

Grantee: Stockton, CA

Grant: B-08-MN-06-0009

July 1, 2020 thru September 30, 2020 Performance

Grant Number: B-08-MN-06-0009	Obligation Date:	Award Date:
Grantee Name: Stockton, CA	Contract End Date:	Review by HUD: Original - In Progress
Grant Award Amount: \$12,146,038.00	Grant Status: Active	QPR Contact: Jacque Crisostomo
LOCCS Authorized Amount: \$12,146,038.00	Estimated PI/RL Funds: \$10,532,493.96	
Total Budget: \$22,678,531.96		

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

On November 18, 2008, the Stockton City Council approved an Amendment to the City's 2008-09 One-Year Action Plan as required under the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program (NSP). The NSP implements a portion of the Housing and Economic Recovery Act of 2008 (HERA). The NSP provides targeted emergency assistance to jurisdictions to acquire and redevelop abandoned and foreclosed residential properties that might otherwise become sources of blight within our communities. The foreclosure situation has had an adverse impact on the City of Stockton. The City has been hard hit by declining property values and tax revenues and a rise in blight, vandalism, and code enforcement violations. Based on projections from the U.S. Department of Housing and Urban Development (HUD), foreclosures are expected to continue due to a large number of subprime loans and mortgages that are due to have variable interest rates reset in the near future. The City of Stockton was allocated \$12,146,038 of NSP from HUD. This Substantial Amendment to the 2008-09 Action Plan constitutes the City's proposed use of this funding. A. AREAS OF GREATEST NEED HERA requires that that NSP funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, the highest percentage of homes financed by a subprime mortgage, and areas identified by the grantee as likely to face a significant rise in the rate of home foreclosures. The City has analyzed the three required criteria. Stockton, with a foreclosure rate of over twelve percent, has one of the highest rates of foreclosures per housing unit in the country. HUD also estimated that almost 34 percent of the loans made to purchase homes in Stockton from 2004 to 2006 were high-cost loans; also among the highest rates in the nation. This is an indicator of future foreclosures. HUD also provided an estimated foreclosure risk factor to assist jurisdictions in determining their areas of greatest need. HUD assigned scores from one to ten for each census tract, with one being the lowest risk and ten being the highest risk. Only two of the census tracts in Stockton have a risk factor below eight. The remaining 97 percent of the census tracts in Stockton have been identified as having a foreclosure risk factor of eight, nine or ten. Over 25 percent of the census tracts have been assigned a risk factor of ten and 40 percent have a risk factor of nine. This has made it difficult to identify specific areas to target the use of NSP funds. In an effort to identify the areas of greatest need within the City of Stockton, foreclosure data was analyzed by zip codes. A table showing the results is included in Appendix A. A map showing defaults and foreclosures for the month of October, 2008, by zip code, is also provided. Through the analysis of this data, the City was able to identify three zip codes which have had high concentrations of foreclosures in the past and which are also at risk of continuing to be affected by them. These zip codes are 95206, which includes much of south Stockton, and 95210 and 95212, which includes northeast Stockton. These zip codes include areas that have been identified by HUD as having risk factors of nine and ten. Zip code 95206 has accounted for more than 3,430 foreclosures in 2008. Only 1,000 of these homes have resold. Zip code 95210 has had over 1,150 foreclosures, with approximately 470 of these homes having sold. Zip code 95212, while having only 700 foreclosures during 2008, includes a small area of urban development so these foreclosures represent a very concentrated area of foreclosure activity which is having a detrimental impact on the neighborhood.

Distribution and and Uses of Funds:

B. DISTRIBUTION AND USES OF FUNDS As noted above, the City of Stockton is proposing to target the use of NSP funds in the three zip codes that have the highest concentrations of foreclosures: 95206, 95210, and 95212. However, as indicated by HUD's data, all of Stockton has been significantly impacted by foreclosures and is at significant risk of seeing continued foreclosures. Because of this, NSP activities will also occur outside these target areas. The City expects to target these priority areas first, but due to the need to implement the NSP program in an expeditious manner, the City may allow acquisitions of foreclosed homes in other areas as long as the homes will be affordable to the Low-Moderate-Middle-Income households which will purchase the homes.



Definitions and Descriptions:

C. DEFINITIONS AND DESCRIPTIONS The following definitions apply to the Stockton's Neighborhood Stabilization Program: (1) "Affordable Rents" a. For extremely low-income households, the product of one-twelfth of 30 percent times 30 percent of the area median income adjusted for family size appropriate for the unit. b. For very low-income households, the product of one-twelfth of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit. c. For moderate income households whose gross incomes exceed the maximum income for low-income households, the product of one-twelfth of 30 percent times 65 percent of the area median income adjusted for family size appropriate for the unit, less an allowance for tenant paid utilities. d. For moderate and middle income households, the product of one-twelfth of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit. For those moderate income households whose gross incomes exceed 110 percent of the area median income adjusted for family size, it shall be required that affordable rent be established at a level not to exceed 30 percent of gross income to the household. (2) "Blighted Structure" shall mean buildings or conditions causing blight as defined in California Health and Safety Code Section 33031 (a)(1) and (2). (3) "Continued Affordability" for shall meet or exceed the HOME Investment Partnerships Act (HOME) minimum requirements as follows: a. Periods of Affordability: For Owner Occupied Housing, properties shall remain affordable for the longest practical period through affordability through deed restrictions. The minimum affordability period shall be as established in 24 CFR 92.254 (a) (4). The resale deed restriction shall have a minimum term of five to twenty years depending on the amount of funds in the project. b. Resale and Recapture: The City will establish either Resale or Recapture provisions as established in 24 CFR 92.254 (a) (5). Buyers of homes assisted with NSP funds shall execute a promissory note and deed of trust which will secure the loan principal plus interest. Any loan repayments made during the first five years of the NSP program will be used to subsidize additional purchasers of foreclosed homes. c. Affordability Covenants: For rental units, properties shall remain affordable for the longest practical period, up to 55 years, through affordability covenants or deed restrictions. NSP project rents will be monitored annually through the same process used to monitor HOME projects. (4) "Housing Rehabilitation Standards." All rehabilitation activities assisted with NSP funds shall meet standards defined in the California Building Code as adopted by the California building Standards Commission, as amended by the City of Stockton.

Low Income Targeting:

D. LOW INCOME TARGETING The City of Stockton is proposing to use \$3,036,520 of its original allocation of NSP funds to purchase and rehabilitate abandoned or foreclosed homes or residential properties to provide housing for households at or below 50 percent of the Area Medium Income (AMI). A minimum of 25 percent of the program income received from NSP activities will also be targeted to assist households at this income level. Stockton is proposing to focus on providing affordable rental opportunities to households in this income category. The specific type of housing has not been identified and may include a combination of single family homes, multi-family units, or congregate housing for special needs populations.

Acquisition and Relocation:

E. ACQUISITIONS & RELOCATION The City of Stockton will not use NSP funds on an activity that will result in the demolition or conversion of any low- and moderate-income dwelling units (i.e., <= 80 percent of area median income).

Public Comment:

F. PUBLIC COMMENT The U.S. Department of Housing and Urban Development and the City's Citizen Participation Plan require the public to have an opportunity to review and comment on proposed amendments to the Action Plan. -In compliance with these requirements, on October 22, 2008 the Council's Housing Committee held a public meeting to discuss the development of a plan to implement the Neighborhood Stabilization Program. Approximately 25 people attended the meeting. A copy of the minutes are included in Appendix B. A notice of the proposed Amendment, including the public hearing date, was printed in The Record and posted on the Housing Department's website on November 3, 2008. This notice started a 15-day public review and comment period. A copy of the notice is also included in Appendix B. On November 18, 2008 the City Council held a public hearing on the proposed Amendment. No member of the public spoke on the item which was approved by the City Council by the adoption of Resolution R08-0460.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$22,678,531.96
Total Budget	\$0.00	\$22,678,531.96
Total Obligated	\$0.00	\$22,678,531.96
Total Funds Drawdown	\$3,156.54	\$22,614,453.38
Program Funds Drawdown	\$0.00	\$12,078,611.50
Program Income Drawdown	\$3,156.54	\$10,535,841.88
Program Income Received	\$0.00	\$10,722,002.34
Total Funds Expended	\$0.00	\$20,710,659.46
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00



Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$1,821,905.70	\$0.00
Limit on Admin/Planning	\$1,214,603.80	\$1,849,095.18
Limit on Admin	\$0.00	\$1,849,095.18
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$5,669,632.99	\$7,373,986.19

Overall Progress Narrative:

Since program start, 83 properties have been acquired. 79 were rehabilitated and sold to qualified households; 3 multi-family projects have been completed providing 89 affordable rental units. Currently, 1 project which will result to 4 single-family homes is near completion, and a multi-family project which would result to an additional 72 rental units is underway.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
0002, Acquisition, Rehabilitation, Resale	\$0.00	\$13,394,221.31	\$7,215,159.75
0003, Acquisition, Rehabilitation, Rent	\$0.00	\$7,428,571.23	\$4,407,665.85
0005, Administration	\$0.00	\$1,855,739.42	\$455,785.90
9999, Restricted Balance	\$0.00	\$0.00	\$0.00

Activities

Project # / 0002 / Acquisition, Rehabilitation, Resale

Grantee Activity Number: 063-8526 NRS-Habitat
Activity Title: Dream Creek - Habitat

Activity Category:

Construction of new housing

Project Number:

0002

Projected Start Date:

03/02/2017

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Acquisition, Rehabilitation, Resale

Projected End Date:

06/30/2019

Completed Activity Actual End Date:

Responsible Organization:

Habitat for Humanity of San Joaquin County, Inc

Overall	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$240,000.00
Total Budget	\$0.00	\$240,000.00
Total Obligated	\$0.00	\$240,000.00
Total Funds Drawdown	\$2,863.53	\$237,150.70
Program Funds Drawdown	\$0.00	\$234,287.17
Program Income Drawdown	\$2,863.53	\$2,863.53
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$0.00
Habitat for Humanity of San Joaquin County, Inc	\$0.00	\$0.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

Foreclosed vacant land was aquired and four new single family homes will be constructed and sold to qualifying households. Funding for this activity is NSP 1 and appoximately \$296,000 from other sources. The program includes a down payment assistance loan to the home buyer. General loan terms are 30 years at three percent (3%) simple interest for years 1 through 15 and zero percent (0%) for years 16 through 30. The homes are secured by a Regulatory Agreement and a Deed of Trust with an affordability period based the amount of the down payment assistance loan and the minimum HOME affordability requirements of 24 CFR 92.254, as applicable. Proceeds from the sale of the homes and any program income from home buyer loan payments were recycled back into the program.

Location Description:

Dream Creek (Little Johns Crek South) located in the 3200 block of Glenhaven Way, South Stockton area.



Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period		Cumulative Actual Total / Expected	
	Total		Total	
# of Housing Units	0		0/4	
# of Singlefamily Units	0		0/4	

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	0/0	0/4	0/4	0
# Owner Households	0	0	0	0/0	0/4	0/4	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

Project # / 0005 / Administration

Grantee Activity Number: Admin 063-8120

Activity Title: Administration

Activity Category:

Administration

Project Number:

0005

Projected Start Date:

10/01/2008

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

12/31/2018

Completed Activity Actual End Date:

Responsible Organization:

City of Stockton

Overall

	Jul 1 thru Sep 30, 2020	To Date
Total Projected Budget from All Sources	N/A	\$1,855,739.42
Total Budget	\$0.00	\$1,855,739.42
Total Obligated	\$0.00	\$1,855,739.42
Total Funds Drawdown	\$293.01	\$1,849,095.18



Program Funds Drawdown	\$0.00	\$455,785.90
Program Income Drawdown	\$293.01	\$1,393,309.28
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$1,787,451.96
City of Stockton	\$0.00	\$0.00
City of Stockton Housing	\$0.00	\$1,787,451.96
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

Activity Description:

A maximum of ten percent (10%) of NSP funds will be used to cover costs associated with program planning, implementation, and administration. It is anticipated that the actual costs will be less than the maximum allowed. Funds not used for administration will be allocated to other eligible NSP projects and activities.

Location Description:

City of Stockton

Activity Progress Narrative:

Accomplishments Performance Measures

No Accomplishments Performance Measures

Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

