

Grantee: San Joaquin County, CA

Grant: B-11-UN-06-0005

July 1, 2023 thru September 30, 2023 Performance

Grant Number: B-11-UN-06-0005	Obligation Date:	Award Date:
Grantee Name: San Joaquin County, CA	Contract End Date:	Review by HUD: Submitted - Await for Review
Grant Award Amount: \$4,398,543.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$4,398,543.00	Estimated PI/RL Funds: \$4,161,301.00	
Total Budget: \$8,559,844.00		

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

The total amount of the NSP3 grant is \$4,398,543. The grantee will use 10% of the grant, \$439,854, to administer the NSP3 program. The grantee will select three experienced and successful, non-profit affordable housing developers and use 60% of the grant, \$2,639,126, for the non-profits to acquire, rehabilitate and sell foreclosed single-family houses to qualified low-to moderate income homebuyers. The grantee will engage in Land Banking, using 5% of the grant, \$219,927. The grantee will use 25% of the NSP3 grant, \$1,099,636 to meet the housing needs of households earning 50% AMI (or less), preferably through congregate site multi-family housing. As a fallback, the County will target scattered single-family rental housing to meet the housing needs of the 50% AMI households.

ADDED DECEMBER 29, 2011: Projected estimated program income, \$2,111,301.00, is 80% of the current budget for acquisition/rehabilitation/sale. NSP3 estimated program income is based on NSP1 experience and NSP3 expectations, and it is subject to revision as the NSP3 program develops and new facts become available. Projected income will be distributed as follows: \$1,477,910 to Project NSP3-1 (Acq./Rehab./Sale), \$527,825 to Project NSP3-2 (25% Set-Aside) and \$105,565 to Project NSP3-4 (Administration). No changes are projected for Project NSP3-3 (Land Banking) at this time. In percentages, the estimated program income was distributed as follows: 70% to Acq./Rehab./Sale, 25% to the 25% Set-Aside and 5% to Administration.

ACTION PLAN TECHNICAL ADJUSTMENT SUBMITTED ON OCTOBER 23, 2012:

The County of San Joaquin is proposing to amend its 2010-2015 Consolidated Plan. The amendment consists in its entirety of adding a new target area to the County's Neighborhood Stabilization Program 3 ("NSP3") for the purpose of acquiring and rehabilitating rental properties (primarily apartment buildings) to address the housing needs of very low income households (i.e., those households with incomes that are 50% or less than the County's Average Median Income). The new target area is located in south Stockton, immediately east of El Dorado Street. The new target area is bounded by E. 3rd Street on the north, E. 6th Street on the south, California Street on the east, and El Dorado Street on the west.

The need for the additional target area was prompted by the reality that the number of foreclosed apartment buildings in the County's existing four NSP3 target areas is virtually non-existent. The new target area offers a much greater potential for acquiring such properties.

The new target area has a HUD NSP3 score of 20. The HUD estimated number of properties needed to make an impact in the identified new target area is 3, whereas the County estimates that the number of apartment units that could be rehabilitated in the new target area is 38.

A public notice concerning the new target area appeared on the County's website for NSP3 (atwww.sjgov.org/commdev) on Monday,October 1, 2012. An ad concerning the new target area appeared in The Record, a newspaper of general circulation, on Thursday,October 4, 2012. The public review and comment period for the public notice and ad ended onOctober 19, 2012. No comments were received during the commentperiod.

10-26-12 - Moved \$500,000 from Visionary Home Builders budget to STAND. Visionary has been slow in producing and STAND has been very active in finding homes to acquire.

ACTION PLAN TECHNICAL ADJUSTMENT SUBMITTED ON APRIL 2, 2014:

The County of San Joaquin is proposing a technical amendment to its 2010-2015 Consolidated Plan. The technical amendment consists of reallocating \$200,000 of the County's NSP3 grant money from its Land Banking activity to its 25% Set-Aside activity (i.e., the activity set up to acquire and rehabilitate foreclosed rental properties for the benefit of very low income households—those households earning 50% or less of the Area Median Income). The amount of the NSP3 grant set aside for Land Banking activity would, therefore, be reduced from \$219,927 to \$9,927; and the amount of the NSP3 grant allocated for the 25% Set-Aside activity would increase from \$1,099,636 to \$1,299,636. The purpose of this change is to allow the completion of a 37-unit apartment project under the County's NSP3 25% Set-Aside activity. The County would

continue to retain a Land Banking option that could be supplemented with program income from other sources at a later date.

A public notice concerning the Land Banking appeared on the County's website for NSP3 at (www.sjgov.org/commdev) on Tuesday, March 11, 2014. The public review and comment period for the public notice ended on March 27, 2014. No comments were received during the comment period.

How Fund Use Addresses Market Conditions:

The primary areas of greatest need were established on the basis of their conformity to the following criteria: 1) an NSP3 threshold (i.e., "need" score of at least 19; 2) a percentage of persons less than 120% AMI of at least 70%; and 3) a percentage of persons less than 80% AMI of at least 50%. In addition, the total (overall) number of properties needed to make an impact in identified (primary) target areas would be sixty (60) houses, based on the grant amount and the cost of properties and rehabilitation, the number is more likely to be thirty (30) houses. The 25% set-aside will address the housing needs of approximately twenty-five (25) 50% AMI households. Land Banking funds will be used to acquire at least three (3) properties for future residential re-use.

Concerning NSP3 need scores, the three primary areas have NSP3 need scores as follows: Garden Acres--20; S Central Tracy Area--19; SW Central Manteca Area--19. The NSP3 target area average score is 19.3. The State of California minimum need score is 17.

With respect to the percentages of low and moderate income persons, the data for the three primary target areas are as follows:

Target Area	Percent Persons <120% AMI	Percent Persons <80% AMI
Garden Acres	85.08	65.17
S Central Tracy	84.91	63.54
SW Central Manteca	74.55	52.72

The number of propeties needed to make an impact in identified, primary target areas is tied to the feasibility of achieving the acquisition, rehabilitation, and sale to qualified homebuyers of 20% of the REOs recorded during the past year, a HUD performance measure. The total number of foreclosure starts during the past year in the County's primary neighborhoods is 295 single-family houses. The total estimated number of properties needed to make an impact in all of the County's primary target areas is 59 (20% of foreclosure starts [i.e., REOs]). A more realistic performance measure is the acquisition, rehabilitation and sale of thirty (30) foreclosed single-family houses within the selected target neighborhoods. The new estimate is based on single-family market price competition, lower-than-expected foreclosure property availability, aged housing stock conditions combined with relatively higher rehabilitation costs, and the lower amount of the NSP3 grant relative to the NSP1 grant.

Lincoln Village, the secondary neighborhood, has a neighborhood NSP3 score of 19.8, with approximately 37% of persons earning less than 80% AMI. Lincoln Village will be brought into play immediately if adequate properties are not available within the three primary target neighborhoods.

Work within the three primary neighborhoods will occur simultaneously. Garden Acres will be given the highest priority based on having the greatest neighborhood needs score.

The County will allocate 60% of the total NSP3 grant, or \$2,639,126, to the acquisition-rehabilitation- sale activity to achieve the goal of 30-59 properties needed to make an impact in primary target areas. While it is believed that this amount is adequate to accomplish this goal, the County reserves the right to amend this Action Plan to make certain that this highest-priority goal is achieved.

ACTION PLAN TECHNICAL ADJUSTMENT SUBMITTED ON SEPTEMBER 9, 2011:

The sizes and locations of the target areas are slightly different than those submitted in the original NSP3 Action Plan with the intention of making target areas smaller while meeting the NSP3 objective of rehabilitating 20% of the target areas foreclosures from the previous year. The adjusted, deep-targeted areas remain within the NSP1 target areas, adding the benefit of additional visual impact from the prior NSP activity.

Maps and supporting data have been provided for the four adjusted target neighborhoods. The neighborhoods, and the changes made, are:

- Del Mar-Garden Acres (part), a significant decrease in area, unincorporated Stockton
- Lincoln Village-expanded, a slight increase in area, unincorporated Stockton
- Yosemite South-SWManteca, an adjacent west shift in area, Manteca
- Emerson Street Soutea, Tracy.

Each of the adjusted target areas has a "need" score of at least 19. These scores exceed the State theshold score of 17. The NSP3 target neighborhood scores are:

- Del Mar-Garden Acres (part)---20
- Lincoln Village-expanded---19.17
- Yosemite South-SWManteca---19
- Emerson Street South---19

One NSP3 performance objective is to acquire/rehabilitate/sell 20% of the foreclosures from the previous year. The purpose of theis performance measure is to create a visual impact of neighborhood stabilization. In San Joaquin County, the NSP3 total foreclosure number from the prrevious year is 285 single-family houses. San Joaquin County plans to acquire/rehabilitate/sell at least 20%, or 57 houses, within the adjusted deep-targeted neighborhoods.

The 20% of foreclosures figures for the individual target areas are:

- Del Mar-Garden Acres (part)---17 houses
- Lincoln Village-expanded---12 houses
- Yosemite South-SWManteca---14 houses
- Emerson Street South---14 houses.

San Joaquin County will allocate 60% of the total NSP3 grant, or \$2,639,126, to acquire/rehabilitate/sell vacant, foreclosed single-family houses within the adjusted target neighborhoods in order to create the optimal visual impact of neighborhood stabilization. It is the intention of San Joaquin County to attain the goal of 57 houses by using NSP3 grant funds, NSP3 program income and NSP1 program income.

Houses purchased under NSP3 will be acquired at 99% of appraised value, or less. The County will use multiple providers to achieve the maximum number of foreclosure referrals, and to obtain the lowest acquisition prices possible. The County will use broker's price opinions and appraisals for guidance in making price offers.

In NSP3, each acquired house will have a rehabilitation cap of \$25,000. The houses to be acquired will be those that can be rehabilitated to a "safe, sanitary and decent" condition within the County-approved rehabilitation cap. The County will work to recover as much of the acquisition/rehabilitation cost as possible under local housing market conditions. Rehabilitated houses will be sold in a timely manner and program income will be re-used as quickly as possible in order to maximize the number of houses that can be acquired/rehabilitated/sold to qualified NSP homebuyers, households in the low-to-moderate income range.

ACTION PLAN TECHNICAL ADJUSTMENT SUBMITTED ON DECEMBER 29, 2011:

The program file provides the current and proposed maps with for the proposed technical, adjacent boundary adjustments that are proposed for administrative approval by HUD. All of the proposed areas exceed the NSP threshold score of 17, with a program average score of 19.5.

Under the current program, 57 foreclosed houses are to be acquired/rehabilitated/sold in order to meet 20% of foreclosures&brotepsyear.This has not proven practical because the creation of "deep-targetted" areas, which reduced target areas to maximize visual impression, has had the effect of shutting off the volume of referrals necessary to keep San Joaquin County's NSP3 program productive.

Over a seven-month period, we were able to acquire only seven houses. We need to expand our target boundaries in order to generate an adequate volume of foreclosure referrals to recharge our program. Under the proposed adjustments, our

20% goal would increase from 57 houses to 96 houses.

The area of greatest change is Gianone-Garden Acres, where the number would increase by 37 houses. This unincorporated, East Stockton neighborhood is an area where the County has maintained a sustained and significant progress in house rehabilitation and new construction for low-income families. There is a great interest among homebuyers in this area. This is due, in part, to the fact that the County's efforts (using CDBG, HOME, NSP1 and NSP3 funds) have stimulated private developers to take interest and build in the area. Hundreds of houses have been built or rehabilitated over the last fifteen to twenty years, making East Stockton a desirable area to live.

Lincoln Village (expanded), the other Stockton target area, is not proposed for change.

The changes proposed for Manteca (Yosemite to State Route 120) and Tracy (from Lowell to 11th rev) were to move adjacent boundaries to areas of newer development with higher REO traffic. The effect in each city would be to increase the 20% figure from 14 houses to 15 houses, or two additional houses.

We have given much thought to our request because we have seen in NSP1 how productive the NSP program can be, and because we have had much less success with a previous, smaller revision to NSP3. We desire to achieve the best possible outcome with HUD administrative approval of our requests for technical boundary adjustments. It will be challenging but certainly more productive than the way NSP3 is configured now.

One NSP3 goal of NSP3 goal is to acquire/rehabilitate/sell 20% of the foreclosures from the previous year. The purpose of this performance measure is to create a visual impact of neighborhood stabilization. In San Joaquin County, the NSP3 total foreclosure number is 480 houses. San Joaquin County plans to acquire/rehabilitate/sell 20%, or 96 houses, within the adjusted neighborhood boundaries.

ACTION PLAN TECHNICAL ADJUSTMENT SUBMITTED ON OCTOBER 23, 2012:

The County of San Joaquin is proposing to amend its 2010-2015 Consolidated Plan. The amendment consists in its entirety of adding a new target area to the County's Neighborhood Stabilization Program 3 ("NSP3") for the purpose of acquiring and rehabilitating rental properties (primarily apartment buildings) to address the housing needs of very low income households (i.e., those households with incomes that are 50% or less than the County's Average Median Income). The new target area is located in south Stockton, immediately east of El Dorado Street. The new target area is bounded by E. 3rd Street on the north, E. 6th Street on the south, California Street on the east, and El Dorado Street on the west.

The need for the additional target area was prompted by the reality that the number of foreclosed apartment buildings in the County's existing four NSP3 target areas is virtually non-existent. The new target area offers a much greater potential for acquiring such properties.

The new target area has a HUD NSP3 score of 20. The HUD estimated number of properties needed to make an impact in the identified new target area is 3, whereas the County estimates that the number of apartment units that could be rehabilitated in the new target area is 38.

A public notice concerning the new target area appeared on the County's website for NSP3 (at www.sjgov.org/commdev) on Monday, October 1, 2012. An ad concerning the new target area appeared in The Record, a newspaper of general circulation, on Thursday, October 4, 2012. The public review and comment period for the public notice and ad ended on October 19, 2012. No comments were received during the comment period.

ACTION PLAN TECHNICAL ADJUSTMENT SUBMITTED ON FEBRUARY 13, 2013:

The County is proposing to adjust the boundaries of its Gianone-Garden Acres (rev) target area in east Stockton to include an adjacent area that has been the recipient of significant CDBG and other County investment in the past with respect to new construction and housing rehabilitation for low income households. This adjacent area is bounded by Waterloo Road on the south, Sanguinetti Lane on the west, Wilson Way on the north, and the Diverting Canal on the east.

The overall, modified target area, referred to as Gianone-Garden Acres-August, would have a Neighborhood NSP3 score of 20. Its Area of Benefit Eligibility would be approximately the same as that for the previous target area (with the percent of persons less than 120% AMI decreasing from 85.41% to 84.63%, and the percent of persons less than 80% AMI increasing from 67.3% to 68.43%). Under the proposed change, the County's 20% goal (defined as the estimated number of properties needed to make an impact in an identified target area) would increase from 54 properties to 74 properties.

Ensuring Continued Affordability:

Long-term affordability" requires that rental and homeownership housing must remain affordable for 5 to 15 years, depending on the amount of NSP3 funds invested in the housing unit. Long-term affordability will be enforced through rental and deed restrictions, including resale/recapture provisions.

Definition of Blighted Structure:

"Blighted structure" means a structure that exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare.

Definition of Affordable Rents:

"Affordable rents" are low HOME rents applicable to households at 50% AMI, or less.

Housing Rehabilitation/New Construction Standards:

"Housing rehabilitation standards" refer, at a minimum to conditions that are safe, sanitary, decent and energy efficient. NSP3 improvements must conform to the State of California Building Code, including greening and energy conservation provisions. Energy Star appliances will be installed as appropriate.

Vicinity Hiring:

The Grantee's Developer Agreements with the Non-Profits selected to implement NSP3 include provisions that require that the Non-Profits, to the maximum extent possible, hire local contractors and employees from the target neighborhood vicinity.

Procedures for Preferences for Affordable Rental Dev.:

By commitment of 25% of the grant, the Grantee will provide rental housing to households that earn 50% or less of the County Average Median Income (AMI). This portion of the Action Plan will be updated once a site has been acquired.

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Grantee Contact Information:

Karen Stevens, Deputy Director, San Joaquin County Community Development Department, 1810 E. Hazelton Avenue, Stockton, CA 95205
209-468-3139 kstevens@sjgov.org

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$8,236,115.61
Total Budget	\$0.00	\$8,236,115.61
Total Obligated	\$0.00	\$7,112,465.56
Total Funds Drawdown	\$0.00	\$6,724,607.30
Program Funds Drawdown	\$0.00	\$4,398,543.00
Program Income Drawdown	\$0.00	\$2,326,064.30
Program Income Received	\$425.00	\$2,776,838.57
Total Funds Expended	\$0.00	\$6,774,506.03
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
Other Funds	\$ 0.00	\$ 0.00
Match Funds	\$ 0.00	\$ 0.00
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
NeighborWorks	\$ 0.00	\$ 954,783.97
STAND	\$ 0.00	\$ 2,192,546.80
San Joaquin County Community Development Department	\$ 0.00	\$ 3,511,425.96
Visionary Home Builders of California	\$ 0.00	\$ 115,749.30

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	99.99%	.00%	.00%
Minimum Non Federal Match	\$.00	\$.00	\$.00
Overall Benefit Amount	\$8,013,623.56	\$.00	\$.00
Limit on Public Services	\$659,781.45	\$.00	\$.00
Limit on Admin/Planning	\$439,854.30	\$545,419.00	\$475,426.33

Limit on Admin	\$.00	\$545,419.00	\$475,426.33
Most Impacted and Distressed	\$.00	\$.00	\$.00
Progress towards LH25 Requirement	\$2,139,961.00		\$2,986,100.90

Overall Progress Narrative:

No activity to report.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
NSP3-1, Acq./Rehab./Sale	\$0.00	\$4,417,037.00	\$1,991,361.89
NSP3-2, 25% Set-Aside	\$0.00	\$3,300,000.00	\$2,072,927.69
NSP3-3, Land Banking	\$0.00	\$9,927.00	\$0.00
NSP3-4, Administration	\$0.00	\$545,419.00	\$334,253.42

Activities

Project # /	NSP3-1 / Acq./Rehab./Sale
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Grantee Activity Number: STAND-NSP3-1.B

Activity Title: Acq./Rehab./Sale

Activity Type:
Rehabilitation/reconstruction of residential structures

Project Number:
NSP3-1

Projected Start Date:
05/02/2011

Benefit Type:
Direct (HouseHold)

National Objective:
NSP Only - LMMI

Activity Status:
Under Way

Project Title:
Acq./Rehab./Sale

Projected End Date:
05/01/2014

Completed Activity Actual End Date:

Responsible Organization:
STAND

Overall	Jul 1 thru Sep 30, 2023	To Date
Total Projected Budget from All Sources	\$0.00	\$1,336,369.29
Total Budget	\$0.00	\$1,336,369.29
Total Obligated	\$0.00	\$2,216,078.29
Total Funds Drawdown	\$0.00	\$2,206,546.80
Program Funds Drawdown	\$0.00	\$1,376,821.14
Program Income Drawdown	\$0.00	\$829,725.66
Program Income Received	\$425.00	\$1,867,681.16
Total Funds Expended	\$0.00	\$2,192,546.80
STAND	\$0.00	\$2,192,546.80
Most Impacted and Distressed Expended	\$0.00	\$0.00

Activity Description:

Acquisition, rehabilitation and sale of vacant foreclosed single-family houses and sale of same to low- to moderate-income homebuyer-occupants.
10-26-12 - Increased budget by \$500,000 to a total of \$1,872,345.66.

Location Description:

Unincorporated Stockton Area (Garden Acres, Lincoln Village)
South Central Tracy
Southwest Central Manteca

Activity Progress Narrative:

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	16/10

of Singlefamily Units

0

16/10

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	10/5	6/5	16/10	100.00
# Owner	0	0	0	10/5	6/5	16/10	100.00

Activity Locations

No Activity Locations found.

Other Funding Sources

No Other Funding Sources Found

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Activity Supporting Documents:

None