

CITY OF YUBA CITY  
STAFF REPORT

**Date:** January 17, 2012  
**To:** Honorable Mayor & Members of the City Council  
**From:** Community Development Department  
**Presentation By:** Aaron Busch, Community Development Director

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**Summary**

**Subject:** Application for the California Department of Housing and Community Development Neighborhood Stabilization Program 3 (NSP3).

**Recommendation:** Conduct a public hearing and after review adopt a resolution authorizing submittal of an application to the California Department of Housing and Community Development for \$4,410,075 of funding under NSP3 and authorizing, if selected, the execution of a standard agreement, any amendments thereto and of any related documents necessary to participate in NSP3.

**Fiscal Impact:** None. Costs to administer the proposed activities will be covered by the NSP3 grant.

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**Purpose:**

To secure additional NSP grant funding for the acquisition and rehabilitation of eligible foreclosed or abandoned residential properties.

**Background:**

The California Department of Housing and Community Development (HCD) received an allocation of \$11,872,089 under the U.S. Department of Housing and Urban Development (HUD) Neighborhood Stabilization Program 3 (NSP3). The Neighborhood Stabilization Programs intent is to rejuvenate neighborhoods and communities that are the hardest hit by the foreclosure crisis. NSP funding provides local governments with a mechanism to renovate and rehabilitate these homes, eliminating blight and stabilizing neighborhoods.

In 2009 the City, together through a joint partnership agreement with Sutter County and Live Oak, applied for and received \$1,794,004 of NSP1 funding. NSP1 funds were utilized to purchase and rehabilitate a total of nine (9) foreclosed homes within the three jurisdictions, five (5) of which are located in Yuba City. Through an agreement with the Regional Housing Authority of Sutter and Nevada Counties, these nine single-family residences were made available as rental homes for eligible low- and moderate-income families.

In December 2011, HCD released a Request For Proposals (RFP) for NSP3 funding to three (3) eligible jurisdictions in the State of California. These jurisdictions were determined to be eligible

based on foreclosure and unemployment data for the jurisdictions, as well as previous NSP1 experience.

**Analysis:**

The NSP3 maximum funding allocation for Yuba City is \$4,410,075. The resolution authorizes the submittal of an application for additional NSP3 funds, should they become available at a later date, of up to \$6.8M. In accordance with NSP3 guidelines, funds must be expended in target neighborhoods identified as being areas of greatest need. The NSP3 targeted census tracts are as follows: 50201-1, 50201-2, 50202-1, 50202-2, 50202-4, 50202-5, 50301-1, 50301-2, 50301-3, 50302-1, 50302-4, 50302-5, 50501-2, 50503-2.

Eligible jurisdictions have until January 27, 2012 to submit their approved application and authorizing resolution. Upon HCD's approval of the City's application, it will not be necessary to return to the Council for execution of the agreement for NSP3 funding, as the accompanying resolution authorizes the City Manager to execute all required documents.

If the grant is awarded, staff will return to Council to request to enter into an agreement with the Regional Housing Authority of Sutter and Nevada Counties (Housing Authority) for assistance with administering the grant. Similar to the NSP1 grant, all properties acquired and rehabbed through NSP3 will be made available through the Housing Authority as low-moderate income rental units. According to the RFP, the deadline to expend all funds will be February 28, 2014.

**Fiscal Impact:**

None. Costs to administer the proposed activities will be covered by the NSP3 grant.

**Alternatives:**

Deny the authorization to apply for the grant.

**Recommendation:**

Conduct a public hearing and after review adopt a resolution authorizing submittal of an application to the California Department of Housing and Community Development for \$4,410,075 of funding under NSP3 and authorizing, if selected, the execution of a standard agreement, any amendments thereto and of any related documents necessary to participate in NSP3.

Prepared By:

/s/ Stacey Larick

Stacey Larick  
Administrative Analyst

Submitted By:

/s/ Steven R. Jepsen

Steven R. Jepsen  
City Manager

Reviewed By:

Department Head

AB

Finance

SM

City Attorney

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RESOLUTION NO. \_\_\_\_\_

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF YUBA CITY  
APPROVING AN APPLICATION FOR FUNDING AND THE  
EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS  
THERE TO FROM THE STATE OF CALIFORNIA NEIGHBORHOOD  
STABILIZATION PROGRAM 3 (NSP3)**

**WHEREAS**, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) of 2010 appropriated additional federal funds to the Neighborhood Stabilization Program (NSP) to further address the most severe neighborhood problems associated with the persistent housing foreclosure crisis, known as NSP3; and

**WHEREAS**, the California Department of Housing and Community Development (HCD) has received \$11,872,089 in NSP3 funding from the federal Department of Housing and Urban Development (HUD); and

**WHEREAS**, HCD has announced through an RFP released December 7, 2011 that the City of Yuba City is eligible to apply for up to \$4,410,075 in NSP3 funding.

**NOW, THEREFORE, BE IT RESOLVED** by the City Council of the City of Yuba City as follows:

SECTION 1

The City Council has reviewed and hereby approves an application (and its contents) for up to \$4,410,075 for the following activities:

- Acquisition and rehabilitation of eligible foreclosed or abandoned residential properties in order to rent such homes and properties to income eligible households. Properties will be located in the following NSP3 eligible targeted census tracts: 50201-1; 50201-2; 50202-1; 50202-2; 50202-4; 50202-5; 50301-1; 50301-2; 50301-3; 50302-1; 50302-4; 50302-5; 50501-2; 50503-2.

If any additional NSP3 funding becomes available at a later date, the City of Yuba City is authorized to apply for, and/or accept funding up to \$6.8M. Any additional NSP3 funding will be used in accordance with funding requirements established by the State of California Neighborhood Stabilization Program.

SECTION 2

The City of Yuba City has determined that the federal Citizen Participation requirements were met during the development of this application.

SECTION 3

The City Manager is hereby authorized and directed to act on the City's behalf in all matters pertaining to this application.

SECTION 4

If the application is approved, the City Manager is authorized to enter into and sign the grant agreement and any subsequent amendments thereto, with the State of California for the purpose of this grant.

SECTION 5

If the application is approved, the City Manager and / or Community Development Director are authorized to sign Funds Requests and other required reporting forms.

The foregoing Resolution was duly and regularly introduced, passed and adopted by the City Council of the City of Yuba City at a regular meeting thereof held on the 17<sup>th</sup> day of January, 2012:

AYES:

NOES:

ABSENT:

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JOHN MILLER, MAYOR

STATE OF CALIFORNIA  
City of Yuba City

I, Terrel Locke, City Clerk of the City of Yuba City, State of California, hereby certify the above and foregoing to be a full, true and correct copy of a resolution adopted by said City Council on this 17<sup>th</sup> day of January, 2012.

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TERREL LOCKE, City Clerk of the City of  
Yuba City, State of California

By: \_\_\_\_\_