

## 1. NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Barr, Jane Royer
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## 2. Areas of Greatest Need

The County of Monterey continues to struggle with a downward spiraling economy and diminishing resources with which to respond. Unemployment is at an all time high with companies downsizing and people uncertain that they will retain their jobs. There is an overall mood of fear that is impacting the chances of recovery in the near term. The housing market is directly tied to the local economy. Until unemployment is reduced and people with jobs feel confident that they will retain their jobs, the housing market can not recover.

Monterey County's annual unemployment rate for 2010 was 13% compared to a national rate of 9.6%. Over the last 10 years, the County's unemployment rate has consistently been about 3% higher than the national rate. Unemployment in Monterey County is also very seasonal as a result of the large number of agricultural and hospitality jobs and ranged from a summer time low of 10.3% to as high as 17.8% in the early winter months of 2010. According to the California Employment Development Department, the unemployment rate in Monterey County in December was 16.4%. Unemployment is also more pronounced in the South Monterey County area which is dominated economically by agriculture. The California Employment Development Department estimated that the December 2010 unemployment rate in the City of Soledad in South Monterey County was 20.5%. Soledad was chosen as one of the two target areas based, in part, upon this particularly high rate.

The Monterey County housing market continues to face uncertain times as the economic recovery shows little visible improvement in local job growth. Combined with a very low sales inventory, competition from well capitalized investors, increasing mortgage rates, and further declines in housing prices, buyers have been very slow to return to the home ownership market. The pool of potential buyers has been reduced substantially by the credit damage incurred from record-level foreclosures. Many credit-worthy buyers have been effectively shut out of the market as sellers, many of which are banks, opt for offers from investors featuring very high equity percentages.

Despite the slowing pace of foreclosures, the Salinas Californian newspaper recently reported that nearly one in every four property transfers in Monterey County was a foreclosure in 2010. This report quotes industry observers who predict a peak nationally in foreclosure activity in 2011. This may or may not happen in Monterey County, but banks still have large numbers of foreclosed homes that are not currently on the market. The long period of time needed to absorb these properties will mean that housing prices which are down 25-50% from 2008 levels will not recover for a long time.

The housing asset bubble in Monterey County reached a high point in 2007 when the 1,479 homes sold had an average price of \$1,014,186. Sales in South Monterey County, including Soledad, accounted for only 10% of the home sales that year and the average home sold for \$402,840, a 23% price decrease from 2005 indicating that home values started falling earlier in south Monterey County than the rest of the county. Not only did the values peak earlier, they have also fallen farther. The average south

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Monterey County home sold for \$165,858 in 2010, 68% less than the average 2005 sales price. Countywide home sale prices have decreased from the 2007 high point to \$418,514, a 59% change. (Source: Monterey County Association of Realtors Annual Statistics).

The average rent for a two bedroom, two bathroom apartment in Monterey County is \$1,352 per month. This is up from approximately \$1,250 in 2005. The rental market has expanded as foreclosed properties are converted to rental units. However, more people are participating in the rental market as they experience foreclosure and are displaced from their single family homes. While rents have increased, the recent increase of supply may help to stabilize rent prices in the near term. While this is generally good news for moderate income renters, low income and special needs renters continue to struggle. They not only compete for units but often have insufficient income to rent which only exacerbates the problem of doubling up in housing and being willing to accept substandard housing.

### Map Submission

The maps generated at the HUD NSP3 Mapping Tool for Preparing Action Plan website are included as attachments.

### Data Sources Used to Determine Areas of Greatest Need

<b>Describe the data sources used to determine the areas of greatest need.</b>
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Response:

The County prepares an Annual Housing Report (AHR) that examines current housing trends and data in regard to the real estate market, including foreclosures, as developed through tracking of real estate trends in the county, interviews with real estate professionals, meetings with a Steering committee of representatives of other cities in the county, and economic analysis conducted by private economists. The AHR also includes funding requests submitted by affordable housing developers in response to a Notice of Funding Availability. Other resources used by the County include the material made available by HUD through the HUDUser website and the Policy Map website.

### Determination of Areas of Greatest Need and Applicable Tiers

<b>Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.</b>
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Response:

Two areas of need have been identified:

The first area of greatest need proposed was selected in furtherance of the requirement that 25% of the allocation be used to provide housing to those earning less than 50% of the Area Median Income (AMI). Housing that is generally appropriate for this income level is rental housing. A local non-profit developer is undertaking an affordable rental housing project for a special needs population that is in the early

stages of development. The project is known as Rockrose Gardens and is located on the former Fort Ord in the City of Marina. The site is improved with two blighted buildings containing eleven units. The property has been vacant since the closure of Fort Ord in the mid-1990s. Almost two decades of long-term neglect and frequent vandalism have led to the serious deterioration of the buildings to the degree that they are unsafe, unhealthy, and no longer viable. The buildings are now in extreme disrepair and need to be demolished. They represent a blight in regard to the balance of the housing in the neighborhood which was rehabbed and reoccupied over a decade ago. While the target area NSP3 score is low, it is believed to be so due to the location on the former Fort Ord which includes only multi-family housing, primarily owned by the Fort Ord Reuse Authority and city jurisdictions. This severely limits the possibility of foreclosures and creates a situation where only vacancy rates drive the score. Nevertheless, the project meets the definition of greatest need based upon the percentage of area benefit eligibility (67% at less than 120% AMI and 48.7% at less than 80% of AMI) and the need to demolish blighted structures currently marring the neighborhood.

The second area of greatest need was primarily established through use of the HUD mapping data which indicated that there were four cities in southern Monterey County that would qualify for the NSP3 Program. Based upon the County's funding allocation and, in order to make a significant impact, it was determined that the allocation would best support a single target area in one city in southern Monterey County. The County has had experience in purchasing housing in the four cities in southern Monterey County for NSP1. In the northern-most two cities (Gonzales and Soledad), there is higher demand for housing units given that they are closer to the job centers of Salinas and the Monterey Peninsula. Subsequently, discussions were held with those two cities to choose in which city to provide the program and to refine the neighborhood target area. The result is a target area in the east central portion of Soledad, a city which has been greatly affected by foreclosure activity. There were 73 foreclosure starts in the past year representing 5% of the total housing units in the target area and 41 Real Estate Owned houses representing 3% of the housing stock. The estimated percent of housing units with a high cost mortgage between 2004 and 2007 was over 25%. Based upon this data, it is likely that Soledad could experience a significant rise in the rate of home foreclosures this year. Data on foreclosures in the target area indicate that there currently ten foreclosed homes listed for sale in the target area. Based upon this current data, the target area was sized to be large enough to have some choices in purchasing houses. The target area's NSP3 score is 18.08 and has a high percentage of area benefit eligibility (81.51% at less than 120% AMI and 58.71% at less than 80% of AMI).

Given the size of the allocation, no tiered approach was utilized to determine the distribution of funding.

Based upon the above areas of need , the County is proposing three activities:

- Purchase and demolition of an abandoned property located in the City of Marina and subsequent new construction of 22 units of affordable rental housing for psychiatrically disabled and restricted to those earning less than 50% of the Area Median Income (AMI) by a non-profit;
- Purchase and rehabilitation of two foreclosed single family homes with subsequent resell to a non-profit to be used for rental housing for those with special needs (farmworkers and/or disabled) and restricted to those earning less than 50% of the Area Median Income (AMI); and
- Purchase and rehabilitation of two or three foreclosed single family homes with subsequent resell to a non-profit to be used for rental housing for those with special needs (farmworkers and/or disabled) and restricted to those earning less than 120% of the Area Median Income (AMI).

### 3. Definitions and Descriptions

#### Definitions

Term	Definition
Blighted Structure	<p>The following description of physical blight is found in the Section 33031 Subdivision (a) of the California Health and Welfare Code:</p> <p>(1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.</p> <p>(2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.</p> <p>(3) Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.</p> <p>4) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.</p>
Affordable Rents	<p>Monterey County defines an affordable rental housing cost as the rent plus an allowance for utilities as developed by the Housing Authority of the County of Monterey. Affordable housing costs shall not exceed 30% of very low-income limits (50% of median income, adjusted by bedroom size) for very low-income households, or 30% of low-, moderate- and middle-income (LMMH) limits (120% of median income, adjusted by bedroom size) for LMMH households.</p>

#### Descriptions

Term	Definition
Long-Term Affordability	<p>The County will impose a minimum term of 15 years of affordability on rental housing acquired or developed with NSP3 assistance. Seven units at the Rockrose Gardens project in the City of Marina will be restricted to special needs populations earning no more than 50% of the AMI. In Soledad, four or five single family houses expected to be three to four bedrooms in size are estimated to be purchased. Two of these will be restricted to special needs populations earning no more than 50% of the AMI. The balance of the houses purchased will be restricted to special needs populations earning less than 120% of the AMI.</p>
Housing Rehabilitation Standards	<p>The County has adopted Housing Rehabilitation Standards that is used for all County sponsored residential rehabilitation projects. The <u>Rehabilitation Standards</u> to be utilized in order to determine the scope, eligibility, and completion of rehabilitation work are:</p> <ul style="list-style-type: none"> <li>• Federal Housing Quality Standards;</li> <li>• State of California, Health and Safety Code;</li> <li>• If unit was built prior to 1978, Lead-Based Paint Regulations as provided</li> </ul>

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	<p>in Title X of the Housing and Community Development Act of 1992 (see Appendix 10); <b>Please note:</b> for purposes of this NSP3 program, housing purchases will be limited to those structures built after 1978 so that there are no lead-based paint issues.</p> <ul style="list-style-type: none"><li>• Cost Effective Energy Conservation and Effectiveness Standards; and</li><li>• Section 504 Standards (applicable to multi-family structures).</li></ul> <p>The following codes adopted by Monterey County as they relate to:</p> <ul style="list-style-type: none"><li>• Repairs/replacement and rehabilitation completion in existing housing;</li><li>• New construction;</li><li>• Uniform Building Code;</li><li>• Uniform Mechanical Code;</li><li>• Uniform Plumbing Code;</li><li>• National Electrical Code; and</li><li>• Uniform Housing Code.</li></ul> <p>In addition to the above codes and standards, the following is a list of the major priorities that will be accomplished within the rehabilitation process:</p> <ul style="list-style-type: none"><li>• A sound, watertight roof, with the expectation of a minimum of ten years' weather protection;</li><li>• An adequate and safe heating system serving all the living space with a heating unit in good operating order and the expectation of a relatively long operating life;</li><li>• Plumbing in good working order, safe, and sanitary;</li><li>• Electrical service of a minimum of 100 amps with no unsafe conditions;</li><li>• Exterior surfaces must be in an adequate state of repair, sufficient paint on all surfaces needing weather protection, no rotted materials, and a general stable condition with no threat of further deterioration;</li><li>• Foundation and floor support systems should provide adequate support to maintain the structural integrity of the building; correction of signs of undue settlement, i.e., installation of foundation systems;</li><li>• Structural components must be sound and considered serviceable for the expected useful life of the building;</li><li>• Removal of any threat of water penetration into the house or of any condition which might affect structural integrity;</li><li>• Adequate kitchen facilities including sink, cooking and refrigeration equipment, sanitary food preparation and storage space.</li><li>• Adequate rain-carrying system or controlled method of disposal of water from the roof and subfloor area to prevent moisture damage;</li><li>• Inspection of building for termite infestation and other wood-boring insects and fungus damage and fumigation for removal of infestation as needed;</li><li>• Domestic hot water provided for the kitchen, bath, and laundry facility;</li><li>• All interior surfaces (walls, floors, ceiling) must be in a finished condition which will not impair normal usage of the space or create health hazards;</li><li>• Sufficient storage space for normal storage of clothes, household utensils, and other family items;</li></ul>
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	<ul style="list-style-type: none"><li>• Optimally, the house should be weather proofed (insulation and weather stripping) including attic spaces and all exposed exterior wall cavities;</li><li>• All openings to the exterior must be weather-tight, in proper working order with locks, and, where appropriate, screens for windows;</li><li>• All habitable rooms must have proper light and sufficient ventilation;</li><li>• The house must be safe from fire hazards between dwellings with shared walls or attached garages;</li><li>• Smoke detectors shall be required according to code;</li><li>• Health hazards must be removed or contained, including lead-based paint, mold, asbestos, unsafe stairs, etc.; and</li><li>• After rehabilitation, the unit should meet locally adopted codes (to the extent feasible within program assistance limits).</li></ul>
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#### 4. Low-Income Targeting

##### Low-Income Set-Aside Amount

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

**Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.**

Response:

Total low-income set-aside **percentage** (must be no less than 25 percent): 50.59%  
Total funds set aside for low-income individuals = \$650,000.00

##### Meeting Low-Income Target

**Provide a summary that describes the manner in which the low-income targeting goals will be met.**

Response:

The County is proposing to use 50.59% of the funding allocation (more than the 25% required) to provide housing for households whose income does not exceed 50% of the AMI. The County plans to meet the low income targeting goals by providing NSP3 funds to specific low income special needs populations.

The County has identified a multi-family housing project in the City of Marina to be developed by Interim, Inc., a non-profit affordable housing developer. Known as Rockrose Gardens, the project will consist of 21 units of permanent rental housing plus one manager's unit. Seven of the units will be specifically restricted by NSP3 to those earning less than 50% of the AMI. However, all of the units with the exception of the manager's unit will be income restricted to those earning less than 50% of the AMI through other funding sources. The development will provide permanent housing for psychiatrically-disabled individuals who typically depend upon Social Security Disability benefits as their sole source of income. These tenants will typically have income that is in the range of 25% of the AMI. Just over 25%

of the NSP3 allocation will be dedicated to seven units in this project.

The County is also proposing to use NSP3 funds to purchase two single family homes to be sold to and owned by a non-profit organization and used for permanent rental housing for special needs families (disabled or farm workers) earning less than 50% of the AMI. Both groups are identified as special needs in the County's State certified Housing Element.

## 5. Acquisition and Relocation

### Demolition or Conversion of LMI Units

Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?	No
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If yes, fill in the table below.

Question	Number of Units
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	
The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).	
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	

## 6. Public Comment

### Citizen Participation Plan

<b>Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.</b>
<p>Response:</p> <p>The County followed the abbreviated citizen participation requirements described in the NSP3 NOFA. The draft application was posted on the County Redevelopment &amp; Housing Office's website on January 28, 2011 for public review. The County also announced that the draft application was available for review by running a legal notice in the Salinas Californian newspaper on January 28, 2011 and in Spanish in the El Sol newspaper on January 29<sup>th</sup>, 2011.</p> <p>The posted application was subject to additions and/or changes based upon input and consideration by: the Monterey County Housing Advisory Committee; comments received from the public during the fifteen day posting period and at the public hearing held on February 15, 2011; the Board of Supervisors; and adherence to HUD program requirements. The County did not receive any public comments during the 15-day posting period or during the public comment portion of the public hearing.</p> <p>The application will also be posted at the Monterey County reference library in Seaside as well as library branches in Marina and Soledad.</p>

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Upon an award by HUD, the County will develop a marketing plan specific to the NSP3 program. Included in the plan will be outreach by the non-profit partners to those with special needs and those with limited English proficiency and other outreach such as through the Housing Authority of Monterey County and the Monterey County website.

**Summary of Public Comments Received.**

No public comments were received.

## 7. NSP Information by Activity

<b>Activity Number 1</b>	
<b>Activity Name</b>	Rockrose Gardens
<b>Uses</b>	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input type="checkbox"/> <b>Eligible Use B: Acquisition and Rehabilitation</b> <input type="checkbox"/> Eligible Use C: Land Banking <input checked="" type="checkbox"/> Eligible Use D: Demolition <input checked="" type="checkbox"/> <b>Eligible Use E: Redevelopment</b>
<b>CDBG Activity or Activities</b>	24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties
<b>National Objective</b>	Low-Income Housing to Meet 25% Set-Aside (LH25)
<b>Activity Description</b>	<p>Interim Inc. proposes to acquire a site and demolish two bulidings containing eleven abandoned blighted units located on the former Fort Ord. The aquisition price will be 99% or less of the appraised value. The activity will address local market conditions by removing blight and providing much needed affordable rental housing for individuals with psychiatric disabilities. The provision of rental housing for special needs popualtions has been identified by the Countyof Monterey as a top proiorty.</p> <p>Interim plans to build twenty two new one-bedroom units on the site to be used as rental housing for people with psychiatric disabilities and for a manager's unit. To the extent possible, local hiring will be provided for. The site is in close proximity to other shared housing managed by the same non-profit provider which will facilitate the delivery of existing supportive services to the residents. Seven of the twenty two units will be assisted with NSP3 which will fund a pro-rata share of acquisition, demolition, pre-development, and/or construction costs. Interim currently has a long waiting list of individuals in need of affordable housing. Preference will be given to Monterey County residents. Procedures for preferences will be outlined in the Marketing and Fair Housing Plan.</p> <p>Interim, Inc. intends to manage the property directly. Interim will also provide coordination of services to be provided by both Interim as well as outside agencies. Interim has more than 30 years of experience in developing, owning, and managing property linked to services for people with psychiatric disabilities. Interim provides housing for more than 200 mental health consumers in permanent and transitional supportive housing in both individual apartments and shared housing units in 17 separate housing developments. Interim has a housing management division including management and maintenance staff. Interim’s fiscal staff is experienced in management of grants and loans under the HUD 811 and HUD SHP programs, HOME and CDBG funding, tax credits, HCD SUHRP, federal Permanent Housing for the Handicapped Homeless programs, as well as the Mental Health Services Act Housing Program.</p>
<b>Location Description</b>	The Rockrose Gardens project is located on the former Fort Ord in Marina,

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	California. The housing will serve clients from throughout Monterey County. Because of its use as a former military base, all of the housing in the target area is developed with multi-family housing.	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$325,000
	Other Federal Funding	\$3,102,605
	Other State Funding	\$2,175,306
<b>Total Budget for Activity</b>		<b>\$5,602,911</b>
<b>Performance Measures</b>	<p>Interim, Inc. is planning to complete construction of the development and obtain Certificates of Occupancy by March of 2014.</p> <p>The development will include 22 units, 21 of which will be restricted for psychiatrically disabled households earning less than 50% of AMI. The project also includes a manager's unit which is not income restricted. An Affordability Restriction Agreement will be entered into prior to the start of construction. Seven of the units will be specifically restricted in accordance with NSP3 funding requirements. The balance of the restricted units will be restricted by other State and Federal funding. Affordability restrictions imposed by NSP3 will be for a minimum of 15 years. Other funding sources for the project will have longer terms of affordability (up to 55 years) and thus will ensure continued affordability. NSP assistance will be in the form of a loan with an interest rate of 0%, forgivable after 15 years.</p>	
<b>Projected Start Date</b>	02/2013 (construction start)	
<b>Projected End Date</b>	03/2014	
<b>Responsible Organization</b>	<b>Name</b>	Interim, Inc.
	<b>Location</b>	PO Box 3222, Monterey, CA 93942
	<b>Administrator Contact Info</b>	Barbara Mitchell; (831) 649-4522 x204; bmittell@interiminc.org

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<b>Activity Number 2</b>		
<b>Activity Name</b>	Acquisition & Rehabilitation of two (2) detached single family homes for special needs households earning less than 50% of AMI.	
<b>Use</b>	Select all that apply: <input type="checkbox"/> Eligible Use A: Financing Mechanisms <input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation <input type="checkbox"/> Eligible Use C: Land Banking <input type="checkbox"/> Eligible Use D: Demolition <input type="checkbox"/> Eligible Use E: Redevelopment	
<b>CDBG Activity or Activities</b>	24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties.	
<b>National Objective</b>	Low-Income Housing to Meet 25% Set-Aside (LH25)	
<b>Activity Description</b>	The County will acquire and rehabilitate two foreclosed single family homes in Soledad. The acquisition price will be 99% or less of the appraised value. The activity will address local market conditions by purchasing foreclosed units to help stabilize the neighborhood and provide much-needed affordable housing for special needs populations which has been identified by the County of Monterey as a top priority. To the maximum extent possible, there will be a preference for local hiring to assist with local economic recovery. The County will sell the homes to a non-profit for a nominal amount. There will be an Affordability Restriction limiting occupancy to those earning less than 50% of the AMI with a preference for those with special needs (farmworkers, disabled, and seniors) for a minimum of 15 years. The non-profit will be responsible for ongoing maintenance of the homes and income qualifying the households which rent the units.	
<b>Location Description</b>	The location will be a target area in the City of Soledad (see attached).	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$ 325,000.00
		\$
		\$
<b>Total Budget for Activity</b>	\$325,000.00	
<b>Performance Measures</b>	The County will acquire, rehabilitate and sell two homes to a local non-profit that serves special needs populations and has experience managing affordable rental housing by March 31, 2012. Affordability restrictions imposed by NSP3 will be for a minimum of 15 years. Both units will be income restricted to households earning 50% or less of the AMI for a minimum of 15-years. There will be a preference in leasing the homes for Monterey County residents. Procedures for preferences will be outlined in a Marketing and Fair Housing Plan. NSP3 assistance will be in the form of a loan with an interest rate of 0%, forgivable after 15 years.	
<b>Projected Start Date</b>	06/01/2011	
<b>Projected End Date</b>	03/31/2012	
<b>Responsible Organization</b>	<b>Name</b>	To Be Determined
	<b>Location</b>	
	<b>Administrator Contact Info</b>	

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<b>Activity Number 3</b>		
<b>Activity Name</b>	Acquisition & Rehabilitation of three (3) detached single family homes for special needs households earning less than 120% of AMI.	
<b>Use</b>	Select all that apply:	
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms	
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation	
	<input type="checkbox"/> Eligible Use C: Land Banking	
	<input type="checkbox"/> Eligible Use D: Demolition	
<input type="checkbox"/> Eligible Use E: Redevelopment		
<b>CDBG Activity or Activities</b>	24 CFR 570.202 eligible rehabilitation and preservation activities for homes and other residential properties.	
<b>National Objective</b>	Low Moderate Middle Income Housing (LMMH)	
<b>Activity Description</b>	<p>The County will acquire and rehabilitate two or three foreclosed single family homes in Soledad. The acquisition price will be 99% or less of the appraised value. The activity will address local market conditions by purchasing foreclosed units to help stabilize the neighborhood and provide much-needed affordable housing for special needs populations which has been identified by the County of Monterey as a top priority. To the maximum extent possible, there will be a preference for local hiring to assist with local economic recovery.</p> <p>The County will sell the homes to a non-profit for a nominal amount. There will be an Affordability Restriction limiting occupancy to those earning less than 120% of the AMI with a preference for those with special needs (farmworkers, disabled, and seniors) for a minimum of 15 years. The non-profit will be responsible for ongoing maintenance of the homes and income qualifying the households which rent the units.</p>	
<b>Location Description</b>	The location will be a target area in the City of Soledad (see attached).	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$506,315
	(Other funding source)	\$
	(Other funding source)	\$
<b>Total Budget for Activity</b>	\$506,315	
<b>Performance Measures</b>	The County will acquire, rehabilitate and sell two to three homes to a local non-profit that serves special needs populations and has experience managing affordable rental housing by March 31, 2012. Affordability restrictions imposed by NSP3 will be for a minimum of 15 years. The units will be income restricted to households earning 120% or less of the AMI for a minimum of 15-years. There will be a preference in leasing the homes for Monterey County residents. Procedures for preferences will be outlined in a Marketing and Fair Housing Plan. NSP3 assistance will be in the form of a loan with an interest rate of 0%, forgivable after 15 years.	
<b>Projected Start Date</b>	06/01/2011	
<b>Projected End Date</b>	03/31/2012	
<b>Responsible Organization</b>	<b>Name</b>	To Be Determined
	<b>Location</b>	
	<b>Administrator Contact Info</b>	

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<b>Activity Number 4</b>		
<b>Activity Name</b>	Administration	
<b>Use</b>	Select all that apply:	
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/>	Eligible Use C: Land Banking
	<input checked="" type="checkbox"/>	Eligible Use D: Demolition
<input checked="" type="checkbox"/>	Eligible Use E: Redevelopment	
<b>CDBG Activity or Activities</b>	Administration	
<b>National Objective</b>	Low-Income Housing to Meet 25% Set-Aside (LH25) and Low Moderate Middle Income Housing (LMMH)	
<b>Activity Description</b>	The grantee, the County of Monterey, will administer all aspects of the program, including meeting the 25% Set-Aside; undertaking all property acquisition, rehabilitation, and sale; monitoring non-profit performance; tracking of program progress; accounting for expenditures and disbursing of NSP3 funds; undertaking NSP3 program modifications as appropriate; and reporting as required by HUD as a condition of the NSP3 grant.	
<b>Location Description</b>	All NSP3 Target Neighborhoods	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$ 128,479
	(Other funding source)	\$
	(Other funding source)	\$
<b>Total Budget for Activity</b>	\$128,479	
<b>Performance Measures</b>	Undertake activities 1-3, monitor non-profit progress, submit all reports required by HUD as a condition of the NSP3 grant and maintain required accounting records.	
<b>Projected Start Date</b>	6/1/2011	
<b>Projected End Date</b>	3/30/2014	
<b>Responsible Organization</b>	<b>Name</b>	County of Monterey , Redevelopment & Housing Office
	<b>Location</b>	168, West Alisal St., 3 <sup>rd</sup> Floor, Salinas, CA 93901
	<b>Administrator Contact Info</b>	Jane Royer Barr, 831.755-5389 barrj@co.monterey.ca.us

## 8. Certifications

### Certifications for Non-Entitlement Local Governments

- (1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing.
- (2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
- (3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.
- (6) **Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.
- (7) **Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (8) **Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (9) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
- (10) **The jurisdiction certifies:**
  - a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
  - b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to

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the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

(11) **Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
- b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

(12) **Compliance with anti-discrimination laws.** The jurisdiction certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

(13) **Compliance with lead-based paint procedures.** The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

(14) **Compliance with laws.** The jurisdiction certifies that it will comply with applicable laws.

(15) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

(16) **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

County of Monterey Director of Redevelopment & Housing Office

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