

CITY OF YUBA CITY
STAFF REPORT

Date: July 16, 2019
To: Honorable Mayor & Members of the City Council
From: Administration
Presentation by: Diana Langley, Interim City Manager

Summary

Subject: 911 Bridge Street – Reimbursement of Neighborhood Stabilization Program (NSP) Funds to the California Department of Housing and Community Development

Recommendation: A. Authorize the Finance Director to reimburse the California Department of Housing and Community Development for Neighborhood Stabilization Program Funds that were utilized to purchase 911 Bridge Street in the amount of \$230,056.00

B. Authorize the Finance Director to make a budget transfer of \$230,056 from Account No. 931187-65501 (Construction) to Account No. 931187-65517 (Acquisition of Land)

Fiscal Impact: \$230,056.00 – Account No. 931187-65517 (Bridge Street Widening)

Purpose:

To acquire property that is in the future right-of-way for the widening of Bridge Street to four lanes between Highway 99 east to the Fifth Street Bridge.

Background:

The City of Yuba City purchased 911 Bridge Street in 2013 as part of the third round of the Neighborhood Stabilization Program (NSP) administered through the United States Department of Housing and Urban Development (HUD). The NSP was established by Congress to provide assistance to state and local governments to acquire and redevelop foreclosed properties which might otherwise become sources of abandonment and blight within their communities. The funds are administered to Yuba City through the California Department of Housing and Community Development (HCD). The property was purchased for \$90,433 and \$139,613 was invested for rehabilitation, for a total investment of \$230,056.

In 2014, ownership of 911 Bridge Street was transferred to the Regional Housing Authority of Sutter and Nevada Counties (Housing Authority) for their oversight and management as low income housing. Renters lived in the home until it was vacated in 2016. The Housing Authority transferred the property to the City in 2018 for the future widening of Bridge Street to four lanes.

Analysis:

As the property was purchased with NSP funds, HCD has notified the City that the total amount invested in the property, \$230,056, needs to be reimbursed to HCD as the use of the property for roadway widening purposes does not meet the intended use of the property per the contract with HCD.

Fiscal Impact:

There are sufficient Road Development Impact Fee funds budgeted in Account No. 931187 for the Bridge Street Widening Project. However, funds need to be transferred from the construction account, 931187-65501, to the right-of-way acquisition account, 931187-65517. Staff is requesting authorization for the Finance Director to make the necessary budget transfer.

Alternatives:

There are no feasible alternatives.

Recommendation:

- A. Authorize the Finance Director to reimburse the California Department of Housing and Community Development for Neighborhood Stabilization Program Funds that were utilized to purchase 911 Bridge Street in the amount of \$230,056.00
- B. Authorize the Finance Director to make a budget transfer of \$230,056 from Account No. 931187-65501 (Construction) to Account No. 931187-65517 (Acquisition of Land)

Attachment:

- 1. Map

Prepared and Submitted by:

/s/ Diana Langley

Diana Langley
Interim City Manager

Reviewed by:

Finance

RB

City Attorney

SLC by email

ATTACHMENT 1

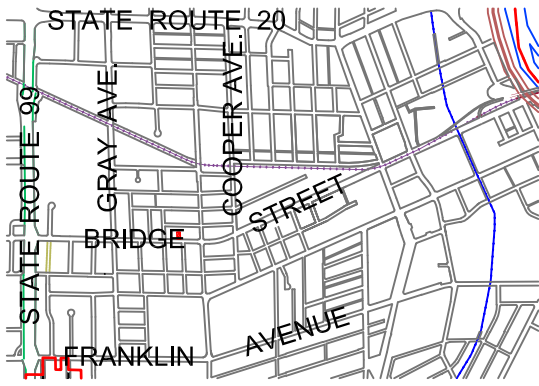


EXHIBIT
911 BRIDGE STREET

