NSP funds ≤ 120 of AMI
It will comply with the requirement that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income. The only exception is for jurisdictions that are awarded State NSP set-aside funds, which must benefit individuals and families whose incomes do not exceed 50 percent of area median income.

6. NEPA Environmental Review
It consents to assume the responsibilities for environmental review and decision-making in order to ensure compliance with NEPA by following the procedures for recipients of block grant funds as set forth in 24 CFR, Part 58, titled "Environmental Review Procedures for Title I Community Development Block Grant Programs." Also included in this requirement is compliance with Executive Order 11988 relating to the evaluation of flood hazards, and Section 102(a) of the Flood Disaster Protection Act of 1973 (Public Law 93-234) regarding purchase of flood insurance, and the National Historic Preservation Act of 1966 (16 USC 470) and implementing regulations (36 CFR 800.8).

7. CEQA
It consents to assume the role of either Lead Agency as defined by Section 21067 of the California Public Resources Code, or if another agency is or will be designated Lead Agency, it consents to assume the role of Responsible Agency as defined by Section 21069 of the California Public Resources Code, in order to ensure compliance with CEQA.

8. Growth Control
It certifies that there is no plan, ordinance, or other measure in effect which directly limits, by number, the building permits that may be issued for residential construction or the buildable lots which may be developed for residential purposes; or if such a plan, ordinance, or measure is in effect, it will either be rescinded before receiving funds, or it need not be rescinded because:

a. The plan, ordinance, or measure imposes a moratorium on residential construction, to protect the health and safety, for a specified period of time, which will end when the public health and safety is no longer jeopardized; or

b. The plan, ordinance, or measure creates agricultural preserves under Chapter 7 (commencing with Section 51200) of Part 2 of Division 1 of Title 5 of the Government Code; or

c. The plan, ordinance, or measure was adopted pursuant to a specific requirement of a State or multi-State board, agency, department, or commission; or

d. The applicant has an adopted housing element, which the Department has found to be in compliance, unless a final order has been used by a court in which the court determined that it is not in compliance with Article 10.6 of Chapter 3 of Division 1 of Title 7 of the Government Code; or

e. The use of the funds applied for in this application is restricted for housing for the targeted income group.

9. Uniform Administrative Requirements
It will comply with the regulations, policies, guidelines, and requirements of OMB Circular Numbers A-87, A-133, A-122, and 24 CFR Part 85, where appropriate, the Housing and Economic Recovery Act of 2008 (HERA) regulations, and the State CDBG regulations.

10. Nondiscrimination
It shall comply with the following regarding nondiscrimination:

a. Title VI of the Civil Rights Act of 1964 (42 USC 2000d), the Fair Housing Act (42 USC 3601-3619), and implementing regulations.

b. Title VIII of the Civil Rights Act of 1968 (Public Law 90-284) as amended; and will administer all programs and activities related to housing and community development in a manner affirmatively furthering fair housing. The grantee must conduct an analysis to identify the impediments to fair housing choice within the jurisdiction(s), take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.

c. Section 109 of the Housing and Community Development Act of 1974, as amended.

d. Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.

e. Executive Order 11246, as amended by Executive Orders 11375 and 12086.

f. Executive Order 11063, as amended by Executive Order 12259.

g. Section 504 of the Rehabilitation Act of 1973 (Public Law 93-112), as amended, and implementing regulations.

h. The Age Discrimination Act of 1975 (Public Law 94-135).

i. The prospective contractor's signature affixed hereon and dated shall constitute a certification under the penalty of perjury under the laws of the State of California that the applicant has, unless exempted, complied with the nondiscrimination program requirements of Government Code Section 12990 and Title 2, California Code of Regulations, Section 8103.

11. Acquisition and Relocation
It will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the Notice for the NSP program published by HUD. Additionally, the jurisdiction certifies that it will follow the State's residential anti-displacement and relocation assistance plan located in Appendix L of the State's 2005-2010 Consolidated Plan. The Plan can be found at: http://www.hcd.ca.gov/hpd/hrc/rep/fed/conplan05-10final.pdf.

12. Labor Standards
It will comply with the following regarding labor standards:

a. Section 110 of the Housing and Community Development Act of 1974, as amended.

b. Section 1720 et seq. of the California Labor Code regarding public works labor standards.

c. Davis-Bacon Act as amended (40 U.S.C. 276a) regarding prevailing wage rates.

d. Contract Work Hours and Safety Standards Act (40 USC 327-333) regarding overtime compensation.

e. Anti-Kickback Act of 1934 (18 USC 874) prohibiting "kickbacks" of wages in federally assisted construction activities.

13. Architectural Barriers Act

It will comply with the Architectural Barriers Act of 1968 (42 USC 4151) and implementing regulations (24 CFR Part 40-41).

14. Conflict of Interest
It will enforce standards of conduct that govern the performance of its officers, employees, and agents engaged in the administration of contracts funded in whole or in part by the NSP/CDBG Program (Section 7120(d) of the State regulations).

15. Limitations on Political Activities
It will comply with the Hatch Act (5 USC 1501 et seq.) regarding political activity of employees.

16. Anti-lobbying
It will comply with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.

17. Lead-Based Paint
It will comply with the Lead-Based Paint Regulations (24 CFR Part 35, subparts A, B, J, K, and R) which prohibits the use of lead-based paint on projects funded by the program.

18. Federal Debarment and Suspension
It will comply with the Federal Debarment and Suspension (24 CFR Part 5) and their principals, or any/all persons, contractors, consultants, businesses, sub-recipients, etc., that are conducting business with the grantee are not presently debarred, proposed for debarment, suspended, declared ineligible, or voluntarily excluded from participation from the covered transaction in any proposal submitted in connection with the covered transaction. Applicants must check the Excluded Parties Listing System at www.epls.gov, print and maintain evidence of the search results. In the event that the search results indicate a prior or current debarment or suspension of the jurisdiction, include the printout in the application.

19. Assessments
It will not attempt to recover any capital costs of public improvements assisted in whole or in part with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. The following exceptions apply:

a. If NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or

charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds.

b. For properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

20. Excessive Force
It has adopted and is enforcing a policy that:

a. Prohibits the use of excessive force by law enforcement agencies within the jurisdiction(s) against any individuals engaged in non-violent civil rights demonstrations; and

b. Enforces applicable State and local laws against physically barring entrance to or exit from a facility or location, which is the subject of such non-violent civil rights demonstrations within the jurisdiction(s).

21. Inspection of Grant Activities
It will give HUD, the Comptroller General, the Office of Inspector General, the State Department of Housing and Community Development, or any of their authorized representatives access to and the right to examine all records, books, papers, or documents related to this NSP Application and subsequent standard agreement.

These certifications are made under penalty of perjury under the laws of the State of California.

NAME OF CERTIFYING OFFICIAL:_____

TITLE OF CERTIFYING OFFICIAL:_____
(Chief Administrative Executive—enter exact title of person signing)

_____ _____
Signature Date

3. Compliance with OMB Circular A-133. ***This form is required.***

Office of Management and Budget (OMB) Circular A-133 is used pursuant to the Single Audit Act of 1984, P.L. 98-502, and the Single Audit Act Amendments of 1996, P.L. 104-156. It sets forth the standards for obtaining consistency and uniformity among Federal agencies for the audit of states, local governments, and non-profit organizations expending Federal awards. Cities and counties not exempted from the requirements of OMB Circular A-133 must submit their audits to the State Controller. Non-profit organizations not exempted must submit their audits to the California Department of Housing and Community Development.

Pursuant to the requirements of OMB Circular A-133, please check the appropriate statement below and sign the certification at the bottom of the page.

X The City of Oceanside has expended more than $500,000 in Federal funds in fiscal year 2006-2007 and is required to conduct a single audit or program specific audit for this year in accordance with the provisions of OMB Circular A-133. *(Check the appropriate statement below.)*

- X The audit has been completed and has been submitted to the appropriate control agency. Attached is the acceptance letter from the California State Controller's Office.
- ☐ The audit has not been completed. It is anticipated that the audit will be completed and submitted to the appropriate control agency by: _____(date).

☐ The _____ (name of entity) has expended less than $500,000 in federal funds in fiscal year 2006-2007 and is **exempt** from the requirements of OMB Circular A-133. Non-Federal entities that expend less than $500,000 a year in Federal awards are exempt from Federal audit requirements for that year, but records must be available for review or audit by appropriate officials of the Federal agency, pass-through entity, and the General Accounting Office.

I certify on behalf of the City of Oceanside, California that the above is a true and accurate statement. I understand that failure to comply with yearly Single Audit requirements will result in denial and/or withholding of NSP/CDBG funding.

_____ _____
Printed/Typed Name Title

_____ _____
Signature *(Use **blue ink**)* Date
signed

Melissa

JOHN CHIANG
California State Controller

September 26, 2008

Director of Finance
City of Oceanside
300 North Coast Highway
Oceanside, CA 92054

Re: 2006-07 Fiscal Year Single Audit Report Certification and Audit Finding Resolution

We completed a desk review of your single audit report for the year ended June 30, 2007. We determined that the report meets the requirements of the United States Office of Management and Budget (OMB) Circular A-133. OMB Circular A-133 prescribes the audit and reporting standards for state and local governments that expend federal awards.

OMB Circular A-133 requires federal and state funding agencies to resolve any audit findings cited in the report that may affect federal award programs. Attachment A to this letter identifies those findings that require resolution. The findings are referenced by enclosure and page number.

OMB Circular A-133 also requires pass-through state agencies to follow up on the resolution of findings that affect federal programs administered by these agencies. The state agency referenced in the attachment will be in contact to follow up on the resolution of the applicable findings.

The State Controller's Office is responsible for resolving most cross-cutting findings or audit leads. A cross-cutting finding is one that affects the programs of more than one agency. If cross-cutting findings are identified in your report, our office will contact you. An audit lead is a specific issue identified in your report that may require additional investigation by federal or state agencies. Federal or state agencies may ask you to provide additional information related to the audit lead.

Your audit report may also contain general internal control findings not referenced in Attachment A. These findings do not appear to affect the federal award programs. Therefore, we have not identified them for resolution action; however, you should ensure that your audit report for the 2007-2008 fiscal year addresses the resolution of these findings.

MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250-5874
SACRAMENTO 300 Capitol Mall, Suite 518, Sacramento, CA 95814 (916) 324-8907
LOS ANGELES 600 Corporate Pointe, Suite 1000, Culver City, CA 90230 (310) 342-5656

Your audit satisfies all financial and compliance audit requirements under individual federal award programs. This does not preclude state and federal agencies from making any additional audits that are necessary to carry out their responsibilities under federal laws and regulations. State and federal agencies may contact you to arrange for additional audits.

If you have any questions regarding this letter and its attachment, please contact a member of my Single Audits staff at (916) 324-6442 or email at singleaudits@sco.ca.gov.

Sincerely,

CASANDRA MOORE-HUDNALL, Chief
Financial Audits Bureau
Division of Audits

Attachment

cc: State Funding Agencies

ATTACHMENT A
AUDIT REPORT FINDING(S)—STATE AGENCIES

City of Oceanside
2006-07 Fiscal Year

Agency Name	Program Name	CFDA #	Finding #	Page #	Enc. #
	No Findings Noted				

4. Residential Anti-Displacement and Relocation Assistance Plan and Checklist.

This checklist is required. *In addition, all applicants must submit a copy of their approved Residential Anti-Displacement and Relocation Assistance Plan immediately following this page.*

1. Do any of the proposed NSP activity(ies) include acquisition of real property?

   ☐ No. (If no, go to #3 below)

   X Yes. If yes, check the appropriate box below and answer questions 2 and 3.

   ☐ Site Control under option to purchase.

   ☐ Site is identified but no negotiations have taken place.

   X Site not identified (Stop here and go to next Section)

2. Will site acquisition require use of eminent domain?

   ☐ Yes. (see note) X No.

   Note: Grantees that are contemplating using NSP funds to assist an acquisition involving an eminent domain action are advised to consult legal counsel before taking action, as this may present problems with the Takings Clause of the Fifth Amendment to the U.S. Constitution and prior Supreme Court rulings.

3. Will the activity involve acquisition or rehabilitation of sites with structures **and** are structures currently occupied?

   ☐ Yes. The applicant must provide documentation showing that persons in the project have received a General Information Notice and provide a copy of a project-specific relocation plan, which was made public. The plan must address how many persons will be displaced and services and benefits made available.

   ☐ Unknown at this time. The applicant must ensure that if this answers changes to a "Yes" at any time during program implementation, it will provide follow the procedure outlined above.

   X No. The applicant must provide documentation of why no person will be displaced (i.e., property being acquired has no structures on it, or structures on the property have been vacant for over 120 days).

Submit a copy of the applicant's approved Residential Anti-Displacement and Relocation Assistance Plan immediately after this page.

Note: Joint applicants must submit multiple plans, if different.

City of Oceanside
Relocation Assistance Plan

The City of Oceanside utilizes the Community Development Block Grant (CDBG), HOME Investment Partnership (HOME), American Dream Downpayment Initiative (ADDI) and Emergency Shelter Grants (ESG) program funds from the U.S. Department of Housing and Urban Development (HUD) in efforts to provide decent housing, a suitable living environment and expanded economic opportunity for low- and moderate-income residents of the City. Activities include housing development, capital improvement projects, public services, transitional housing, services to homeless individuals and families, services to prevent homelessness and assistance to nonprofit social service and health organizations.

It is the intent of the City of Oceanside to minimize and where possible, to eliminate hardship to anyone affected by these projects and programs. Some projects could potentially cause displacement of individuals, families or businesses. It is the policy of the City of Oceanside to avoid displacement if at all possible.

In situations involving the acquisition of real property through the use of federal funds, all acquisition and relocation activities are carried out in accordance with the City's Consolidated Plan for Housing and Community Development and the specific requirements of the source of funding; these requirements are detailed in the certifications attached to the annual SF 424 application for HUD grant funds. The certifications demonstrate the City's understanding of and willingness to follow regulations of the U.S. Department of Housing and Urban Development (HUD) that must be followed by the City. The regulations reflect HUD's implementation requirements of the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 (URA), as amended. The City maintains reference copies of Handbook 1378, *Tenant Assistance Relocation and Real Property Acquisition Handbook*, with updates added as they become available.

Temporary Relocation

In the event that temporary relocation should become unavoidable during a project, the City or its agent, in conformance with the appropriate regulations – depending upon the source of funds for the project – would arrange and absorb all activities and reasonable expenses associated with the temporary relocation. Considerations given to the selection of temporary housing include but are not limited to the proximity to the site from which displacement occurred, availability of rental units, safety and sanitary conditions of the units, and proximity to amenities.

Relocation

In the event that permanent relocation is necessary, the City or its agent, in conformance with the appropriate regulations – depending upon the source of funds for the project – will arrange and absorb all activities and reasonable expenses associated with the relocation. Such expenses include storage, moving and housing. Considerations given to the selection of permanent replacement housing include but are not limited to the proximity to the site from which the displacement occurred, compatibility to the unit from which displacement occurred, availability of comparable units, safety and sanitary conditions of the unit, and proximity to amenities.

Summary

The City's policy is to avoid relocation if at all possible; where and when unavoidable, it is the City's obligation to ensure that relocation is carried out according to regulations and to ensure that any inconveniences are minimized during the execution of the particular project.

Note: This Relocation Assistance Plan only includes requirements when HUD funds are used for a particular project. The URA (as amended and updated) applies whenever federal funds are used. If the project is within the City of Oceanside Redevelopment Area or Local Coastal Zone, additional State requirements will apply. Likewise, if the project involves the conversion of rental apartment units to for-sale condominium units, specific requirements apply to the project. Consult the City Neighborhood Services Department (Housing Division) for specific information and any questions.

5. Growth Control. ***This information is required.***

Has the applicant enacted limitations on residential construction that are not establishing agricultural preserves, not imposed by another agency, or not based on a health and safety need?

☐ Yes. If yes, see note below. X No.

NOTE: If the applicant has a General Plan, ordinance, or other measure that directly limits by number either the building permits, which may be issued for residential construction, or buildable lots, which may be developed for residential purposes, and the measure does not meet any of the exceptions found in the Program Regulations, Section 7056 (b)(2)(B), check "Yes" and attach a copy of the measure in this section of the application.

PART B – Required Certifications and Documentation

6. Citizen Participation. ***This information is required.***

All NSP Applicants must ensure that proper Public Hearings/Citizen Participation requirements are met. Use this checklist to ensure that all applicable requirements have been met.

X Public hearing was conducted during the **program design** phase of the application and includes all applicable information. *(Include an affidavit of publication immediately after this form.)*

Note: All applicants are required to have sign-in sheets and meeting minutes, on file, for all NSP public hearings.

X Public hearing was conducted to **approve submittal** of the application. (It is recommended that this hearing be conducted at least 15 days after the program design phase hearing.) *(Include an affidavit of publication immediately after this form.)*

Note: All applicants are required to have sign-in sheets and meeting minutes, on file, for all NSP public hearings.

X Public notices announcing the public hearings were published in one or more local newspapers (covering all target areas/cities identified in the application) and contained the required information, as stated in the 2009 NSP NOFA.

☐ Sign-in sheets and meeting minutes are available for each public hearing.

- Did the jurisdiction receive written comments during the public hearings process prior to submitting this application?

  ☐ Yes. If yes, see note below. ☐ No.

  Note: If a jurisdiction received written comments as part of the public hearings process prior to submitting the NSP application, a copy of the comments must be submitted with the application. In addition, the jurisdiction's responses must also be included.

Please ensure that the required documentation is included immediately after this page.

This space is for the County Clerk's Filing Stamp

PROOF OF PUBLICATION
(2010 & 2011 C.C.P.)

STATE OF CALIFORNIA
County of San Diego

I am a citizen of the United States and a resident of the County aforesaid: I am over the age of eighteen years and not a party to or interested in the above-entitled matter. I am the principal clerk of the printer of

North County Times

Formerly known as the Blade-Citizen and The Times-Advocate and which newspapers have been adjudicated newspapers of general circulation by the Superior Court of the County of San Diego, State of California, for the City of Oceanside and the City of Escondido, Court Decree number 171349, for the County of San Diego, that the notice of which the annexed is a printed copy (set in type not smaller than nonpariel), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

May 09th, 2009

237.297690

I certify (or declare) under penalty of perjury that the foregoing is true and correct.

Dated at **OCEANSIDE,** California

This 11th, day of May 2009

Jane Allshouse
NORTH COUNTY TIMES
Legal Advertising

Proof of Publication of

CITY OF OCEANSIDE
Notice of Public Hearing to Receive Public Comments on Opportunities for Neighborhood Stabilization Program Funding

NOTICE IS HEREBY GIVEN that the Oceanside Housing Commission will conduct a public hearing on Monday, May 18, 2009, at 6:15 PM or as soon thereafter as possible, in the Mission Branch Library Community Room, 330 E. Mission Avenue, Oceanside, California, to consider the following matter:

The State of California has received $145 million in Neighborhood Stabilization Program (NSP) funding to address abandoned and foreclosed homes. The State has announced that the City of Oceanside is eligible to receive up to $1,422,487 in NSP funding that may be used for the following activities:
1. Establish financing mechanisms for the purchase and redevelopment of foreclosed homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate-income homebuyers;
2. Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties;
3. Establish land banks for homes that have been foreclosed upon;
4. Demolish blighted structures; and
5. Redevelop demolished or vacant properties.

Housing Activities receiving NSP funding must provide and improve permanent residential structures that will be occupied by a household whose income is at or below 120% of area median income (LMMI).
Area Benefit Activities receiving NSP funding must benefit all the residents of a primarily residential area in which at least 51% of the residents have incomes at or below 120% of area median income (LMMA).
Limited Clientele Activities receiving NSP funding must serve a limited clientele whose incomes are at or below 120% of area median income (LMMI).
In addition to the funding noted above, the State has set aside 25% of the $145 million in NSP funds for targeted over-the-counter subgrants to eligible applicants who will specifically target households at 50% or less of AMI as beneficiaries of these funds.
For further information on these items, please contact John A. Lundblad at (760) 435-3393 or email jlundblad@ci.oceanside.ca.us. Information on the Neighborhood Stabilization Program is posted on the City's website http://www.oceansidecalifornia.com/recovery/default.asp as one of the local Recovery Act programs. This material is also available at the Neighborhood Services Department offices, 321 North Nevada Street, Oceanside CA, between the hours of 7:30am and 5:00pm on weekdays; City offices are closed on alternate Fridays.
If you are unable to attend the public hearing, you may direct written comments prior to the date of the hearing to the Neighborhood Services Department, City of Oceanside, 300 North Coast Highway, Oceanside CA 92054.
If you plan on attending the public hearing and need a special accommodation because of a sensory or mobility impairment/disability, or have a need for an interpreter, please contact the Neighborhood Services Department office at (760) 435-3360 at least 24 hours prior to the scheduled meeting to enable the City to make reasonable accommodations to assure accessibility at the meeting.
The City of Oceanside promotes fair housing. The NSP is available to all low- and moderate-income individuals and households regardless of age, race, color, religion, gender, national origin, sexual orientation, marital status or disability.
NCT 2211584 • 05/09/2009

PART B – Required Certifications and Documentation

COMPLETE ONE SET OF FORMS FOR EACH ACTIVITY CATEGORY.

1. Use of Funds.
Please indicate the proposed uses of the requested NSP funds (for this activity). **Check only one eligible category and identify all applicable uses within that category**. (*Please see the NOFA for detailed descriptions and limitations of these uses.)*

☐ **Financing Mechanisms**
(check all proposed uses under this category)

☐ Soft Seconds ☐ Down Payment Assistance

☐ Mortgage Write-Down ☐ Loan Loss Reserves

☐ Shared Equity Loans ☐ Other:_____

☐ **Foreclosed Homes/Residential Properties**
(check all proposed uses under this category)

☐ Acquisition ☐ Rehabilitation ☐ Rental

☐ Sale ☐ Homebuyer Counseling

☐ **Landbanking** (of foreclosed homes)
(check all proposed uses under this category)

☐ Acquisition ☐ Landbanking ☐ Maintenance

☐ **Demolition** (of structures that are blighted and pose a threat to human health, safety, and public welfare)

X **Redevelopment** (of vacant or demolished properties)
(check all proposed uses under this category)

X Acquisition X Redevelopment X Rental

☐ Sale X New Construction

☐ Other: (describe) _____

PART B – Required Certifications and Documentation

Total Budget for this Activity (including activity delivery).
(Refer to instructions for required details.)
$1,351,487

2. Description of Activity.
*(Refer to instructions for **required** information.)*
Please provide a detailed description of the proposed NSP activity.

The City of Oceanside will concentrate its NSP funds for elegible activity (E) - Redevelopment of vacant properties. The City will work with local nonprofit housing agencies to acquire abandoned properties and to rehabilitate them for use as rental properties for very low- and low-income households. The rental units will be used as "next step" housing for formerly homeless Oceanside households who have graduated from transitional housing programs. These housheolds will be placed in these rental units with continuing case management and supportive services until such time as they are able to move into completely independent, self-sufficient living. While in the NSP units the households will pay 30 percent of their income as rent.

3. Areas of Greatest Need.
Please indicate the areas that have been determined to have the greatest need for this activity. Be as specific as possible (census tract, block group, ZIP code(s), neighborhood boundaries, etc.).

The City has identified the census block groups that quality for NSP activity. Since the City's emphasis is on service to LMMI families that were formerly homeless, the eligibility criteria is met by LMMI service rather than LMMA benefit

a. Include a map that clearly identifies the proposed target area for this activity and the applicable boundaries.

In this application, the map is located on page _____.

4. Determination of Greatest Need.
Please describe the methodology that was used to determine the areas(s) of greatest need.

The City used HUD data sets and U.S. Census data to identify LMMAs in the City of Oceanside

a. Identify the data sources that were used to develop the methodology. *Attach documentation.*

In this application, the documentation is located on page _____.

PART B – Required Certifications and Documentation

Affordability Provisions.
Please describe how the applicant will ensure continued affordability for NSP-assisted housing activities.

The City will attach a regulatory agreement to the sale of NSP units to a nonprofit housing provider that will restrict use of the units to LMMI rental for 55 years

5. Proposed Number of Beneficiaries by Income Levels.

Number of **Households** – (LMMH). This chart is only applicable to activities that specifically benefit households (such as housing acquisition, rehabilitation, sale, housing rental, etc.) that are low-, moderate-, and middle-income.

Between 81% - 120% (Middle Income)	**Between 51% - 80% (Moderate Income)**	**Between 31% - 50% (Low Income)**	**30% - Below (Extremely Low Income)**	**TOTALS**
		5-8		

Number of **Persons** – (LMMA, LMMC). This chart is only applicable to the following:

a. activities that provide benefit to specific areas that have a high concentration (51 percent or greater) of persons that are low-, moderate, and middle-income; or

b. activities that provide services to limited clientele individuals.

Between 81% - 120% (Middle Income)	**Between 51% - 80% (Moderate Income)**	**Between 31% - 50% (Low Income)**	**30% - Below (Extremely Low Income)**	**TOTALS (non-duplicated counts)**

PART B – Required Certifications and Documentation

Activity Implementation.
Indicate the type of entity that will carry out the implementation of the proposed activity and eligible uses.

X Jurisdiction ☐ Consultant ☐ Combination of jurisdiction/consultant

OR

☐ Another unit of local government ☐ Another public agency ☐ Non-profit

☐ For-profit ☐ Faith-based organization ☐ Other:_____

a. Contact Information. Provide the contact information for the entity responsible for the implementation of the proposed activity and eligible uses.

Organization/Agency:	City of Oceanside
Contact Person:	John A. Lundblad
Contact Title:	Management Analyst
Address:	300 North Coast Highway
City/State/Zip	Oceanside CA 92054
Telephone:	760-435-3393
E-Mail Address:	jlundblad@ci.oceanside.ca.us
FAX Number:	760-757-9076

Note: *Joint applicants that have other jurisdictions implementing this activity will need to copy the table above and provide all contact information for each applicable jurisdiction.*