

**Grantee: Stockton, CA**

**Grant: B-11-MN-06-0009**

**July 1, 2018 thru September 30, 2018 Performance Report**

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**Grant Number:**

B-11-MN-06-0009

**Obligation Date:****Award Date:****Grantee Name:**

Stockton, CA

**Contract End Date:****Review by HUD:**

Submitted - Await for Review

**Grant Award Amount:**

\$4,280,994.00

**Grant Status:**

Active

**QPR Contact:**

Sara Dixon

**LOCCS Authorized Amount:**

\$4,280,994.00

**Estimated PI/RL Funds:**

\$4,277,073.96

**Total Budget:**

\$8,558,067.96

## Disasters:

### Declaration Number

NSP

## Narratives

### Summary of Distribution and Uses of NSP Funds:

One of the difficulties in identifying a target area for the expenditure of NSP3 funds within the City of Stockton is that the majority of the city meets the minimum requirements established by HUD. The minimum need score for California is 17, but most of the census tracts in Stockton have a score of 20. This indicates that all of Stockton has been affected by foreclosures. Based on information from RealtyTrac, U.S., in 2010 Stockton had the seventh highest foreclosure rate in the nation. There were over 15,800 filings, representing almost seven percent of the homes in the City. And the situation does not appear to be changing. With an average of over 380 Notices of Default per month during the last six months of 2010, foreclosures will continue. In reviewing the distribution of the notices of default, it was found that they were located throughout the City.

Because of these factors, additional criteria needed to be considered to establish target areas for NSP3.

For the Acquisition, Rehabilitation, and Resale activity the City of Stockton reviewed the lessons learned through the implementation of that portion of NSP1. The City found that purchasing newer homes which required little rehabilitation meant that costs were minimized and homes were resold, and therefore occupied, more quickly. Reducing the amount of time that the homes are vacant is an important factor for the neighborhoods in terms of safety, appearance and stability.

Weston Ranch, one of the neighborhoods severely impacted by the foreclosure crisis, meets the above requirements. Most of the homes are less than fifteen years old, are three to four bedrooms in size so they meet the needs of most households, and the homes that have been purchased in this neighborhood through NSP1 have not required significant rehabilitation and generally have resold quickly. In reviewing notice of default activity for the last half of 2010, it is apparent that foreclosures in this neighborhood will be continuing. In addition, in the current housing market, homes within this neighborhood are affordable to households within the target income range.

The target area has an NSP Need Score of 20.

For the Acquisition, Rehabilitation, and Rental activity the City's objective is to acquire a foreclosed apartment complex in the Greater Downtown area. This area has been and will continue to be a focus of redevelopment activities. Increasing the amount and types of housing that is available in this area is now a goal of the City. This will complement other actions that have been undertaken by the City and the Redevelopment Agency of the City of Stockton in this area. This target neighborhood also has an NSP Need Score of 20.

### How Fund Use Addresses Market Conditions:

The City's Acquisition/Rehabilitation/Resale Activity will address local housing market conditions by helping to remove some of the vacant, foreclosed homes from the market and by providing downpayment assistance which helps households qualify for a first mortgage. Increased ownership within the target neighborhood will help provide stability in an area which has been severely impacted by foreclosures for several years.

The Acquisition/Rehabilitation/Rental Activity will address local housing market conditions by helping to remove foreclosed residential properties from the market. Most of these properties are vacant or have few tenants, so they also create safety concerns for the surrounding neighborhoods. Having the properties rehabilitated and well managed and the buildings occupied will help stabilize the neighborhoods. It will also provide additional well-maintained and well-managed affordable housing for households that cannot afford to purchase a home.



**Ensuring Continued Affordability:**

Long-Term Affordability shall meet or exceed the HOME Investment Partnerships Act HOME minimum as follows:

**Owner-Occupied Homes:**

For owner-occupied housing, properties shall remain affordable for the longest practical period. Affordability shall be enforced through deed restrictions. The minimum affordability period shall be as established in 24 CFR 92.254 (a) (4). The resale restriction shall have a minimum term of five to thirty years depending on the amount of funds in the project.

Recapture provisions will be included in each property’s promissory note. The NSP subsidy, plus any accrued interest, will be recaptured upon the sale or transfer of the property during the affordability period.

Any of the recaptured funds or any loan repayments made during the first five years of the NSP program will be used to subsidize additional purchasers of foreclosed homes.

**Rental Housing:**

For rental units, properties shall remain affordable for the longest practical period, up to a maximum of 55 years. Affordability shall be enforced through deed restrictions. Rents charged in housing acquired with NSP funds will be monitored annually through the same process used to monitor HOME projects.

**Definition of Blighted Structure:**

Blighted Structures shall mean buildings or conditions causing blight as defined in California Health and Safety Code Section 33031 (a)(1) and (2), which includes buildings in which it is unsafe or unhealthy for persons to live or work or there are conditions present that prevent viable use of the property

**Definition of Affordable Rents:**

Affordable Rents shall not exceed Low HOME Low Rents, adjusted for income and family size.

**Housing Rehabilitation/New Construction Standards:**

All rehabilitation activities assisted with NSP funds shall meet the standards defined in the California Building Code as adopted by the California Building Standards Commission, as amended by the City of Stockton.

When applicable, the City will incorporate Energy Star Standards to the rehabilitation work that is undertaken. For example, if it is necessary to replace any appliances, they will be replaced with Energy Star appliances and if toilets, showers, and faucets need to be replaced, they will be replaced with WaterSense label, or equivalent, fixtures.

**Vicinity Hiring:**

As required, the City will, to the maximum extent feasible, provide for the hiring of employees who reside in the vicinity of NSP3 projects or contracting with small businesses that are owned and operated by persons residing in the vicinity of such projects. To achieve this, the City will require the organizations that are selected to implement this activity to conduct outreach into the neighborhoods surrounding NSP3 projects and to provide documentation of their efforts. The City of Stockton’s Local Hire Ordinance will be used as a guideline for the efforts that will be required, including, but not limited to requiring that job orders for vacant positions be filed with the local office of the State Employment Development Department and with Worknet of San Joaquin County, advertising for vacant jobs in local public places, and conducting an informational meeting to inform the community of employment opportunities.

**Procedures for Preferences for Affordable Rental Dev.:**

While it is a goal of NSP3 to create preferences for the development of affordable rental housing, the City of Stockton’s Housing Element supports the provision of additional opportunities for homeownership for moderate-income households. The Neighborhood Stabilization Program provides a unique opportunity for the City to assist households with incomes between 80% and 120% of AMI, since most other funding sources limit assistance to households with incomes below 80% AMI.

**Grantee Contact Information:**

Responsible Organization

Name: City of Stockton Economic Development Department

Location: 425 N. El Dorado Street, 3rd Floor, Stockton, CA 95202

Administrator Contact Info: Lorraine Islas, 209-937-8075

<b>Overall</b>	<b>This Report Period</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$8,558,067.96
<b>Total Budget</b>	\$0.00	\$8,558,067.96
<b>Total Obligated</b>	\$0.00	\$8,558,067.96
<b>Total Funds Drawdown</b>	\$212.46	\$8,072,690.73
<b>Program Funds Drawdown</b>	\$212.46	\$3,795,616.77
<b>Program Income Drawdown</b>	\$0.00	\$4,277,073.96
<b>Program Income Received</b>	\$0.00	\$4,277,073.96



<b>Total Funds Expended</b>	\$0.00	\$6,904,011.80
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00

## Progress Toward Required Numeric Targets

<b>Requirement</b>	<b>Target</b>	<b>Actual</b>
<b>Overall Benefit Percentage (Projected)</b>		0.00%
<b>Overall Benefit Percentage (Actual)</b>		0.00%
<b>Minimum Non-Federal Match</b>	\$0.00	\$0.00
<b>Limit on Public Services</b>	\$642,149.10	\$0.00
<b>Limit on Admin/Planning</b>	\$428,099.40	\$348,778.74
<b>Limit on Admin</b>	\$0.00	\$348,778.74
<b>Most Impacted and Distressed Threshold (Projected)</b>	\$0.00	\$0.00
<b>Progress towards LH25 Requirement</b>	\$2,139,516.99	\$2,828,471.54

## Overall Progress Narrative:

The single family program is closed with a total to date of 28 single family homes which were acquired, rehabilitated, and sold to qualified households. The multi-family rental program will be closed after the completion of one project. Upon completion the remaining project will provide 72 affordable rental units.

## Project Summary

<b>Project #, Project Title</b>	<b>This Report Period</b>	<b>To Date</b>	
	<b>Program Funds Drawdown</b>	<b>Project Funds Budgeted</b>	<b>Program Funds Drawdown</b>
0001, Administration	\$212.46	\$439,155.97	\$110,683.77
0002, Acq/Rehab/Resale	\$0.00	\$4,895,440.45	\$2,723,699.60
0003, Acq/Rehab/Rent	\$0.00	\$3,223,471.54	\$961,233.40



## Activities

**Project # / Title:** 0001 / Administration

**Grantee Activity Number:** 0001  
**Activity Title:** Administration

**Activity Category:**

Administration

**Project Number:**

0001

**Projected Start Date:**

03/09/2011

**Benefit Type:**

( )

**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, 2018	To Date
Total Projected Budget from All Sources	N/A	\$439,155.97
Total Budget	\$0.00	\$439,155.97
Total Obligated	\$0.00	\$439,155.97
Total Funds Drawdown	\$212.46	\$348,778.74
Program Funds Drawdown	\$212.46	\$110,683.77
Program Income Drawdown	\$0.00	\$238,094.97
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$311,793.59
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

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## Project # / Title: 0003 / Acq/Rehab/Rent

**Grantee Activity Number:** 064-8526 LRA380

**Activity Title:** A/R/Rent - 4825 Kentfield - Coventry - Service 1st

### Activity Category:

Rehabilitation/reconstruction of residential structures

### Project Number:

0003

### Projected Start Date:

08/20/2013

### Benefit Type:

Direct ( HouseHold )

### National Objective:

NSP Only - LH - 25% Set-Aside

### Activity Status:

Completed

### Project Title:

Acq/Rehab/Rent

### Projected End Date:

09/30/2016

### Completed Activity Actual End Date:

### Responsible Organization:

Service First of Northern California

### Overall

**Total Projected Budget from All Sources**

**Jul 1 thru Sep 30, 2018**

N/A

**To Date**

\$1,001,081.80

**Total Budget**

\$0.00

\$1,001,081.80

**Total Obligated**

\$0.00

\$1,001,081.80

**Total Funds Drawdown**

\$0.00

\$1,001,081.80



<b>Program Funds Drawdown</b>	\$0.00	\$1,081.80
<b>Program Income Drawdown</b>	\$0.00	\$1,000,000.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$1,000,000.00
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00

### Activity Description:

This activity will consist of the acquisition and rehabilitation of a foreclosed multi-family property. Funding for the project is NSP 3 and NSP 1. The units will be rented to households with incomes at or below 50% of AMI. The property will be managed by companies approved by the City. The property is secured by a regulatory agreement and a deed of trust with an affordability period of 55 years. Rents are established in the regulatory agreement and limited to one twelfth of 30% of 50% of AMI adjusted for household size.

### Location Description:

4825 Kentfield, Stockton, CA This project will take place in the Greater Stockton Area.

### 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



<b>Grantee Activity Number:</b>	<b>064-8526 MFR - EI Monte</b>
<b>Activity Title:</b>	<b>A/R/Rent - 1225 W EI Monte - STAND</b>

**Activity Category:**  
Rehabilitation/reconstruction of residential structures

**Activity Status:**  
Completed

**Project Number:**  
0003

**Project Title:**  
Acq/Rehab/Rent

**Projected Start Date:**  
01/01/2013

**Projected End Date:**  
09/08/2016

**Benefit Type:**  
Direct ( Household )

**Completed Activity Actual End Date:**

**National Objective:**  
NSP Only - LH - 25% Set-Aside

**Responsible Organization:**  
Stocktonians Taking Action to Neutralize Drugs

Overall	Jul 1 thru Sep 30, 2018	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$1,368,289.74
<b>Total Budget</b>	\$0.00	\$1,368,289.74
<b>Total Obligated</b>	\$0.00	\$1,368,289.74
<b>Total Funds Drawdown</b>	\$0.00	\$1,368,289.74
<b>Program Funds Drawdown</b>	\$0.00	\$740,931.20
<b>Program Income Drawdown</b>	\$0.00	\$627,358.54
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$237,677.75
<b>Most Impacted and Distressed Expended</b>	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

This activity will consist of the acquisition and rehabilitation of a foreclosed multi-family property. Funding for the project is NSP 3 and approximately \$660,000 from other sources. The units will be rented to households with incomes at or below 50% of AMI. The property will be managed by companies approved by the City. The property is secured by a regulatory agreement and a deed of trust with an affordability period of 55 years. Rents are established in the regulatory agreement and limited to one twelfth of 30% of 50% of AMI adjusted for household size.

**Location Description:**

1225 W EI Monte, Stockton, CA. This project will take place in the Greater Downtown Stockton Area.

**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

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**Grantee Activity Number:** 064-8526 MFR - Magnolia  
**Activity Title:** A/R/Rent - 324 E Magnolia - STAND

**Activity Category:**

Acquisition - general

**Project Number:**

0003

**Projected Start Date:**

01/01/2013

**Benefit Type:**

( )

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Completed

**Project Title:**

Acq/Rehab/Rent

**Projected End Date:**

03/09/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

Stocktonians Taking Action to Neutralize Drugs

Overall	Jul 1 thru Sep 30, 2018	To Date
Total Projected Budget from All Sources	N/A	\$5,000.00
Total Budget	\$0.00	\$5,000.00
Total Obligated	\$0.00	\$5,000.00
Total Funds Drawdown	\$0.00	\$5,000.00
Program Funds Drawdown	\$0.00	\$5,000.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$0.00	\$5,000.00
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00

**Activity Description:**

This activity will consist of the acquisition and rehabilitation of a foreclosed multi-family property. Funding for the project is NSP 3 and other sources. The units will be rented to households with incomes at or below 50% of AMI. The property will be managed by companies approved by the City. The property is secured by a regulatory agreement and a deed of trust with an affordability period of 55 years. Rents are established in the regulatory agreement and limited to one twelfth of 30% of 50% of AMI adjusted for household size. The project was unable to move forward and will be canceled.

**Location Description:**

324 E Magnolia, Stockton, CA This project will take place in the Greater Stockton Area

**Activity Progress Narrative:**

**Accomplishments Performance Measures**

This Report Period  
Total

Cumulative Actual Total / Expected  
Total



# of Housing Units	0	0/1
# of Multifamily Units	0	0/1

### 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	

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