




# City of Carson Report to Mayor and City Council

May 9, 2011  
New Business Consent

**SUBJECT: CONSIDER AN UPDATE ON THE STATUS OF THE IMPLEMENTATION OF THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)**

  
Submitted by Clifford W. Graves  
Economic Development General Manager

  
Approved by Clifford W. Graves  
Interim City Manager

## **I. SUMMARY**

This report is an update on the city of Carson's Neighborhood Stabilization Program (NSP). Staff recommends that the identified property within the targeted area be approved for acquisition through the investment of the NSP funds.

The requested actions relate to the city of Carson's responsibilities in administering a grant award through the California Department of Housing and Community Development's (HCD) Neighborhood Stabilization Program. The cities of Carson and Lynwood (Cities) will use the NSP funds to acquire, rehabilitate, and resell foreclosed and abandoned homes in the designated targeted areas.

## **II. RECOMMENDATION**

TAKE the following actions:

1. APPROVE the acquisition of 22031 S. Main Street, Unit 11, as an activity.
2. AUTHORIZE the Mayor to execute and finalize the purchase agreements for the acquisition of the identified properties as it relates to the Neighborhood Stabilization Program, following approval as to form by the City Attorney.

## **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate.

## **IV. BACKGROUND**

### **A. NSP**

On June 16, 2009, the City Council adopted Resolution No. 09-059 (Exhibit No. 1), which authorized staff to submit a joint application from the city of Carson and the city of Lynwood to HCD for the receipt of NSP funds. Since that time, staff has remained in communication with HCD regarding the status of the funding and benchmarks. The city of Carson, as the lead agency, then entered into a standard agreement with HCD. At the City Council meeting on November 4, 2009, (Exhibit No. 2) the City Council approved the standard agreement which provided the terms and special conditions governing the award and the direct use, obligation,

and expenditure of NSP funds. Based on the permissible uses of NSP funds, the cities opted to implement the acquisition, rehabilitation, and resale component of the program to address the abandoned and foreclosed homes within the respective jurisdictions.

Staff has solicited the necessary professional services to implement the NSP. In addition, staff has identified eligible properties for acquisition, rehabilitation, and resale. The necessary accounts to facilitate funding and accounting have been established.

#### B. NSP Resale Activities Update

One component of the NSP is the reselling of the homes which we have acquired and rehabilitated. As a result, staff has identified a lottery as the process for selecting homebuyers. Through this process staff identified two homebuyers, Ms. Rosa Quintero and Ms. Joyce Williams. Ms. Quintero selected one of the four city of Lynwood homes. Ms. Williams selected one of the five homes in the city of Carson (Exhibit No. 3). To date, staff has sold two of nine properties purchased under the NSP with two additional properties currently in escrow. The status of the NSP properties in the Cities is as follows:

1. 4547 Cardwell Street, Lynwood, California 90262 (Sold to Ms. Quintero)
2. 1 Eastridge Lane, Carson, California 90745 (Sold)
3. 200 W. Clarion Street, Carson, California 90745 (Pending)
4. 11400 Elm Street, Lynwood, California 90262 (Pending)
5. 21728 Grace Street, Unit 106, Carson, California 90745 (Available)
6. 12 Quail Row Lane, Carson, California 90745 (Available)
7. 11 Kingswood Lane, Carson, California 90745 (Available)
8. 4020 Virginia Street, Lynwood, California 90262 (Available)
9. 3238 Euclid Avenue, Lynwood, California 90262 (Available)

Staff is actively marketing the available properties to prospective homebuyers. Staff has created a webpage, distributed flyers to the cities community-based organizations, and is showing the properties to agents and qualified homebuyers. Moreover, in this resale phase of the NSP, staff is currently conducting open houses for agents, lenders, and prospective homebuyers.

#### C. NSP Scottsdale Open Houses

On Saturday, April 9, 2011, staff held simultaneous open houses in the Scottsdale Townhome Community from 11:00am to 2:00pm. The open houses were held in 11 Kingswood Lane and 12 Quail Row. The event was well attended and well received by the Scottsdale community. During the open houses, attendees were given information about the process that must be followed in order to purchase one of the NSP properties. Staff provided applications, property information and

an on-site lender to provide technical assistance. In follow-up to the event, staff received a number of calls from potential buyers. The feedback has been positive. Staff will periodically coordinate open houses at the remaining available NSP properties until the properties are sold.

**V. FISCAL IMPACT**

No impact to General Fund. The city received an award of \$1,329,065.00 in NSP funds for the purpose of administering the acquisition, rehabilitation, and resale program.

**VI. EXHIBITS**

1. Minutes, June 16, 2009, Item No. 18. (pgs. 4-8)
2. Minutes, November 4, 2009, Item No. 17. (pgs. 9-10)
3. Map NSP Acquisitions. (pg. 11)

Prepared by: Cecil Flourmoy, Redevelopment Project Manager

TO:Rev032811

Reviewed by:

City Clerk	<u>City Treasurer</u>
<u>Administrative Services</u>	<u>Development Services</u>
<u>Economic Development Services</u>	<u>Public Services</u>

**Action taken by City Council**

Date\_\_\_\_\_ Action\_\_\_\_\_



**MINUTES  
CARSON CITY COUNCIL  
REGULAR MEETING  
JUNE 16, 2009**

**5:00 P.M.**

**ITEM NO. (18) PUBLIC HEARING ON THE PROPOSED SUBMISSION OF AN  
APPLICATION TO THE STATE OF CALIFORNIA FOR  
FUNDING UNDER THE NEIGHBORHOOD STABILIZATION  
PROGRAM (NSP) (ECONOMIC DEVELOPMENT)**

**Public Hearing**

Mayor Dear declared the Public Hearing open regarding the **PROPOSED SUBMISSION OF AN APPLICATION TO THE STATE OF CALIFORNIA FOR FUNDING UNDER THE NEIGHBORHOOD STABILIZATION PROGRAM (NSP)**.

**City Clerk's Report**

City Clerk Kawagoe reported that notice of the Public Hearing had been given pursuant to applicable law, including but not limited to the timely publication in English and Spanish and copy of proofs received by the City Clerk; notice to the applicants by U.S. mail to the City of Lynwood, 11330 Bullis Road, Lynwood, California 90262 and City of Carson; and postings as required by law; and other mailings as requested by individuals and organizations. The affidavits attesting to mailing and publishing such notice were on file in the City Clerk's Office. No written communications were received.

Mayor Dear directed that all affidavits of notice be made part of the record.

### **Staff Report**

Economic Development General Manager Graves summarized the staff report and recommendation. He reported that, if approved, the resolution would be transmitted to the State tomorrow.

City Attorney Wynder reported that the firm of Aleshire & Wynder also serves as City Attorney for the City of Lynwood. Furthermore, that disclosed in their review of the form documents, was that they did not identify anything viewed as a potential conflict for the cities of Carson and Lynwood.

Economic Development General Manager Graves reported that the City of Gardena decided not to accept the funds at all.

### **Administration of Oath**

Mayor Dear requested that all persons wishing to testify to stand and take the Oath, which was administered by City Clerk Kawagoe.

### **Public Testimony**

Latrice Carter, 19018 Belshaw Avenue, Carson, California 90746, discussed her concern that this would be more of an issue than a benefit for Carson. She believed that there were other remedies and that the City should not add more problems that can be handled at this time.

Maria Guadalupe Manuela Reyes Adame, 8 Cactus Lane, Carson, California 90745, urged that the City Council approve the staff recommendation and invest in Scottsdale.

Oudie T. Wall, Jr., 8 Cactus Lane, Carson, California 90745, referred to previous comments relative to figures and money and clarified that this issue dealt with people's and that this issue was about morals and values.

Dr. Rita Boggs, 21328 Island, Carson, California 90745, stated that she was neither in support of or against this issue and discussed the following concerns: 1) understood that there was a moratorium on foreclosures in California; 2) to not fix up homes and sell to an investor; 3) although she had no objection to using this in Scottsdale, it may make people think that the City will fix up the homes and may discourage anyone from fixing up the house.

Louis Cogut, 17701 S. Avalon Boulevard, No. 50, Carson, California 90746, echoed the previous speakers and the concerns expressed by Dr. Boggs and stated that he was neither in support of or against this issue and discussed the following concerns: 1) whether the targeted areas were just within Lynwood and Carson; 2) with respect to the cities of Lynwood and Carson, who would watch from the other side; and 3) the number of homes under consideration.

There being no further testimony to be provided, Mayor Dear declared the Public Hearing closed. He requested staff to respond to the issues raised. Whereupon, staff discussed the following issues:

- That HUD had set up standards of transparency and accountability;
- Carson was handling the administrative aspects;
- Funds would stay in Lynwood and in Carson;
- There was not a moratorium in California.
- There was more than an adequate supply of bank-owned properties that might benefit.
- That the amount of funds relative to the opportunities was relatively small; a maximum of 12-14 houses would be helped.
- Staff would return with more specific target areas.

(Council Member Gipson exited the meeting at 9:32 P.M. and reentered the meeting at 9:33 P.M.)

City Manager Groomes referred to the concern expressed that the program may become a disincentive for people and clarified the following: 1) staff intended to rehab and sell; 2) the disincentive was that properties stay foreclosed; 3) in the long-term, property tax would benefit; and 4) it would enhance nearby properties.

Mayor Dear stated that, if approved, tonight's agenda item could be used as tool to help Scottsdale. He complimented Council Member Santarina, who serves with him on the Carson Foreclosure Sub-Committee, and has been working with agencies and entities involved in the foreclosure issue. He stated that a report would be brought back to the City Council.

RECOMMENDATION for the City Council:

TAKE the following actions:

1. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing.
2. APPROVE the NSP Joint Cooperation Agreement with the city of Lynwood.
3. WAIVE further reading and ADOPT Resolution No. 09-059, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, AUTHORIZING AND APPROVING THE SUBMISSION OF AN



APPLICATION FOR FUNDING FROM THE STATE OF CALIFORNIA  
NEIGHBORHOOD STABILIZATION PROGRAM (NSP), AND THE  
EXECUTION OF A GRANT AGREEMENT AND ANY AMENDMENTS  
THERE TO."

4. AUTHORIZE the City Manager to sign the grant agreement, and any subsequent amendments thereto, with the State of California for the purposes of this grant.

ACTION: It was moved to approved recommendation Nos. 2, 3, and 4 on motion of Dear and seconded by Gipson.

Mayor Dear amended his motion to include the deletion of the signature line for the City Manager and to add the signature line for the Mayor, in order to stay consistent with the signature policy, which was accepted by Gipson.

Upon inquiry, Economic Development General Manager Graves reported on the following issues:

- That SB 1137 defined a protracted procedure for going into the foreclosure process; places a higher onus on lenders in terms of the procedure they follow; and would slows them down. He added that a more thorough analysis would be provided to the City Council.
- That during the brief period of ownership by the City, the loss of 12 months would be more than offset with higher property tax assessment.

Upon inquiry, City Treasurer Avilla expressed her support for the City Council to approve the staff recommendation.

Economic Development General Manager Graves further discussed the following issues:

- The restriction on the sale of rehab property.
- That the majority of the neighborhoods that qualify from an income standpoint were located in south Carson; there may be some flexibility for the north Carson area; clarified that the City would not be able to take care of every foreclosure and would not try.
- That the City could inspect and refuse property.
- That the screening and selection process would come back to the City Council; the first target would be the homes owned by Fannie Mae.

The amended motion was unanimously carried by the following vote:



Ayes: Mayor Dear, Mayor Pro Tem Davis-Holmes, Council Member Santarina,  
Council Member Gipson, and Council Member Ruiz-Raber  
Noes: None  
Abstain: None  
Absent: None

(Mayor Pro Tem Davis-Holmes exited the meeting at 9:52 P.M.)

Mayor Dear directed that the Redevelopment Agency Sub-Committee have the issue on its agenda to look at whether Scottsdale would be an appropriate use of this tool, with no objections heard.







**MINUTES  
CARSON CITY COUNCIL  
ADJOURNED REGULAR MEETING  
NOVEMBER 4, 2009**

**5:00 P.M.**

**ITEM NO. (17) PUBLIC HEARING TO CONSIDER RESOLUTION NO. 09-121 REGARDING THE PROPOSED NEIGHBORHOOD STABILIZATION PROGRAM (NSP) INCOME REUSE PLAN; APPROVING THE PROPOSED NSP PROGRAM INCOME REUSE PLAN; AND NSP STANDARD AGREEMENT WITH THE STATE OF CALIFORNIA (ECONOMIC DEVELOPMENT)**

This item was heard after Item No. 13 at 12:02 A.M., on November 5, 2009.

**Public Hearing**

Mayor Dear declared the Public Hearing open regarding **TO CONSIDER RESOLUTION NO. 09-121 REGARDING THE PROPOSED NEIGHBORHOOD STABILIZATION PROGRAM (NSP) INCOME REUSE PLAN; APPROVING THE PROPOSED NSP PROGRAM INCOME REUSE PLAN; AND NSP STANDARD AGREEMENT WITH THE STATE OF CALIFORNIA.**

**City Clerk's Report**

City Clerk Kawagoe reported that notice of the Public Hearing had been given pursuant to applicable law, including but not limited to the timely publications, and such copies of proofs received by the City Clerk; postings as required by law and other mailings as requested by individuals and organizations. The affidavits attesting to mailing and publishing such notice are on file in the City Clerk's Office. No written communications were received.

Mayor Dear directed that all affidavits of notice be made part of the record.

**Staff Report**

City Manager Groomes and Housing and Neighborhood Development Manager Adams summarized the staff report and recommendation.

**Administration of Oath**

Mayor Dear requested that all persons wishing to testify to stand and take the Oath.

**Public Testimony**

There being no testimony to be provided, Mayor Dear declared the Public Hearing closed.

RECOMMENDATION for the City Council:

TAKE the following actions:

1. OPEN the Public Hearing, TAKE public testimony, and CLOSE the Public Hearing.
2. WAIVE further reading and ADOPT Resolution No. 09-121, "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CARSON, CALIFORNIA, AUTHORIZING AND APPROVING THE PROGRAM INCOME REUSE PLAN FOR THE STATE OF CALIFORNIA NEIGHBORHOOD STABILIZATION PROGRAM AND ANY AMENDMENTS THERETO."
3. APPROVE the Neighborhood Stabilization Program (NSP) Program Guidelines and the NSP Rehabilitation Standards.
4. AUTHORIZE the Mayor to execute the NSP Standard Agreement #09-NSP1-6107 between the city of Carson and the California Department of Housing and Community Development.




ACTION: WITH FURTHER READING WAIVED, it was moved to PASS, APPROVE, and ADOPT Resolution No. 09-121, as read by title only, and approved staff recommendation nos. 3 and 4 on motion of Santarina, seconded by Dear and unanimously carried by the following vote:

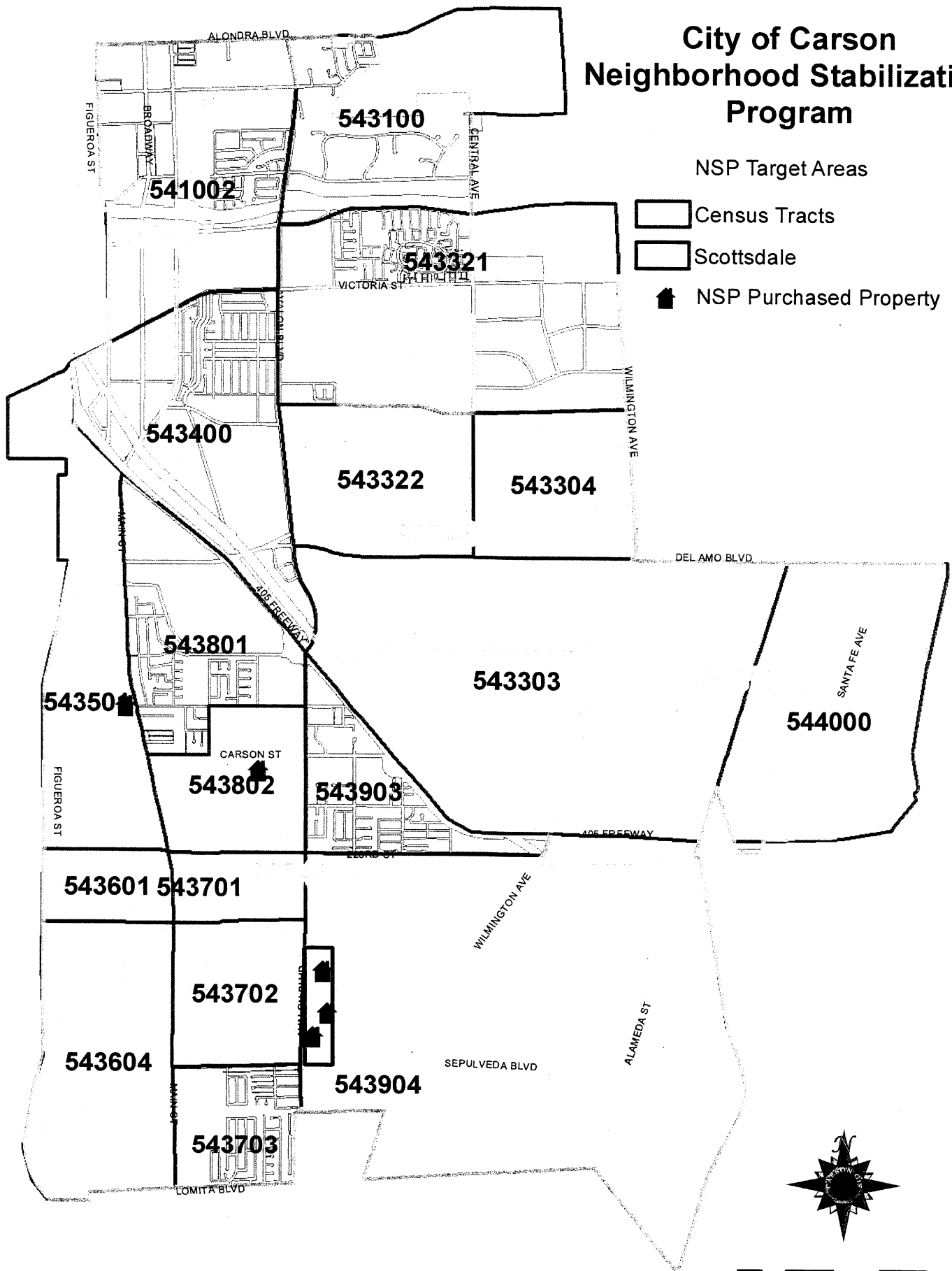
Ayes:	Mayor Dear, Mayor Pro Tem Davis-Holmes, Council Member Santarina, Council Member Gipson, and Council Member Ruiz-Raber
Noes:	None
Abstain:	None
Absent:	None



# City of Carson Neighborhood Stabilization Program

NSP Target Areas

-  Census Tracts
-  Scottsdale
-  NSP Purchased Property



0 0.25 0.5 0.75 1 Miles

