

CITY OF SAN BERNARDINO
ECONOMIC DEVELOPMENT AGENCY

FROM: Emil A. Marzullo
Interim Executive Director

SUBJECT: **Neighborhood Stabilization Program ("NSP")
Quarterly Report**

DATE: March 25, 2010

Synopsis of Previous Commission/Council/Committee Action(s):

On March 4, 2010, Redevelopment Committee Members Johnson, Brinker and alternate Shorett unanimously voted to recommend that the Community Development Commission consider this action for approval.

Recommended Motion(s):

MOTION: That the Community Development Commission of the City of San Bernardino receive and file the quarterly report of the Neighborhood Stabilization Program ("NSP") for the Redevelopment Agency of the City of San Bernardino.

Contact Person(s): Carey K. Jenkins Phone: (909) 663-1044

Project Area(s): N/A Ward(s): All

Supporting Data Attached: Staff Report Resolution(s) Agreement(s)/Contract(s) Map(s) Letter(s)

FUNDING REQUIREMENTS: Amount: \$ -0- Source: N/A

Budget Authority: N/A

Signature: Emil A. Marzullo, Interim Executive Director Fiscal Review: Lori Panzino-Tillery, Interim Administrative Services Director

Commission/Council Notes: _____

ECONOMIC DEVELOPMENT AGENCY

STAFF REPORT

NEIGHBORHOOD STABILIZATION PROGRAM (“NSP”) QUARTERLY REPORT

BACKGROUND:

In August of 2008, the City of San Bernardino (“City” or “San Bernardino”) received a funding allocation of approximately \$8.4 million from the United States Department of Housing and Urban Development (“HUD”) under the Neighborhood Stabilization Program (“NSP”) to address the City’s foreclosure problem. On November 17, 2008, the Mayor and Common Council of the City of San Bernardino (“Council”) and the Community Development Commission of the City of San Bernardino (“Commission”) jointly approved the proposal of its Redevelopment Agency and submission to HUD for its \$8.4 million NSP allocation.

Finally, on March 3, 2009, HUD approved the City’s application which was followed by an April 23, 2009, City Council action to formally accept the funds.

The City’s approved plan with HUD consists of the following four (4) Program activities plus an administrative line item:

1. Acquisition, Rehabilitation and Resale of single-family residences - \$3,700,000 (the “Rehabilitation and Resale Program”);
2. Acquisition and Demolition for future development - \$920,000 (the “Demolition Program”);
3. Down Payment Assistance - \$920,000;
4. Housing Opportunities for Households at or below 50% of AMI – HUD Requirement - \$2,100,000 (the “Rehabilitation and Rental Program); and
5. Administration (\$768,558).

On July 20, 2009, the Council and the Commission authorized the Agency to proceed with all five (5) of the approved NSP program activities.

CURRENT ISSUE:

For the quarter ending December 31, 2009, the Agency either acquired or placed in escrow twelve (12) properties since the initiation of its NSP housing programs, which represent a total of 27 units.

From an expenditure standpoint, the Agency committed a total of \$2,730,471 in NSP funds as of the end of the quarter. The table below details the number of completed activities, levels of expenditures and average cost per transaction by Program type as of December 31, 2009.

From a budget target standpoint, the Agency has successfully committed 32.5% of its original NSP funding allocation.

The table below details the number of properties acquired or placed in escrow (“Encumbered”), the number of units, levels of funds committed and the percent to the proposed goal for NSP (as of December 31, 2009) by Program type.

Program	Properties Encumbered	Number of Units	NSP Funds Committed	% To Goal
Rehabilitation and Resale Program	5	5	\$574,851	15.5%
Demolition Program	5	14	\$498,820	37.8%
Rehabilitation and Rental Program	2	8	\$888,242	33.9%
Down Payment Assistance	0	0	\$0	0.0%
Program Administration	N/AP	N/AP	\$768,558	100.0%
TOTAL	12	27	\$2,730,471	32.5%

Please see Attachment 1 for the complete quarterly update report for all NSP program activities.

ENVIRONMENTAL IMPACT:

This item does not meet the definition of a “project” under Section 15378 of the California Environmental Quality Act (CEQA).

FISCAL IMPACT:

There is no General Fund impact to the City. The services provided under the NSP Program and the associated administration costs will be funded either with NSP funds derived from HUD or funds from the Agency’s Tax Increment Housing Set-Aside.

Account Budgeted Amount: \$ 0 **Balance as of:** March 25, 2010

Balance after approval of this item: \$ 0

RECOMMENDATION:

That the Community Development Commission adopt the attached Motion.

Emil A. Marzullo, Interim Executive Director