



## Legislation Text

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**File #:** 09-0730, **Version:** 2

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Motion to reconsider and possible reconsideration of the adoption of a Resolution authorizing submittal of a 2009 Neighborhood Stabilization Program Application jointly with the City of South Lake Tahoe (City) to the California Department of Housing and Community Development for up to a \$1,610,096 grant that will assist in the redevelopment of abandoned and foreclosed homes; authorize the Chairman to execute the Joint Agreement and to sign the Statement of Assurances; and, if awarded, authorize the Human Services Director to execute the subsequent grant agreement, contingent upon approval by County Counsel and Risk Management, and other grant-related documents. (Refer 6/9/09, Item 26)

**FUNDING:** State grant funds.

Fiscal Impact/Change to Net County Cost:

No match is required for the 2009 Neighborhood Stabilization Program funding application.

Reason for Recommendation:

The State Department of Housing and Community Development (HCD) has received an allocation of stimulus funds from the Federal Department of Housing and Urban Development (HUD) under the new Neighborhood Stabilization Program (NSP) as authorized under Title III of Division B of the Housing and Economic Recovery Act of 2008 (HERA). A Notice of Funding Availability (NOFA) was released on April 30, 2009 with a response date no later than June 15, 2009. HCD has made available approximately \$99 million, to local jurisdictions that are significantly impacted from the effects of abandoned and foreclosed homes.

To determine grant amounts for each jurisdiction, HCD established a methodology to allocate the funds based on an analysis of foreclosure rates, variable rate mortgages, vacancy rates, and other data. HCD established a minimum application threshold of \$1 million. Jurisdictions that are allocated amounts below the threshold, may submit a joint application to receive funding. Through the HUD-approved allocation method, HCD determined that El Dorado County is eligible to apply for and receive a grant of \$1,483,528. In addition, the City of South Lake Tahoe (City) has been determined eligible to apply for and receive \$126,568 in grant funds. The County will submit a joint application on behalf of the City to ensure South Lake Tahoe's allocation may be received. A Joint Agreement, which has been reviewed and approved by County Counsel and Risk Management, must be executed with the City as part of the application process.

Details of the proposed program can be found in the attached application. In summary, the County proposes to purchase and rehabilitate eight (8) foreclosed upon properties for resale to eligible households with incomes at or below 120% of the area median income in the areas of Cameron Park/Shingle Springs, Diamond Springs, El Dorado Hills, Georgetown, and Pollock Pines. These areas have been determined by the Federal Housing Administration to be the most impacted by foreclosures. The State NSP is considered to be one-time funds. Jurisdictions are expected to begin grant activities immediately upon award of funds with total obligation of funds no later than March 31,

2010. Since these are one-time funds, the program includes hiring a consultant to implement the program within the grant period. South Lake Tahoe will execute a similar but separate program within city limits.

Action to be taken following Board approval:

Board Clerk to provide Human Services at Spring Street with the following documents signed by the Chairman:

- Three (3) certified resolutions
- Two (3) Statement of Assurances - retain one (1) executed Statement of Assurances
- Three (3) Joint Agreements with the City of South Lake Tahoe

Contact: Janet Walker-Conroy, 642-7272

Concurrences: County Counsel has approved the Resolution and the Joint Agreement.