

Your Tax Dollars at Work

The Neighborhood Stabilization Program is a federal Department of Housing and Urban Development program which provides funds to purchase and renovate rundown and foreclosed houses in neighborhoods which were hardest hit by the foreclosure crisis. The City of Yuba City receives the grant money and administers the program in Sutter County. To date, Yuba City has received \$6.2 million with which 21 houses have been purchased and have been or are in the process of being rehabilitated.

Under the program, Yuba City contracts with the Regional Housing Authority of Sutter and Nevada Counties (which now includes Colusa and Yuba Counties) to 1) help identify properties to purchase, 2) estimate the rehabilitation costs, 3) process title documents giving title to the Regional Housing Authority, 4) conduct environmental reviews, 5) oversee rehabilitation of the properties, and 6) manage rental of the properties to low and moderate income households.

And to be clear, the Neighborhood Stabilization Program is just one aspect of the Regional Housing Authority's multi-county operations which provides homes to low income households in four counties. The Housing Authority currently manages over 700 rental properties in four counties.

Yuba County also participates in the Neighborhood Stabilization Program and has received \$7.9 million since 2010. However, in Yuba County, the homes are purchased, rehabbed and then sold to low income private parties who are required to live in the houses for 15 years before they can be resold. This process makes the purchasers resident owners who have a vested interest in taking care of and improving the properties. The reason for the difference between the Yuba County and Yuba City programs lies in the way the original Neighborhood Stabilization Program contracts were written. Yuba County opted to buy, fix and sell; whereas, Yuba City opted to buy, fix and rent.

While the intent of the Neighborhood Stabilization Program was to help keep neighborhoods from deteriorating, it is evident the program is in direct competition with private enterprise, the costs are excessive, and some of the houses purchased, rehabbed and rented are not in neighborhoods in danger of deteriorating. Further, while the Housing Authority does pay special assessment taxes, they are exempt from paying property tax on the 632 properties they own.

A prime example of excessive cost and with a location issue to boot is the purchase of a two-story house at 238 B Street in Yuba City, in a nice neighborhood in the older part of town around the corner from the Sutter County Courthouse and Board of Supervisors chambers, which had been foreclosed on and abandoned. The city purchased the property for \$188,964 and then let a \$352,205 contract to rehabilitate the house which brings the total cost for this property to over a half a million dollars.

Further, according to the city, the house was considered a hazard due to high levels

of lead in the house paint and its poor condition. So the questions are: “Why spend that kind of money on a house that will become a rental for low income households? Why didn’t the city let a private business pick it up for next to nothing, tear the house down and sell the lot or rebuild on it?”

Yes, I know, these are federal dollars and thus are looked at by some as “free money,” but they are not free; they are hard earned taxpayer dollars and our government officials should use their ultimate discretion and spend them wisely.

The Sutter County Taxpayers Association too often sees this type of waste in government agencies and we will continue to point out the misuse of taxpayer monies.

Pat Miller, President

Sutter County Taxpayers Association