

DRAFT Action Plan

Substantial Amendment to FY '09 Action Plan

**Neighborhood
SERVICES**



Amendment to Action Plan FY '09

- In order to incorporate the new Neighborhood Stabilization Program (NSP) into the City's FY 09 Action Plan
- NSP is authorized under Title III Division B of the Housing and Economic Recovery Act of 2008 (HERA).
 - Signed by the President on July 30, 2008



Neighborhood Stabilization Program (NSP)

Under the NSP:

- The City will receive additional funds (\$5,070,310) from HUD in order to purchase foreclosed or abandoned homes and to rehabilitate, resell, or redevelop these homes in order to stabilize neighborhoods and stem the decline of house values of neighboring homes.
- NSP is treated as CDBG Funds
- HERA alters several key CDBG provisions

CITY OF
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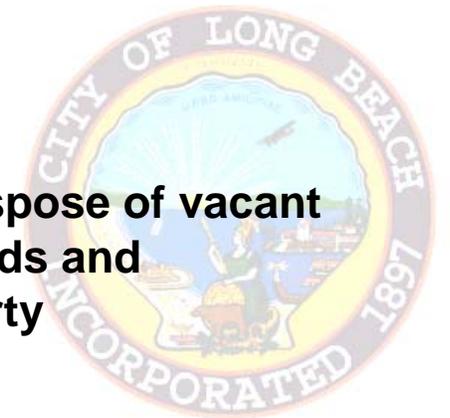
HUD's Formula Methodology

- The number and percentage of home foreclosures in each State or unit of general local government
- The number and percentage of homes financed by a sub-prime mortgage related loan in each State or unit of local government
- The number and percentage of homes in default in each State or unit of general local government



What Will This Money Do?

- **This funding is intended to stabilize neighborhoods. To do this, the City can:**
 - **Buy abandoned or foreclosed homes/residential properties**
 - **Redevelop demolished or vacant properties**
 - **Demolish or rehabilitate abandoned, foreclosed or blighted properties**
 - **Create “land banks”**
 - **Used to assemble, temporarily manage, and dispose of vacant land for the purpose of stabilizing neighborhoods and encouraging re-use or redevelopment of property**



What Are The Requirements?

- **Requires all funds be used with respect to individuals and families whose income does not exceed 120 percent of area median income (AMI).**
- **Requires that at least 25 percent of the funds be used for the purchase and redevelopment of homes and properties that will be used to house individuals and families with incomes not greater than 50 percent of area median income (AMI).**



What Are The Requirements?

(Continued)

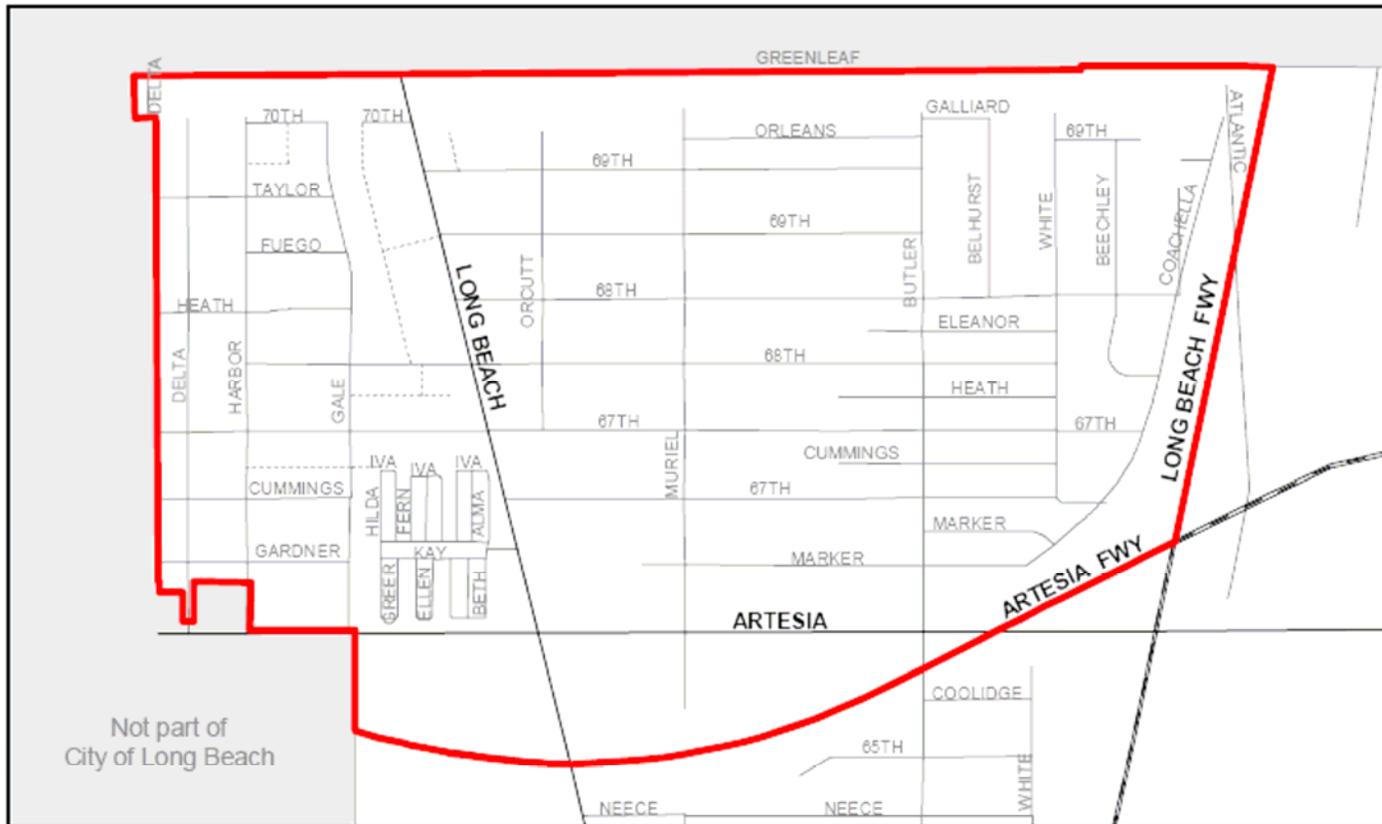
- **Requires states and local governments to give priority emphasis and consideration to areas with the greatest need, including those:**
 - **With the greatest percentage of foreclosures**
 - **The highest percentage of sub-prime mortgages**
 - **Those at risk of increased foreclosures**



Housing Action Plan Areas

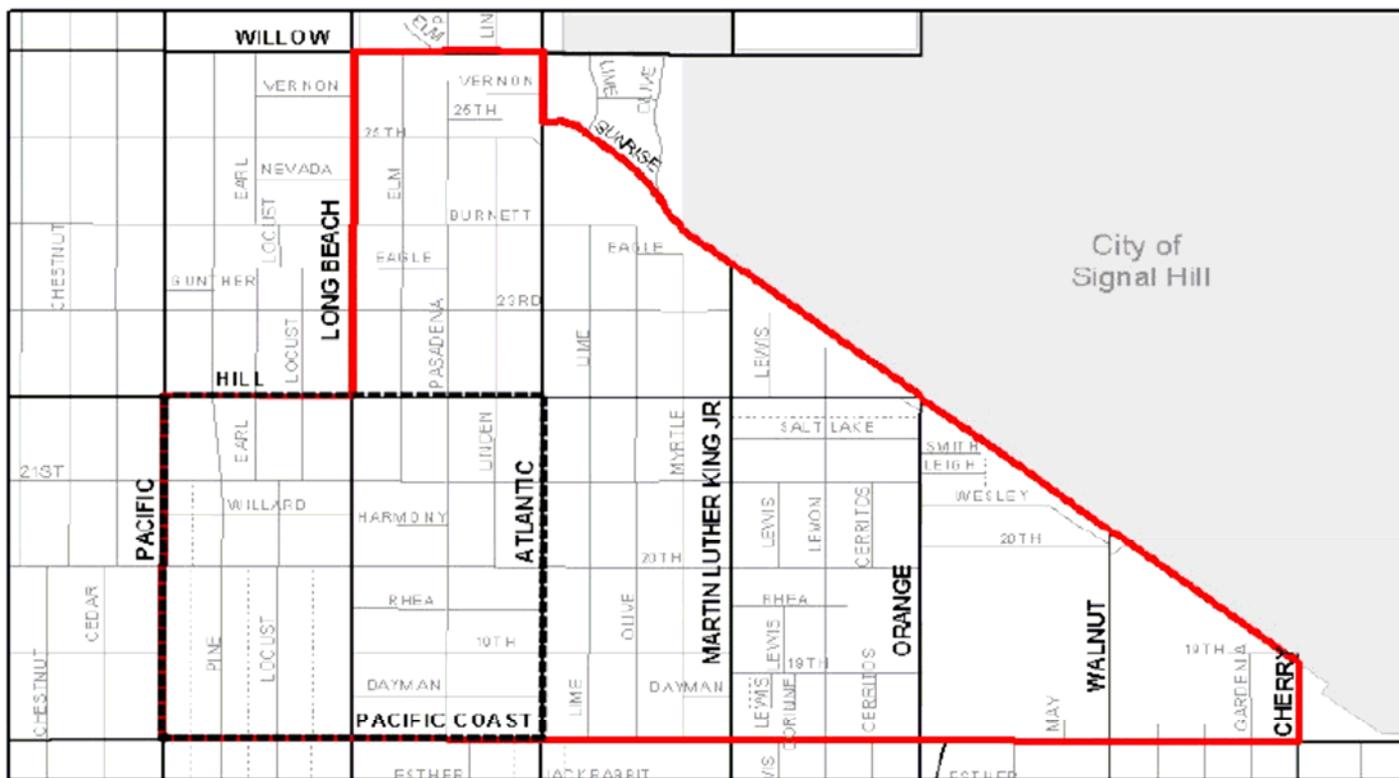
North Long Beach King School

Focus Area (HAP)



Housing Action Plan Areas (Continued)

Central Focus Area (HAP)



What Are The Requirements?

(Continued)

- **No matching funds are required**
- **Directs states and local governments to use their allocation within 18 months of receipt**
- **Use = obligate for a specific project**



Summary Draft of Proposed Activities

CDBG Allocation	\$ 5,070,310
Purchase/rehabilitate one multi-unit building with rents restricted to 50% of median	\$ 1,300,000
Purchase/demolish (3 Parcels)	\$ 1,000,000
Purchase/rehabilitate (7 Parcels) foreclosed homes/condos for resale to 120% of median first time home Buyers	\$ 2,263,279
Administration/planning (10%)	\$ 507,031



Examples



Examples (Continued)



Examples (Continued)



Examples (Continued)



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New
SERVICES

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Vacant Building Ordinance

- Monthly foreclosure list
- Vacant building monitoring and maintenance



Second Mortgage Assistance Program

- Administered by the Long Beach Housing Development Company
- Up to \$275,000
- Deferred interest – no monthly payment
- Due when property sold or title transferred OR
- Due when the first mortgage loan is refinanced OR
- Due if the borrow no longer occupies the property



Timeline

October 1, 2008

Publish Public Hearing Notice

October 15, 2008

Conduct Public Hearing to present draft Action Plan amendment

October 15 – November 18, 2008

Develop Amendment for City Council approval

November 18, 2008

Seek City Council approval

November 19- December 1, 2008

Finish and certify final draft

December 1, 2008

Submit Amended Action Plan to HUD



Recommended Action

- **Community Development Advisory Commission approve the FY '09 Draft Action Plan Amendment regarding the Neighborhood Stabilization Program (NSP) and forward to the City Council for final approval.**

