

The County of Yuba

Community Development and Services Agency



TO: Board of Supervisors

FROM: Community Development and Services Agency, Rachel Downs

SUBJECT: Adopt resolution appointing CDSA Director as the Real Property Negotiator for Community Development and Services Agency's Acquisition for Rehabilitation Program

DATE: April 27, 2021

NUMBER: 187/2021

Recommendation:

Adopt the attached resolution appointing CDSA Director as the Real Property Negotiator for Community Development and Services Agency's Acquisition of real property for Rehabilitation Program, and subsequent rehabilitation and resale of single-family residential properties to improve the availability of affordable housing within Yuba County.

Background:

Yuba County's Community Development and Services Agency (CDSA) has a long history of offering low-interest, deferred payment loans to home buyers meeting income qualifications through the State of California's Department of Housing and Community Development (HCD) Community Development Block Grant (CDBG) program. When these loans are paid off or a home is sold, the loan, plus outstanding interest, are collected by the County and are termed Program Income (PI). The CDBG loan program has resulted in over \$800,000 in PI which is ready to be reinvested into our community.

Additionally, in 2017, Governor Jerry Brown signed a 15-bill housing package aimed at addressing the state's housing shortage and high housing costs. Specifically, it included the "Building Homes and Jobs Act" (SB 2), which established a \$75 recording fee on real estate documents to help increase the supply of affordable homes in California. These fees are then distributed to local agencies by HCD through the Permanent Local Housing Allocation (PLHA). Yuba County was allocated over \$270,000 through PLHA from 2019 transactions. CDSA anticipates receiving annual funding for a minimum of five (5) additional years, which can continuously be invested into affordable housing opportunities for low-to-moderate income residents. Because the number of real estate transactions recorded will vary from year to year, revenues will fluctuate annually.

These funding sources provide a timely infusion to help us combat Yuba County's housing shortage for low to moderate income (LMI) households, a problem mirrored throughout the State. CDSA's Acquisition for Rehabilitation Program is directly aimed at improving the most nuisance-ridden properties, revitalizing them into vibrant and productive properties. The program is focused within the County's Valley Growth Boundary, specifically the communities of Linda and Olivehurst. The program will acquire dilapidated properties through tax sale or direct voluntary sale from owners, and work with contracted professionals to rehabilitate existing structures or build a new homes when the lot is vacant or structures are not salvageable.

Per program guidelines and funding requirements, eligible buyers of rehabilitated homes must meet HCD income qualifications at or below 80% of the County's median household income, adjusted by household size. Furthermore, a twenty (20) year deed restriction is placed on the property title, as the program aims to provide affordable housing to LMI residents today, and for years in the future.

Discussion:

In order to acquire property in a timely and efficient fashion, the Board may authorize the CDSA Director to enter into real property negotiations on behalf of the County, with contingent offers subsequently being presented to and approved by the Board. Upon Board approval, the real property negotiator may acquire, rehabilitate and resell the property within the scope of the Acquisition for Rehabilitation program.

Committee Action:

Due to time constraints, this item is being presented directly to the full Board for consideration.

Fiscal Impact:

Program funds will be sourced from Community Development Block Grant or the County's Permanent Local Housing Allocation monies. There is no impact to the General Fund.

Budget:

General Fund - None
Non-General Fund- None

Attachments:

Resolution to Authorize CDSA Director as Real Property Negotiator