



CITY OF POMONA COUNCIL REPORT

August 7, 2017

To: Honorable Mayor and Members of the City Council

From: Linda Lowry, City Manager

Submitted By: Benita DeFrank, Neighborhood Services Director

Subject: **Public Hearing Amending the Consolidated Plan and the Fiscal Year (FY) 2017-2018 Annual Action Plan to Allocate \$584,424 in Neighborhood Stabilization Program 1 (NSP1); and Amending the FY 2017-2018 Operating Budgets**

OVERVIEW

Recommendation- That the City Council, conduct a public hearing and after hearing all public comments and discussion, adopt the attached resolution:

1. Amending the Consolidated Plan and the Fiscal Year (FY) 2017-18 Annual Action Plan by allocating \$584,424 in NSP 1 to Activity 4, Redevelopment of a Public Facility, for acquisition of property located at 1390 E. Mission Blvd. for the "Emergency Shelter Annex," Capital Improvement Project (CIP) No. 428-2590-XXXXX-71053;
2. Appropriating \$8,894 of unexpended Neighborhood Stabilization Program (NSP1) funds from FY 2016-17 to the City's FY 2017-18 City Operating Budget; and
3. Appropriating \$67,422 of unexpended Neighborhood Stabilization Program (NSP3) funds from FY 2016-17 to the City's FY 2017-18 City Operating Budget

Fiscal Impact – This action will result in an appropriation of \$8,894 of unexpended NSP1 funds (Fund 124-1791) from FY 2016-17 and an appropriation of \$67,422 of unexpended NSP3 funds (Fund 130-1791) from FY 2016-17.

Public Noticing Requirements – A 10-day public notice of a public hearing and notice of a 15-day public comment period for the Amendment of the Consolidated Plan and Annual Action Plan was published on July 21, 2017 in the Inland Valley Daily Bulletin.

Previous Related Action – On November 17, 2008 the City Council approved the use of NSP1 funds for eligible activities. On February 7, 2011, the City Council approved the use of NSP3 funds for eligible activities. On June 10, 2013, the City Council approved the FY 2013-2018 Consolidated Plan. On June 5, 2017, the City Council adopted the FY 2017-18 Operating Budget and 2017-18 Capital Improvement Budget. On July 17, the City Council adopted the FY 2017-18 Annual Action Plan.

Environmental Impact - There will be no significant environmental impact as a result of the proposed amendment.

EXECUTIVE SUMMARY

The City of Pomona received \$3,530,825 in funding through HUD's Neighborhood Stabilization Program (NSP1) under the Housing and Economic Recovery Act of 2009. To date, the City has also received a total of \$1,511,292 in generated program income from the proceeds of the NSP1 Acquisition, Rehabilitation and Resale program.

This public hearing is to amend the Consolidated Plan and FY 2017-18 Annual Action Plan to allocate the remaining \$584,424 of NSP1 program funds and program income for the eligible activity of redevelopment of public facilities to be used towards the acquisition of property located at 1390 E. Mission Blvd. and to amend the FY 2017-18 City Operating Budget by appropriating \$8,894 of unexpended FY 2016-17 NSP1 funds and \$67,422 of unexpended FY 2016-17 NSP3 funds.

DISCUSSION

The NSP grant was awarded by HUD in March 2009 and funding was utilized to meet the primary objectives of the program which was to mitigate the negative impacts of the foreclosure crisis and housing market collapse and to stabilize and revitalize communities with the greatest needs. The funds have been used for the acquisition, rehabilitation and/or demolition of foreclosed, abandoned or vacant properties; new construction on foreclosed sites; and direct homeownership assistance.

As of today, the City has expended a total of \$4,363,050 in combined NSP1 program funds and program income which resulted in the acquisition of twelve foreclosed properties with a total of 16 units being rehabilitated (8 sold, 6 leased and 2 converted into a Community Center) and 1 direct homeownership activity. In addition, one single family home currently under construction will be sold to a very low income homebuyer.

Staff is recommending an amendment to the Consolidated Plan and FY 2017-18 Annual Action Plan to allocate \$584,424 in program funds and program income into a new eligible activity - development of a public facility under redevelopment. This funding will be used towards the acquisition of property located at 1390 E. Mission Blvd. for the development of the "Emergency Shelter Annex," Project No. 428-2590-xxxxx-71053. The City's FY 2017-18 operating budget currently has a total of \$580,424 budgeted and the \$4,000 shortfall will be added from the recommended appropriation of \$8,894 under NSP1. The remaining balance of the appropriation [\$4,894] will be added to one of the last activities under the NSP1 program, which is homeownership assistance. Once it is completed, the City will work with HUD to close out the NSP1 grant program.

The eligible activities that will be funded with the appropriations for both the NSP 1 program and NSP3 program are listed in Table 1.

Table 1

NSP1		
Eligible Use(s)	Eligible Activities	Appropriate
4 Redevelop, Demolished or Vacant Properties Acc. # 124-1791-66197-71053	<ul style="list-style-type: none"> • Acquisition • Disposition • Public Facilities & Improvements • New Construction • Rehabilitation 	\$4,000*
*This amount will be part of the amendment to the Consolidated Plan and Fiscal Year 2017-18 Annual Action Plan		

NSP1		
Eligible Use(s)	Eligible Activities	Appropriate
2.1.2 Purchase & Rehab of Foreclosed Properties (50% AMI or below) Acc. # 124-1791-52584-58673	<ul style="list-style-type: none"> • Acquisition • Disposition • Relocation • Direct Homeownership Assistance 	\$4,894

NSP3		
Eligible Use(s)	Eligible Activities	Appropriate
2.1 Purchase & Rehab of Foreclosed Properties (50% AMI or below) Acc. # 130-1791-52584-58621	<ul style="list-style-type: none"> • Acquisition • Disposition • Relocation • Direct Homeownership Assistance 	\$67,422**
**\$186,968 is already budgeted		

The City may amend the Consolidated Plan and Annual Action Plan by holding a public hearing and giving citizens the opportunity to comment on the proposed changes. This public hearing is to amend the Consolidated Plan, FY 2017-18 Annual Action Plan, and City FY 2017-18 Operating Budget accordingly.