



City Council Report

59
12-7-09

Date: December 7, 2009
To: City Council
Through: Kari Kent, Deputy City Manager
From: Ray Villa, Neighborhood Services Department Director
Subject: Sale of Neighborhood Stabilization Program (NSP) Properties

Strategic Initiatives



Purpose and Recommendation

The purpose of this report is to request Council approval on a resolution authorizing the City Manager, or his designee, to approve the sale of the single-family residential properties acquired under the Neighborhood Stabilization Program without having to take each property sale before Council for approval. This resolution would allow staff to expedite the sale of the single-family residential properties and the expenditure of the funds before the September 2010 deadline.

Background

The Neighborhood Stabilization Program, a part of the Housing and Economic Recovery Act, provides funding for the purchase, rehabilitation and resale of foreclosed or abandoned properties in order to stabilize neighborhoods and stop the decline of home values in the area. The City of Mesa was awarded \$9.6 million for this purpose as well as providing our local non-profits with housing for those who could not afford a home. Other activities include home buyer counseling, demolition and reconstruction, and down payment assistance.

Currently, 15 single-family properties have been purchased for the home ownership activity of the program with an average cost per house of \$62,404.00 for purchase and \$61,877.00 for rehabilitation.

Discussion

This resolution is to request that the City Manager, or his designee, be given authorization to approve the sale of single-family residential properties purchased and rehabilitated under the Neighborhood Stabilization Program. This resolution improves the efficiency of the program by saving time and money for staff and the buyer of the single-family residential property. Properties could be sold as soon as they are completed with the rehabilitation.

Under the Mesa City Charter, the sale of real property shall be upon the conditions determined by Council. Up to this point, Council has requested that all property sales made by the City of Mesa be presented to them for approval. Staff is recommending this process be modified for only the NSP properties in an effort to expedite the sale of the properties and occupancy of the homes.

This resolution would allow the staff to expend the funds well within the specified time frame and ensure the program's success. In addition, the buyers will be able to close on their homes as expeditiously as possible.

Alternatives

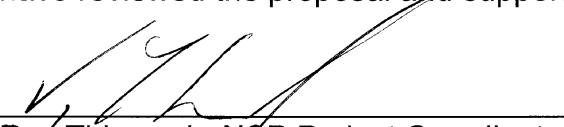
Council can continue to approve the sale of real property upon the conditions determined by Council which is currently taking each sale before the Council for approval.

Fiscal Impact

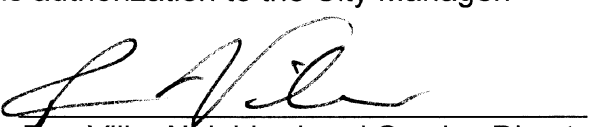
Any sale proceeds from homes purchased with NSP funds will go back into the NSP program and will be used to purchase additional homes. These funds can be utilized for home purchases until the end of the program in July, 2013.

Coordinated With

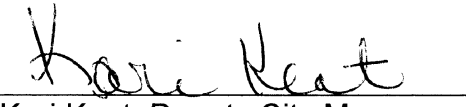
Neighborhood Services Department, Real Estate Services and City Manager's Office have reviewed the proposal and support this authorization to the City Manager.



Ray Thimesch, NSP Project Coordinator



Ray Villa, Neighborhood Service Director



Kari Kent, Deputy City Manager

RESOLUTION NO. _____

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA, AUTHORIZING THE SALE OF CITY PROPERTY OWNED AS PART OF THE NEIGHBORHOOD STABILIZATION PROGRAM AND EXECUTION OF NECESSARY DOCUMENTS

WHEREAS, the City Council has determined that the sale of City property in Mesa, Arizona, which was purchased under the federal Neighborhood Stabilization Program, is appropriate.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MESA, MARICOPA COUNTY, ARIZONA AS FOLLOWS:

Section 1: The City Manager, Christopher J. Brady, or his designee, is hereby authorized and directed on behalf of the City of Mesa to execute the necessary documents to transfer title for the sale of City owned property acquired by the City under Title III of Division B of the Housing and Economic Recovery Act of 2008 (commonly known as the Neighborhood Stabilization Program), and that the City Clerk is authorized and directed to attest to the signature of the City Manager, or his designee, thereon.

PASSED AND ADOPTED by the City Council of the City of Mesa, Maricopa County, Arizona this _____ day of _____, 2009.

APPROVED:

Mayor

ATTEST:

City Clerk