

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS  
ACTION AGENDA SUMMARY

DEPT: Planning and Community Development

BOARD AGENDA # \*D-1

Urgent  Routine

AGENDA DATE November 4, 2008

CEO Concurs with Recommendation YES  NO   
(Information Attached)

4/5 Vote Required YES  NO

SUBJECT:

Approval to Initiate a 15-day Public Comment Period for the Proposed Amendment to the FY 2007-2012 Community Development Block Grant Consolidated Plan and the FY 2008-2009 Annual Action Plan to Incorporate the HUD Neighborhood Stabilization Program Funding of \$9,744,482, and Schedule Final Review and Approval of the Consolidated Plan for November 18, 2008

STAFF RECOMMENDATIONS:

Initiate a 15-day public comment period for the proposed amendment to the FY 2007-2012 Community Development Block Grant Consolidated Plan and the FY 2008-2009 Annual Action Plan to incorporate the HUD Neighborhood Stabilization Program funding of \$9,744,482, and direct staff to bring this item back to the Board of Supervisors on November 18, 2008 to hold a public meeting and for final review and approval of the amended Consolidated Plan FY 2007-2012 and Annual Action Plan FY 2007-2008.

FISCAL IMPACT:

U.S. Housing and Urban Development (HUD) allocation for the Stanislaus County Consortium to implement the new Neighborhood Stabilization Program is \$9,744,482. The Department of Planning and Community Development will administer the program for the County and Consortium members. Administrative costs are estimated to be approximately 7% of the total allocation although HUD guidelines allow up to 10% for administrative costs. There will be no net cost to the County General Fund as all program delivery and administrative costs will be borne by the funds allocated through HUD.

BOARD ACTION AS FOLLOWS:

No. 2008-762

On motion of Supervisor Grover, Seconded by Supervisor Monteith  
and approved by the following vote,

Ayes: Supervisors: O'Brien, Grover, Monteith, and Vice Chairman DeMartini

Noes: Supervisors: None

Excused or Absent: Supervisors: Mayfield

Abstaining: Supervisor: None

- 1)  Approved as recommended
- 2)  Denied
- 3)  Approved as amended
- 4)  Other:

MOTION:

*Christine Ferraro*

ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

**DISCUSSION:**

On September 26, 2008, U.S. Housing and Urban Development Secretary Steve Preston allocated a total of \$3.92 billion to all states and particularly hard-hit areas trying to respond to the effects of high foreclosures. HUD’s new Neighborhood Stabilization Program (NSP) provides targeted emergency assistance to state and local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight within their communities.

The funding is provided through HUD’s Community Development Block Grant (CDBG) Program under the Housing and Economic Recovery Act of 2008. These targeted funds will be used to purchase foreclosed homes at a discount and to rehabilitate or redevelop them in order to respond to rising foreclosures and falling home values.

State and local governments can use their neighborhood stabilization grants to acquire land and property; to demolish or rehabilitate abandoned properties; and/or to offer down payment and closing cost assistance to low- to moderate-income homebuyers (household incomes not exceed 120 percent of area median income). In addition, these grantees can create “land banks” to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of urban property.

Stanislaus County’s Community Development Block Grant Consortium was allocated \$9,744,482 through this program. Based on formulas provided by HUD, the proposed allocation to each of the Consortium members would be as follows:

Neighborhood Stabilization Program Budget	
Expenses	
<b>Estimated Total Expenses:</b> \$ 9,744,482.00	
<b><u>STANISLAUS COUNTY</u></b>	<b><u>PATTERSON</u></b>
Total: \$ 3,764,000.00	Total: \$ 1,608,500.00
<b><u>CERES</u></b>	<b><u>WATERFORD</u></b>
Total: \$ 1,126,500.00	Total: \$ 1,144,000.00
<b><u>NEWMAN</u></b>	<b><u>OAKDALE</u></b>
Total: \$ 1,002,000.00	Total: \$ 841,000.00
<b><u>WEED &amp; SEED/MOD. POCKETS</u></b>	
Total: \$ 258,482.00	

Note: Because of the high need, the unincorporated “Weed and Seed” Area has been allocated funds through this program as a stand-alone program area.

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In order to implement this program, the County's CDBG Consolidated Plan for FY 2007-2012 and the Annual Action Plan for FY 2008-2009 must be amended to include the new program. A Draft of the Amended Consolidated Plan is provided as Attachment 1. The Amended Draft Plan was released for a 15-day public review on November 3, 2008.

The preparation of this Draft Consolidated Plan Amendment utilized consultation and coordination among various agencies, private groups (for- and non-profit) and individuals. Relationships with these resource providers consisted of face-to-face meetings in September and early October 2008. Most important among them were the meetings with the Consortium partners and the input from the membership of the Stanislaus County Housing and Support Services Collaborative.

Prior to approving the final Consolidated Plan FY 2007-2012 Update and modification to the Annual Action Plan FY 2008-2009, the Board of Supervisors must hold a public meeting to solicit public comment. It is NOT required that this item be a "Public Hearing." However, the Board is being requested to hear this item on November 18, 2008 to close the public comment period and for final review and approval of the amended Consolidated Plan FY 2007-2012 and Annual Action Plan FY 2008-2009. All Consortium member City Councils are also planning on holding Public Meetings to receive comments during November as follows:

<b>CITY COUNCIL MEETINGS:</b>	
CERES	11/10/08
OAKDALE	11/17/08
NEWMAN	11/18/08
PATTERSON	11/18/08
WATERFORD	11/20/08

A final Consolidated Plan must be submitted to HUD by December 1, 2008.

**STAFFING IMPACT:**

The Department of Planning and Community Development will be administering this program for the Consortium and all funds must be spent within 18 months. Administration will require a full-time staff person. The Department anticipates using existing staff to administer this and other CDBG programs throughout the next two years. However, the overall divisional workload, inclusive of Redevelopment Agency programs, will require us to fill a currently vacant Assistant/Associate Planner position. The Department currently has three vacant Assistant/Associate Planner positions. Two will remain vacant for the foreseeable future. All staff costs will be borne by the various programs and there will be no net cost to the County General Fund.

**POLICY ISSUES:**

This Program directly implements the goal of promoting adequate and affordable housing as defined in the Board's priority of collaborating to ensure a Strong Local Economy.

**ATTACHMENT: (Available from Clerk)**

1. Draft Amended FY 2007-2012 Consolidated Plan and FY 2008-2009 Annual Action Plan