

**REPORT/RECOMMENDATION TO THE BOARD OF SUPERVISORS
OF SAN BERNARDINO COUNTY, CALIFORNIA
AND RECORD OF ACTION**

February 15, 2011

**FROM: KATHY THOMAS, RDA Director
Department of Community Development and Housing**

**SUBJECT: NEIGHBORHOOD STABILIZATION PROGRAM ROUND 3 SUBSTANTIAL
AMENDMENT TO THE 2010-2011 ACTION PLAN**

RECOMMENDATION(S)

1. Approve the submittal of a substantial plan amendment to the 2010-2011 Action Plan to the Department of Housing and Urban Development (HUD) for Neighborhood Stabilization Program Round 3 (NSP3) grant funds under the Wall Street Reform and Consumer Protection Act of 2010.
2. Authorize the EDA Administrator, EDA Assistant Administrator or the Director of the Redevelopment Agency (RDA) or designee to finalize all necessary documents and direct staff to publish and submit all required documents in final form to HUD, considering any comments received during the public review period, for the NSP3 grant of \$10,438,181.
3. Authorize the EDA Administrator, EDA Assistant Administrator or the RDA Director to accept and sign the HUD grant agreement and any subsequent documents relating to the NSP3 grant application process.

(Affected Districts: All)

(Presenter: Kathy Thomas, RDA Director, 387-4411)

BOARD OF SUPERVISORS COUNTY GOALS AND OBJECTIVES

Create, Maintain and Grow Jobs and Economic Value in the County.

Ensure Development of a Well-Planned, Balanced, and Sustainable County.

FINANCIAL IMPACT

Costs of preparation and submittal of the NSP3 Substantial Amendment will have minimal financial impact on the department budget. These costs are included in the department's fiscal year (FY) 2010-2011 budget (SCS/ECD). As permitted by the NSP3 guidelines, a 10% or approximately \$1,043,818 of the grant award will be reserved for administrative purposes. After approval and acceptance of the grant, the department's budget for FY 2010-11 will be amended through the quarterly budget adjustment process. The NSP3 will not affect the County's General Fund.

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cc: CDH-Thomas w/ app for sign
County Counsel-Singley
EDA-Cole
File - CDH w/ app
jll 02/15/11

Record of Action of the Board of Supervisors
APPROVED (CONSENT CALENDAR)
COUNTY OF SAN BERNARDINO
Board of Supervisors

MOTION	<u>AYE</u>	<u>SECOND</u>	<u>MOVE</u>	<u>AYE</u>	<u>ABSENT</u>
	1	2	3	4	5

LAURA H. WELCH, CLERK OF THE BOARD

BY 

DATED: February 15, 2011

ITEM 17

**BOARD OF SUPERVISORS
NEIGHBORHOOD STABILIZATION PROGRAM ROUND 3 SUBSTANTIAL
AMENDMENT TO THE 2010-2011 ACTION PLAN
FEBRUARY 15, 2011
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BACKGROUND INFORMATION

On July 21, 2010, Congress passed the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank) which provides an additional \$970 million for the Neighborhood Stabilization Program (NSP) that was originally established under the Housing and Economic Recovery Act of 2008 (HERA). The Act provides funds to states and local governments to continue assisting in the redevelopment of foreclosed/abandoned or vacant properties. On October 19, 2010 HUD released the NSP3 Notice with the requirements for the new allocation of NSP funds that were authorized in the Dodd-Frank Act. The County of San Bernardino's allocation is \$10,438,181. As part of the application process, jurisdictions must submit to HUD a substantial amendment to their current Action Plan by March 1, 2011. NSP3 Grantees must expend 50 percent of their grants within two years and 100 percent of their grants within three years.

NSP3 grant recipients must identify specific geographic areas where they expect to carry out their NSP3 activities and have the greatest impact. To accomplish this, HUD developed a Foreclosure Need website. This website provides estimates of foreclosure need and foreclosure related needs scores at the Census Tract level. The scores range from 1 to 20, with a score of 20 indicating census tracts with the greatest need as estimated by HUD. The identified neighborhood(s) must have an individual score of not less than the lesser of 17 or the twentieth percentile most needy score in an individual state.

Based on the criteria, staff is recommending that the NSP3 activities be carried out in the area of West Fontana and portions of the community of Bloomington. The West Fontana area is generally bounded by Cherry on the west, Hemlock on the east, Arrow Route on the north and Valley Blvd on the south. The Bloomington area includes neighborhoods both north and south of Interstate 10 between Cedar and Alder. Both areas meet the minimum NSP3 scoring criteria. Staff recommends the NSP3 funds be used primarily to develop a multi-family affordable housing project that, in addition to affordable housing, will provide the needed infrastructure to facilitate additional area redevelopment. Secondary uses are: \$1,000,000 for Acquisition, Rehabilitation and Resale; and \$500,000 for home buyer assistance.

REVIEW BY OTHERS

This item has been reviewed by County Counsel (Steven J. Singley, Deputy County Counsel, 387-4271) on January 14, 2011 and the County Administrative Office (Patricia M. Cole, EDA Assistant Administrator, 387-9803) on February 2, 2011.