

STAFF REPORT*CITY OF OCEANSIDE*

DATE: June 30, 2010

TO: Honorable Mayor and City Councilmembers

FROM: Neighborhood Services Department

SUBJECT: **RESOLUTION AMENDING RESOLUTION 09-R0371-1 WHICH APPROVED APPLICATION FOR FUNDING AND EXECUTION OF A GRANT AGREEMENT FROM THE STATE OF CALIFORNIA NEIGHBORHOOD STABILIZATION PROGRAM, TO ALLOW THE CITY TO LOAN NEIGHBORHOOD STABILIZATION PROGRAM FUNDS TO NONPROFIT HOUSING AGENCIES TO ACQUIRE AND REDEVELOP VACANT RESIDENTIAL PROPERTIES**

SYNOPSIS

Staff recommends that the City Council adopt a resolution amending Resolution 09-R0371-1 which authorized application for Neighborhood Stabilization Program (NSP) funds from the State Department of Housing and Community Development, to allow the City to loan NSP funds to nonprofit housing agencies to acquire and redevelop vacant residential properties.

BACKGROUND

On June 10, 2009, the City Council adopted resolution 09-R0371-1 (Exhibit A) authorizing application to the California Department of Housing and Community Development for \$1,422,487 through the Neighborhood Stabilization Program (NSP). The NSP was authorized by Congress as part of the Housing and Economic Recovery Act of 2008 (HERA) and provided funds to states and local jurisdictions to acquire and redevelop vacant residential properties that might otherwise become sources of blight in neighborhoods. On October 14, 2009, the City Council accepted the NSP grant funds and transferred them to the Neighborhood Services Department. The Department developed a partnership with and loaned NSP funds to the Fuller Center for Housing San Diego for acquisition and redevelopment of vacant units. The units will be used as "next step" housing for families graduating from the North County Solutions for Change transitional housing program to assist the families become independent and self-sufficient.

The NSP representative in the Department of Housing and Community Development noted that the original resolution did not state that the City planned to loan funds to outside agencies and has asked that the original resolution be amended to include a statement regarding the City's intention to loan NSP funds to housing agencies for

eligible activities. The NSP representative stated that once the amendment is approved they will approve an amendment to the NSP contract between the State and the City, and authorize payment of NSP funds to the City.

ANALYSIS

The City was awarded \$1,422,487 of Neighborhood Stabilization Program funds from the California Department of Housing and Community Development (HCD). The Neighborhood Services Department manages the program and has expended \$845,513 for eligible activities as of May 31, 2010. In order to receive reimbursement from HCD, the State NSP representative has asked that the City amend its original resolution to include reference to the City's intent to loan funds to nonprofit housing agencies for NSP activities. The proposed amendment will add such reference to Section 1 of the resolution. Any amendment to the original resolution must be adopted by the City Council at a public hearing. The proposal to amend the original resolution has been properly noticed under NSP and City public participation requirements.

FISCAL IMPACT

The California Department of Housing and Community Development has awarded \$1,442,487 to the City under the Neighborhood Stabilization Program. The City Council accepted the grant funds and appropriated the funds to the Neighborhood Services Department for acquisition and redevelopment of vacant residential structures (917115200273). NSP funds pay for all program delivery and related staff costs. The program has no impact on the General Fund and there is no match requirement. The proposed amendment does not change the fiscal impact and ensures that the City will be fully reimbursed for NSP expenditures.

COMMISSION OR COMMITTEE REPORT

The Housing Commission conducted a public hearing on May 18, 2009, to hear explanation of the NSP from staff and to receive public comment on possible uses of NSP funds in the City. Staff from the Neighborhood Services Department Housing and Code Enforcement Division presented a plan to loan funds to nonprofit housing agencies for NSP activities. The Commission supported the concept proposed in the application, to redevelop vacant properties for ultimate use as rental units for low- and moderate-income households.

CITY ATTORNEY'S ANALYSIS

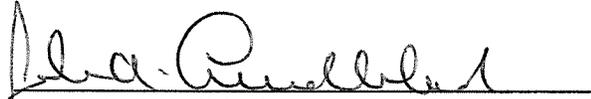
The City Council is authorized to hold a public hearing in this matter. Consideration of the matter should be based on the testimony and evidence presented at the hearing. After conducting the public hearing, the Council shall approve, modify or reject the amendment. The supporting documents have been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

RECOMMENDATION

Staff recommends that the City Council adopt a resolution amending Resolution 09-R0371-1 authorizing application for Neighborhood Stabilization Program (NSP) funds from the State Department of Housing and Community Development, to allow the City to loan NSP funds to nonprofit housing agencies to acquire and redevelop vacant residential properties.

PREPARED BY:

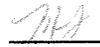
SUBMITTED BY:


John A. Lundblad
Management Analyst


Peter A. Weiss
City Manager

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager



Margery M. Pierce, Director, Neighborhood Services



Teri Ferro, Director, Financial Services



ATTACHMENT

Exhibit A: Resolution 09-R0371-1

Exhibit B: Resolution to amend

1 RESOLUTION NO.

2 A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
3 OCEANSIDE TO AMEND RESOLUTION 09-R0371-1, WHICH
4 AUTHORIZED APPLICATION FOR FUNDING AND THE
5 EXECUTION OF A GRANT AGREEMENT AND ANY
6 AMENDMENTS THERETO FROM THE STATE OF
CALIFORNIA NEIGHBORHOOD STABILIZATION PROGRAM,
TO ALLOW THE CITY TO LOAN SUCH FUNDS TO
NONPROFIT HOUSING AGENCIES

7 WHEREAS, the Oceanside City Council on June 10, 2009, approved Resolution 09-
8 R0371-1 authorizing the City to apply for Neighborhood Stabilization Program funds from the
9 California Department of Housing and Community Development to acquire and redevelop
10 vacant residential properties in the City of Oceanside that might otherwise become sources of
11 blight in neighborhoods;

12 WHEREAS, the California Department of Housing and Community Development
13 awarded \$1,422,487 to the City of Oceanside for the Neighborhood Stabilization Program,
14 which were accepted by the City Council on October 14, 2009, and transferred to the
15 Neighborhood Services Department;

16 WHEREAS, the Neighborhood Services Department has developed a partnership with
17 and intends to loan Neighborhood Stabilization Program grant funds to the Fuller Center for
18 Housing San Diego, a nonprofit community housing development organization, for eligible
19 activities of the Neighborhood Stabilization Program; and

20 WHEREAS, the California Department of Housing and Community Development has
21 stated that a reference to loaning Neighborhood Stabilization Program funds to an outside
22 housing agency must be included in the resolution authorizing application for grant funds and
23 in the contract between the Department and the City.

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

25 SECTION 1. Resolution 09-R0371-1 is amended to include the following statement in
26 Section 1 of that resolution: "The City is authorized to loan Neighborhood Stabilization
27 Program funds to nonprofit housing agencies for eligible acquisition and redevelopment
28 activities."

1 SECTION 2. Except as expressly set forth in this Amendment, Resolution 09-R0371-1
2 shall remain in full force and effect and is hereby ratified and reaffirmed.

3 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,
4 this _____ day of _____, 2010, by the following vote:

5
6 AYES:

7 NAYS:

8 ABSENT:

9 ABSTAIN:

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11 _____
12 MAYOR OF THE CITY OF OCEANSIDE

13 ATTEST:

14 APPROVED AS TO FORM:

15 _____
16 City Clerk

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19 _____
20 City Attorney

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1 RESOLUTION NO. 09-R0371-1

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

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

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

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

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

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

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

28 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.

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

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

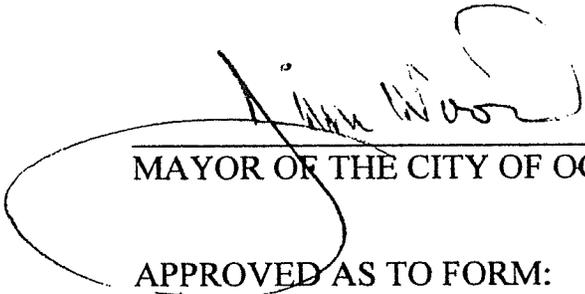
6 PASSED AND ADOPTED by the City Council of the City of Oceanside, California,
7 this 10th day of June, 2009, by the following vote:

8 AYES: WOOD, CHAVEZ, FELLER, KERN, SANCHEZ

9 NAYS: NONE

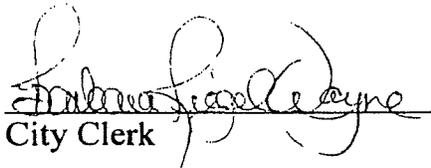
10 ABSENT: NONE

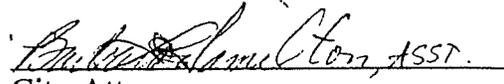
11 ABSTAIN: NONE

12
13 
14 MAYOR OF THE CITY OF OCEANSIDE

15 ATTEST:

15 APPROVED AS TO FORM:

16
17 
18 City Clerk

17 
18 City Attorney