



**REPORT TO COUNCIL AND
HOUSING AUTHORITY**
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Consent
August 13, 2013

**Honorable Mayor and Members of the City Council
Chair and Members of the Housing Authority Board**

Title: Amendment to the 2013 One-Year Action Plan and Various Year Action Plans in Relation to the Neighborhood Stabilization Program Three (NSP-3), and Amendment to the Agency Budget

Location/Council District: Citywide

Issue: This report seeks authorization to amend the 2013 One-Year Action Plan and various year Action Plans, and to amend the NSP-3 budget in order to reallocate and accelerate the expenditure of remaining grant funds prior to the program's regulated deadline.

Recommendation: Pass: 1) a **City Council Resolution** a) approving amendments to the 2013 One-Year Action Plan and various year Action Plans in the estimated amounts of \$125,017 from the NSP-3 Multi-Family Property Recycling Program and \$512,120 from the NSP-3 Vacant Property Program and allocating those funds to the NSP-3 Single Family Property recycling Program; b) authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to submit the amendments to the 2013 One-Year Action Plan and various year Action Plans to the United States Department of Housing and Urban Development (HUD), c) authorizing SHRA to amend the Agency's budget to reprogram the NSP-3 funds totaling approximately \$637,137, and d) making related findings; 2) a **Housing Authority Resolution** a) authorizing the Executive Director, or her designee, to amend the Housing Authority budget to reprogram funding in the estimated amount of \$637,137 to the NSP-3 Single Family Property Recycling Program and b) making related findings.

Contact: Chris Pahule, Program Manager, Community Development, 440-1350

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: In March 2011, as a part of the third round of the Neighborhood Stabilization Program (NSP-3), the City and County of Sacramento were

Amendment to 2013 One-Year Action Plan and Agency Budget

awarded a combined grant totaling \$8.3 million to continue recovery efforts designed to help stem the decline of neighborhoods negatively impacted by high concentrations of abandoned, foreclosed, or vacant properties. These funds have been used to leverage and expand on the success of two activities initiated under the original NSP grant (NSP1) which include the Property Recycling Program (PRP) and Vacant Property Program (VPP). These programs have been in operation since February 2009 and through strategic investments and partnerships, SHRA has concentrated on 1) revitalizing problem multi-family neighborhoods suffering from extreme physical blight and heightened police activity, and 2) creating affordable homeownership opportunities by acquiring and rehabilitating vacant single-family homes that have proceeded through a trustee sale or where ownership has transferred to a bank or other lending institution.

The NSP-3 program has a statutory requirement that 100 percent of the original grant must be expended by March 2014. Current efforts underway within NSP-3 include the rehabilitation and resale of 45 single-family homes in the PRP which are on track to meet the statutory requirement. However, in order to ensure the timely expenditure of the total allotted NSP-3 grant funds by the program's deadline, staff recommends reprogramming unencumbered funds totaling approximately \$637,137 to the PRP to allow for a more immediate expenditure of funds. Because the PRP relies on program income generated from home sales to pay for additional rehabilitation projects, the additional funding will allow for more homes to be quickly rehabilitated and offered for sale.

Policy Considerations: The recommended actions in this staff report are consistent with the 2008-2013 Housing Element of the General Plan adopted November 18, 2008, which indicates that "The City shall support efforts to alleviate the individual and community problems associated with mortgage default and foreclosure." To implement this policy, the Housing Element includes program 19, committing the City to enact a comprehensive plan for addressing the foreclosure crisis, including "neighborhood reinvestment strategies."

Environmental Considerations:

California Environmental Quality Act (CEQA): The action of reallocating funds does not constitute a project under CEQA and no further environmental review is required pursuant to CEQA Guidelines Section 15162. The individual actions proposed under the NSP3 Guidelines, including the acquisition and rehabilitation of existing single-family and multi-family properties are Categorical Exempt under the California Environmental Quality Act (CEQA) Guidelines Section 15301.

Sustainability Considerations: The activities included in this report have been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. As presented, the contents of this report will advance the following goals, policies and targets: rehabilitating units following green building standards; improve energy efficiency of the rehabilitated homes; and create healthy urban environments through restorative redevelopment.

Amendment to 2013 One-Year Action Plan and Agency Budget

National Environmental Policy Act (NEPA): This action constitutes updates to existing plans, programs, budget amendments and designation of authority to carry out activities associated with the allocation of funding only. This action does not constitute approval for any specific projects, and does not change the scope or character or effect on the environment for any specific project that may have already been reviewed and approved. As such, these actions are exempt from or do not require environmental review under CEQA or NEPA (24 CFR 58.34 (3))

Commission Action: At its meeting on July 17, 2013, the Sacramento Housing and Redevelopment Commission conducted a public hearing and considered the staff recommendation for this item. The votes were as follows:

AYES: Alcalay, Chan, Gore, Griffin, LeDuc, Morton, Morgan, Shah

NOES: none

ABSENT: Johnson, Rosa, Stivers

Rationale for Recommendation: Staff is recommending the reallocation funds to the NSP-3 PRP in an effort to fully expend unencumbered grant proceeds prior to the program's regulated deadline, provide capital to an activity that can readily utilize additional operating income, and to assist in the rehabilitation and early delivery of affordable single-family dwellings for acquisition by eligible households.

Financial Considerations: No new funding is being sought. Allocations made in the proposed amendment to the 2013 One-Year Action Plan and various year Action Plans are based on a NSP-3 grant award of \$8.3 million. This report recommends reprogramming unencumbered funds totaling approximately \$125,017 from the NSP-3 Multi-Family PRP and approximately \$512,120 from the VPP, and reallocating the combined funds totaling approximately \$637,137 to the Single-Family PRP.

M/WBE and Section 3 Considerations: Minority and Woman's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable. To the extent possible, SHRA shall encourage all participants to hire locally and to partner with emerging small businesses.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Table of Contents

Report pg. 1

Attachments

1 Council Resolution pg. 4

2. Housing Authority Resolution pg. 6

Approved as to form:


Agency Counsel

APPROVED AS TO FORM:


CITY ATTORNEY

[Back to Report Table of Contents](#)

RESOLUTION NO. 2013 -

Adopted by the Sacramento City Council

On date of

AMENDMENT TO THE 2013 ONE-YEAR ACTION PLAN AND VARIOUS YEAR ACTION PLANS IN RELATION TO THE NEIGHBORHOOD STABILIZATION PROGRAM THREE (NSP-3), AND; AMENDMENT TO THE AGENCY BUDGET TO REALLOCATE FUNDS AND OTHER RELATED FINDINGS

BACKGROUND

- A. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 provided an additional \$1 billion for the third round of funding under the Neighborhood Stabilization Program, known as NSP-3, that was originally established under the Housing and Economic Recovery Act of 2008 (HERA).
- B. On February 15, 2011, the Council authorized the Sacramento Housing and Redevelopment Agency (SHRA) to file an application with HUD to carry out the activities of the NSP-3 grant program under the name of the County of Sacramento that would be administered by SHRA on behalf of the City and County of Sacramento. Additionally, the Council authorized SHRA to acquire Housing Authority Section 32 dwelling units contingent upon HUD approval, and to undertake rehabilitation and resale activities consistent with the guidelines of the NSP-3 Property Recycling Program.
- C. On March 9, 2011, the City and County of Sacramento were awarded \$8,358,000 under NSP-3 to continue neighborhood revitalization efforts associated with the strategic redevelopment of vacant properties.
- D. On January 8, 2013, the Housing Authority, staffed by the Sacramento Housing and Redevelopment Agency (SHRA), was designated as the entity for administering federal grant draw functions and Action Plan funding on behalf of the City of Sacramento.
- E. On January 8, 2013, the Council approved the 2013-1017 Consolidated Plan and the 2013 One-Year Action Plan containing grant funded projects and programs.
- F. SHRA has determined that there are unencumbered funds remaining within the NSP-3 Multi-Family Property Recycling Program (PRP) and the Vacant Property Program (VPP) that must be expended by the March 9, 2014 grant expenditure deadline, and therefore appropriate steps should be taken to amend the 2013 One-Year Action Plan and various year Action Plans, and obtain an authorization to reallocate the funds to the Single Family PRP where the funds can be applied in a timely manner toward the rehabilitation of the Section 32 dwelling units acquired from the Housing Authorities of the City and County of Sacramento.

- g. This action constitutes updates to existing plans, programs, budget amendments and designation of authority to carry out activities associated with the allocation of funding only. This action does not constitute approval for any specific projects, and does not change the scope or character or effect on the environment for any specific project that may have already been reviewed and approved. As such, these actions are exempt from or do not require environmental review under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA) 24 CFR 58.34(a)(3)).
- H. A noticed public hearing soliciting comments on the amendment to the 2013 One-Year Action Plan and various year Action Plans, and amendment to the NSP-3 budget to reallocate funds from the NSP-3 Multi-Family Property Recycling Program and the Vacant Property Program to the Single-Family Property Recycling Program, was held by the Sacramento Housing and Redevelopment Commission on July 17, 2013.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, are approved.
- Section 2. The amendment to the 2013 One-Year Action Plan and various year Action Plans to reprogram funding in the estimated amounts of \$125,017 from the NSP-3 Multi-Family Property Recycling Program and \$512,120 from the NSP-3 Vacant Property Program and allocate the funds to the NSP-3 Single-Family Property Recycling Program is approved.
- Section 3. SHRA is authorized to submit amendments to the 2013 One-Year Action Plan and various year Action Plans to HUD.
- Section 4. SHRA is authorized to amend the Agency's budget to reprogram the NSP-3 funds totaling approximately \$637,137.

[Back to Report Table of Contents](#)

RESOLUTION NO. 2013 -

Adopted by the Housing Authority of the City of Sacramento

on date of

AMENDMENT TO THE 2013 ONE-YEAR ACTION PLAN AND VARIOUS YEAR ACTION PLANS IN RELATION TO THE NEIGHBORHOOD STABILIZATION PROGRAM THREE (NSP-3), AND; AMENDMENT TO THE AGENCY BUDGET TO REALLOCATE FUNDS AND OTHER RELATED FINDINGS

BACKGROUND

- A. The U.S. Department of Housing and Urban Development (HUD) requires the adoption of a Five-Year Consolidated Plan (Con Plan) and an annual Action Plan, consistent with the Con Plan, to identify the programs and projects for expenditure of federal fund.
- B. On July 21, 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 provided an additional \$1 billion for the third round of funding under the Neighborhood Stabilization Program, known as NSP-3, which was originally established under the Housing and Economic Recovery Act of 2008 (HERA).
- C. On March 9, 2011, the City and County of Sacramento were awarded \$8,358,000 under NSP-3 to continue neighborhood revitalization efforts associated with the strategic redevelopment of vacant properties.
- D. On January 8, 2013, the Housing Authority, staffed by the Sacramento Housing and Redevelopment Agency (SHRA), was designated as the entity for administering federal grant draw functions and Action Plan funding on behalf of the City of Sacramento.
- E. On January 8, 2013, the City Council and the Housing Authority adopted the 2013-1017 Consolidated Plan and the 2013 One-Year Action Plan identifying the City's housing and community development needs, a long-term strategy to meet those needs, and the projects and programs targeted to receive federal funding.
- F. SHRA has determined that unencumbered funds remain within the NSP-3 Multi-Family Property Recycling Program (PRP) and the Vacant Property Program (VPP) that must be expended by the March 9, 2014 grant expenditure deadline; therefore, appropriate steps should be taken to amend the 2013 One-Year Action Plan and various year Action Plans, and obtain an authorization to reallocate the funds to the Single-Family PRP where the funds can be applied in a timely manner toward the rehabilitation of the Section 32 dwelling units acquired from the Housing Authorities of the City and County of Sacramento.

- G. This action constitutes updates to existing plans, programs, budget amendments and designation of authority to carry out activities associated with the allocation of funding only. This action does not constitute approval for any specific projects, and does not change the scope or character or effect on the environment for any specific project that may have already been reviewed and approved. As such, these actions are exempt from or do not require environmental review under California Environmental Quality Act (CEQA) or National Environmental Policy Act (NEPA) 24 CFR 58.34(a)(3)).
- H. A noticed public hearing soliciting comments on the amendment to the 2013 One-Year Action Plan and various year Action Plans, and amendment to the NSP-3 budget to reallocate funds from the NSP-3 Multi-Family Property Recycling Program and the Vacant Property Program to the Single-Family Property Recycling Program, was held by the Sacramento Housing and Redevelopment Commission on July 17, 2013.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, are approved.
- Section 2. The Executive Director, or designee, is authorized to amend the Housing Authority budget to reprogram funding in the estimated amounts of \$125,017 from the NSP-3 Multi-Family Property Recycling Program and \$512,120 from the NSP-3 Vacant Property Program and allocate the funds to the NSP-3 Single-Family Property Recycling Program.