

# City of Visalia Agenda Item Transmittal

**Meeting Date:** January 11, 2010

**Agenda Item Number (Assigned by City Clerk):** 4h

**Agenda Item Wording:** Authorize staff using Neighborhood Stabilization Program (NSP) Funds to acquire and rehabilitate a foreclosed multi-family complex and contract with a Non-Profit Agency to manage the property

**Deadline for Action:** None

**Submitting Department:** Housing and Economic Development

**Contact Name and Phone Number:** Ricardo Noguera, Housing & Economic Development Director; 4190

**Department Recommendation:** Authorize staff to utilize NSP funds to acquire a foreclosed triplex or four-plex and retain the services of a local non-profit agency to lease and manage the property.

### Project Summary

The City is required to use 25 percent (approximately \$600,000) of its' \$2.38 million NSP allocation from HUD to provide affordable housing for households earning less than 50 percent of the area median income (AMI; less than \$24,000 for a family of four). Thus far, the City has been very successful in acquiring foreclosed single-family homes and refurbishing them and then reselling on the private market. It has been more challenging to fulfill the 50 percent AMI requirement. Through the purchase and eventual rental of a multi-family complex, the City can fulfill this requirement with more purchases to be considered later.

Staff proposes to acquire a triplex or four-plex and complete the rehabilitation and then select an appropriate local non-profit agency to serve as landlord and manage the property and house for very low-income residents.

### Background

In September 2008, the City of Visalia was awarded a \$2.38 million CDBG grant from HUD to acquire and rehabilitate foreclosed properties. The funding became available in March 2009. The City Council also set aside \$500,000 in RDA low/mod funds in January 2009 to jumpstart this program. This proved beneficial and enabled the City to commence the program earlier. The City has a total of 18 months to allocate the original \$2.38 million in NSP funds. The

### For action by:

City Council  
 Redev. Agency Bd.  
 Cap. Impr. Corp.  
 VPFA

### For placement on which agenda:

Work Session  
 Closed Session

### Regular Session:

Consent Calendar  
 Regular Item  
 Public Hearing

Est. Time (Min.): 5

### Review:

**Dept. Head** \_\_\_\_\_  
(Initials & date required)

**Finance** \_\_\_\_\_  
**City Atty** \_\_\_\_\_  
(Initials & date required or N/A)

**City Mgr** \_\_\_\_\_  
(Initials Required)

If report is being re-routed after revisions leave date of initials if no significant change has affected Finance or City Attorney Review.

tentative date for final obligation of funds is September 2010. Thus far, the City has spent approximately \$1.5 million of its' original allocation. The only challenge is the approximately \$600,000 reserved for very low-income households which the City is proposing to expend up to \$250,000 for the acquisition and rehabilitation of a triplex or four-plex complex. Below are brief highlights of the status of the NSP Program to date:

Note: The City's program is geared to recycle its' dollars through the resale of homes in order to purchase and rehabilitate more homes.

#### Homes Purchased and Resold

1. 2946 N. Willis
2. 1829 W. Perez
3. 1821 E. Babcock
4. 1710 N. Park

#### Homes Purchased, Rehabilitated & In Escrow for Resale

1. 620 E. Harold
2. 820 E. Oakridge
3. 2342 N. Jacob

#### Homes Purchased and Under Rehabilitation

1. 1932 W. Vine
2. 2429 N. Clark
3. 2021 W. Ferguson
4. 2339 N. Bradley
5. 2431 N. Charter Oak
6. 2322 N. Jacob

#### Homes In Escrow to be Purchased

1. 2450 N. Clark
2. 1207 E. Ferguson
3. 1922 E. Harold

#### **Prior Council/Board Actions:**

- November 3, 2008 Council approved Substantial Amendment to 2008/09 Annual Action Plan for use of NSP Funds from HUD;
- January 5, 2009 RDA Board approved use of \$500,000 of RDA low/mod funds to acquire foreclosed and abandoned homes

#### **Committee/Commission Review and Actions:**

#### **Attachments:**

- Map of NSP Area
- Photos of Homes Sold or For Sale

**Recommended Motion (and Alternative Motions if expected):**

Authorize staff to utilize NSP funds to acquire a foreclosed triplex or four-plex and retain the services of a local non-profit agency to lease and manage the property.

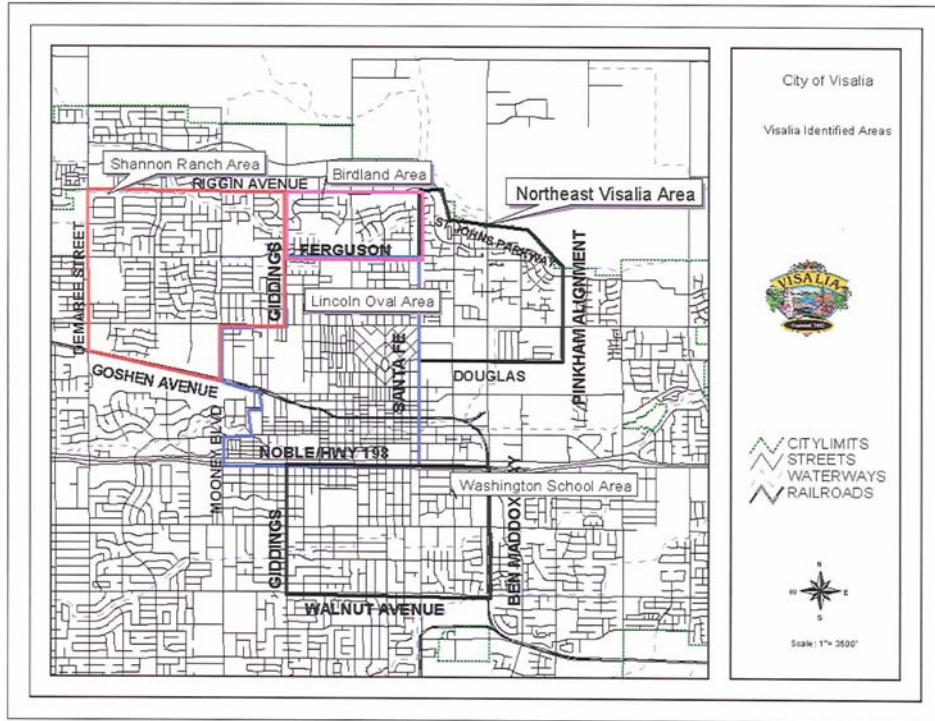
***Environmental Assessment Status***

**CEQA Review: n/a**

**NEPA Review: Environmental review to be conducted to ensure compliance with NSP requirements.**

**Tracking Information:** *(Staff must list/include appropriate review, assessment, appointment and contract dates and other information that needs to be followed up on at a future date) Loan Agreement*

Copies of this report have been provided to:



Attachment "A", Area Map for use of CHDO funds



1932 W. Vine Avenue – This home is located in the NW section of Visalia. The house built in 1977, is approximately 1,238 sq. feet, and has 3 bedrooms and 1.75 baths. To schedule a tour, please contact Felimon Carrasco at 559-786-0115 or email at [carrascoc21@yahoo.com](mailto:carrascoc21@yahoo.com)



1829 W. Perez Avenue – This very well kept, clean and neat house is located in the NW section of Visalia. The house built in 1978, has approximately 1,209 sq. feet, 3 bedrooms and 2 baths. To schedule a tour, please contact Robyn Graham at 559-786-3109 or email at [robyn@dougsre.com](mailto:robyn@dougsre.com)



620 E. Harold Avenue – This house built in 1981, is located in the NE section of Visalia and has approximately 1,238 sq. feet, with 3 bedrooms and 2 baths. To schedule a tour, please contact Robyn Graham at 559-786-3109 or email at [robyn@dougsre.com](mailto:robyn@dougsre.com).



2021W. Ferguson – This house built in 1983, is located in the NW section of Visalia and has approximately 1,231 sq. feet, with 3 bedrooms and 2 baths. To schedule a tour, please contact Robyn Graham at 559-786-3109 or email at [robyn@dougsre.com](mailto:robyn@dougsre.com).



2342 N. Jacob – This house built in 2004, is located in the NW section of Visalia and has approximately 1,025 sq. feet, with 3 bedrooms and 2 baths. To schedule a tour, please contact Robyn Graham at 559-786-3109 or email at [robyn@dougsre.com](mailto:robyn@dougsre.com).



1710 N. Park – This house built in 1975, is located in the NW section of Visalia and has approximately 1,300 sq. feet, with 3 bedrooms and 2 baths. To schedule a tour, please contact Robyn Graham at 559-786-3109 or email at [robyn@dougsre.com](mailto:robyn@dougsre.com).



820 Oakridge – This house built in 1987 is located in the NE section of Visalia and has approximately 1,642 sq. feet, with 3 bedrooms and 2.5 baths. To schedule a tour, please contact Robyn Graham at 559-786-3109 or email at [robyn@dougsre.com](mailto:robyn@dougsre.com).



2429 N. Clark – This house built in 1987 is located in the NE section of Visalia and has approximately 1,642 sq. feet, with 3 bedrooms and 2.5 baths. To schedule a tour, please contact Suzette Knopf at 559-786-4289 or email at [suzcteknopf@kw.com](mailto:suzcteknopf@kw.com).