

# Action Plan

**Grantee: Alameda County, CA**

**Grant: B-08-UN-06-0001**

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<b>LOCCS Authorized Amount:</b>	\$ 2,126,927.00
<b>Grant Award Amount:</b>	\$ 2,126,927.00
<b>Status:</b>	Reviewed and Approved
<b>Estimated PI/RL Funds:</b>	\$ 5,000,000.00
<b>Total Budget:</b>	\$ 7,126,927.00

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## Funding Sources

**No Funding Sources Found**

## Narratives

### Areas of Greatest Need:

B. AREAS OF GREATEST NEED: The Urban County is made up of the Cities of Albany, Emeryville, Piedmont, Newark, Dublin and the unincorporated portions of the County. To identify the areas of greatest need, County HCD staff evaluated data from Data-quick, Realty-trac, the Multiple Listing Service, and public records. The results between data sources were not entirely consistent, but did show clear patterns. All data sources pointed to a pattern of foreclosure problems in Newark, Unincorporated Alameda County and Emeryville, but each data source showed the different jurisdictions with different needs. For instance, in 2007 and the first half of 2008, Emeryville clearly had the most foreclosures per 100 homes in its jurisdiction, even though Newark and the County clearly had a larger number of actual foreclosures. If the Multiple Listing Service data was reviewed, the Unincorporated County had the highest number of Real Estate Owned (REO) units listed and the highest number per 100 homes. Newark came in second, and then Dublin came in third, with Emeryville in fourth place. In all the data sources, the cities of Piedmont and Albany had fewer problems. In addition, HCD staff attended meetings of the Bay East Association of Realtors and collected anecdotal information on foreclosures and REO properties. One of the most significant points is that properties in good neighborhoods, where banks were realistic about pricing, were selling quickly. Only properties in the most difficult neighborhoods, or properties owned by Banks which were not dropping their price according to market demands, were sitting tearkt for longer than 60 days. HUD has provided an Estimated Foreclosure and Abandonment Risk Score (EFARS) to assist jurisdictions in determining the areas of greatest need. HUD provided scores from one to ten with one being the lowest risk and ten being the highest risk. Due to the inconsistency of the data results reviewed, HCD decided to use the HUD EFARS for each jurisdiction in the Urban County to determine the highest need. The levels of risk in the Urban County ranged from one to eight. EFAR scores of seven and eight represent "High Priority Areas". EFAR scores of five and six represent "Medium Priority Areas". EFAR scores of four or less represent "Low Priority Areas". The Areas of Greatest Need are the census tracts within the Alameda County Urban County Jurisdiction which are High Priority, as defined by the Foreclosure and Abandonment Risk Score of seven or higher. In Unincorporated Alameda County the following census tracts qualify: 433700, 433800, 436200, 433900, 434000, 435500, 435600, 436300, 436401, 435700, and 435800. In the City of Newark census tract 444400 is the only qualifying census tract.

### Distribution and Uses of Funds:

C. DISTRIBUTION AND USES OF FUNDS Provide a narrative describing how the distribution and uses of the grantee's NSP funds will meet the requirements of Section 2301(c)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures The County has analyzed the three HERA required criteria for the distribution of NSP funds. These include those areas with 1) the greatest percentage of home foreclosures, 2) the highest percentage of homes financed by a subprime mortgage related loan, and 3) identified as likely to face a significant rise in the rate of home foreclosures. The EFAR Scores for the Urban County ranged from 1 through 8. County staff attributed a relative impact value of high, medium, or low to each census tract for each criterion. Based on this analysis, the following communities have the greatest need and are the High Priority Areas: The unincorporated



neighborhoods of Ashland, Cherryland, Fairview, Foothill Knowles, Fairmont, El Portal Ridge, and San Lorenzo and certain neighborhoods in the city of Newark. The cities and communities of Castro Valley, Newark and Emeryville are also suffering from foreclosures and are the Medium Priority Areas. The remaining cities and communities in the Urban County are Low Priority Areas for this program. All programs listed in Section G will be available in the High Priority Areas only. In the future, HUD publishes additional EFAR scores, the County will re-analyze each census tract in the Urban County, and will then update those areas that qualify under the High Priority Area to correspond with the same criteria listed above. In no case shall NSP funding be used in areas that are not High Priority. Use of Funds: The eligible uses of the NSP funds are: A. Establish financing mechanisms for the purchase and rehabilitation of properties that have been abandoned or foreclosed, B. Purchase and rehabilitate properties that have been abandoned or foreclosed upon C. Establish land banks for homes that have been foreclosed upon, D. Demolish blighted structures, E. Redevelop demolished ad vaantropetiesI Section G substantial amendment to the 2008-09 Action Plan, Alameda County outlines each of the programs and activities contemplated under this program.

## Definitions and Descriptions:

### A. DEFINITIONS AND DESCRIPTIONS

In the context of the Neighborhood Stabilization Program, the following definitions will apply: (1) "Affordable Housing Cost for Owner-Occupied Housing" a. For low income households (51 - 80% of area median income), affordable housing cost shall not exceed the product of 30 percent of 70 percent of the area median income adjusted for Household size appropriate for the unit. b. For moderate income households (81-100% of area median income), whose gross incomes exceed the maximum income for low income households and do not exceed middle income households, the product of 30 percent of 90 percent of the area median income adjusted for Household size appropriate for the unit. c. For middle income households (up to 120% of area median income), affordable housing cost shall not exceed the product of 30 percent times 110 percent of the area median income adjusted for Household size appropriate for the unit. (2) "Affordable Rents" a. For very low income households (50% or below area median income), the product of 30 percent times 50 percent of the area median income adjusted for assumed household size appropriate for the unit. b. For low income households (51 - 80% of area median income), the product of 30 percent times 70 percent of the area median income adjusted for assumed household size appropriate for the unit c. For moderate income households (80-100% of area median income) whose gross incomes exceed the maximum income for low income households, the product of 30 percent times 90 percent of median income adjusted for assumed household size appropriate for the unit. c. For middle income households (up to 120% of area median income), the product of 30 percent times 110 percent of the area median income adjusted for assumed household size appropriate for the unit. (3) "Assumed Household Size" Unit size Household Size Studio 1 1 bedroom 2 2 bedroom 3 3 bedroom 4 4 bedroom 5 (3) "Area Median Income" shall mean the median gross yearly income, adjusted for Actual Household Size as specified herein, in the County of Alameda, California, as published from time to time by HUD. In the event that such income determinations are no longer published, or are not updated for a period of at least eighteen (18) months, the County shall provide the Borrower with other income determinations which are reasonably similar with respect to methods of calculation to those previously published by HUD (4) "Blighted Structure" shall mean buildings or conditions causing blight as defined in California Health and Safety Code Section 33031(a)(1) and (2) (5) "Continued Affordability" for Owner Occupied Housing shall meet or exceed the HOME Investment Partnerships Act (HOME) minimum requirements [24 CFR 92.254 (a)(4) and (5)] and shall mean one or more of the following: a. Deed Restricted Programs: Buyers of homes assisted with NSP funds in a deed restricted program shall enter into a resale agreement that shall restrict the future sales price to keep the home affordable to future buyers. The resale restriction will also require future purchasers to be low, moderate, or middle income, occupy the home as their primary residence, and enter into a new resale restriction. b. Shared Appreciation Loans: Buyers of homes assisted with NSP funds in a shared appreciation program shall execute a promissory note and deed of trust which will secure the loan principal plus a share of the appreciation. Any loan repayments made during the first five years of the NSP program will be used to subsidize additional purchasers of foreclosed homes. c. The County will ensure continued affordability by for NSP assisted housing by requiring documentation of income-eligibility upon sale or initial occupancy of each NSP assisted unit. (6) "Continued Affordability" for Rental Occupied Housing shall meet or exceed the HOME Investment Partnership Act (HOME) minimum requirements [24 CFR 92.254 (a)(4) and (5)] and if additional HCD sources are used that leverage the NSP funds, shall likely last a minimum of 55 years. All rental housing projects will be restricted by Regulatory Agreements and Deed of Trust securing the County's investment in the property. Minimum Affordability Periods Rehabilitation or acquisition of existing housing per unit amount of NSP funds HOME Standard Under \$15,000 5 \$15,000-\$40,000 10 Over \$40,000 or rehabilitation involving refinancing 15 New construction or acquisition of newly constructed housing 20 (7) "Estimated Foreclosure and Abandonment Risk Score (EFAR Score)" HUD developed a risk score using factors that include decline in home values, unemployment rates, rate of high cost loans (i.e. interest rates 3 percentage points above the Treasury rate), foreclosure start rates, and vacant property rates (using U.S. Postal Service reports of homes that are vacant for over 90 days). (8) "Foreclosed". A property "has been foreclosed upon" at the time, under state or local law a foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with state or local law. (9) "High Priority Areas" are the cities and communities that have an EFAR Score of seven or eight in the Urban County as discussed in Section B (Greatest Need) below. (10) "Housing Costs for Owner-Occupied Housing" shall mean all of the following costs associated with a particular housing unit: a. principal and interest on mortgage loans, and any loan insurance fees associated with the loan; b. property taxes and assessments; c. fire and casualty insurance; d. property maintenance and repairs; e. reasonable allowance for utilities not including telephone or cable; and f. homeowners association fees, if any. (11) "Low Income" shall mean households whose annual adjusted income does not exceed 50 percent of the area median income. (12) "Low Priority Areas" are the cities and communities that have an EFAR Score of four or lower as discussed in Section B (Greatest Need) below. (13) "Medium Priority Areas" are the cities and communities that have an EFAR Score of five or six as discussed in Section B (Greatest Need) below. (14) "Middle Income" shall mean households whose annual adjusted income does not exceed 120 percent of the area median income. (15) "Moderate Income" shall mean households whose annual adjusted income does not exceed 80 percent of the area median income. (16) "Rehabilitation Standards" shall mean the applicable residential standards in the California Building Code as amended by the California Building Standards Commission.



## Low Income Targeting:

D. LOW INCOME TARGETING: As required, Alameda County HCD will set aside 25% of the grant - \$531,740, for households whose incomes do not exceed 50% of Area Median Income. It is expected that this amount will be used for rental housing. It is estimated that this amount will assist in the creation of between 1 and 2 units of rental housing.

## Acquisition and Relocation:

E. ACQUISITIONS & RELOCATION Indicate whether grantee intends to demolish or convert any low- and moderate-income dwelling units (i.e., 80% of area median income). To date, there are no regulated or restricted rental housing units in the Urban County jurisdiction which are in foreclosure. Alameda County will not demolish or convert any low income units as a direct result of NSP assisted activities. The City of Emeryville has had restricted for sale units in foreclosure. The City has successfully implemented a "Foreclosure Prevention Strategy Program" to help households avert foreclosure if they have received notices of default. However, this year, one of the households in the First Time Homebuyer program defaulted and lost their home. To our knowledge, this is the only restricted unit foreclosed upon in the Urban County. NSP funds will be used primarily to finance the acquisition and rehabilitation of foreclosed properties. Some funds may be used to provide down payment assistance or silent second loans to eligible households for the direct purchase of foreclosed homes. The goal will be to work with vacant units. However, if identified properties have tenants or previous owners living in the units, all applicable Relocation laws and regulations will be followed. Demolition and conversion of blighted structures is not a priority for Urban County NSP funds. However, during program implementation, the County may become aware of structures that should be demolished. If that is the case, the County will make every effort to work with a local nonprofit developer to build new housing units affordable to Low, Moderate or Middle income households. Additional information on all programs is included in Section G below.

## Public Comment:

F. PUBLIC COMMENT: The Neighborhood Stabilization Program regulations required a public participation process. This process included providing the public notice of the new program, posting of the draft plan on the agencies website, and taking public comments for not less than 15 days. Before the County drafted the Substantial Amendment and program activities, County staff held a meeting of the Urban County Technical Advisory Committee (TAC), made up of staff of each of the participating jurisdictions in the Urban County, to discuss the Neighborhood Stabilization Program requirements and the programs to be funded under the new funding source. The TAC voted to create a Revolving Loan Fund for use in the areas of greatest need, and to set aside the minimum of 25% of the funding for low income households. After the posting of the Substantial Amendment, all TAC member comments submitted to HCD were incorporated into the Final Substantial Amendment submitted to HUD. The draft Substantial Amendment was posted on the HCD website at [www.acgov.org/cda/hcd](http://www.acgov.org/cda/hcd) on November 1, 2008. An email link was provided for the public to send comments specifically on the NSP program to HCD staff [michelle.starratt@acgov.org](mailto:michelle.starratt@acgov.org). In addition, on November 1, 2008 the Public Notice was published in the Oakland Tribune, The Fremont Argus, the Hayward Review and the Tri Valley Herald, newspapers of general circulation in Alameda County. Copies of these public notices are attached as Exhibit B to this Substantial Amendment. The Public was invited to view the Substantial Amendment on the website and submit comments to HCD staff. Public comments received are summarized below: We received a number of emails from members of the public thanking us for implementing a program that would help first time home buyers. • We received an email from a member of the public requesting that the units purchased be made available to the most at risk households, specifically those with terminal illnesses (like cancer) who need care and affordable housing. • We received an email from Housing Consortium of the East Bay advocating that funds be used to assist the developmentally disabled, and that if that occurred, the funds could be well leveraged with State funding aimed at that target population. • We received an email from the Alameda County Behavioral Health Care Department advocating that the funds be used to end homelessness in Alameda County, and especially target the goals of the EveryOne Home plan. In addition to the Public Notice and Website, HCD Staff made presentation to some of the Alameda County CDBG entitlement jurisdictions and housing providers on the NSP program and the intended activities of the Urban County NSP program. Their comments are listed here: • Skepticism that the program will work, given the amount of money available ("won't make a dent in the foreclosure problem"). • Challenging program to run, given the requirement to purchase properties at below market rate (at least 1% from appraised value). • Concern that the de-escalating market will make a purchase of a below market rate unit over market, by the time the unit comes up for resale. • Concern that public entities could not purchase property below Fair Market Value due to California Eminent Domain Laws. • Concern that the below market rate requirement will continue to deflate property values. • Concern that the short time frame to obligate NSP funds will limit the ability to identify and leverage additional funds to carry out the NSP programs. This would limit the total number of homes and households that could benefit from this program. The Substantial Amendment was taken to the Board of Supervisors on November 18, 2008 where the public could make comments. The Board adopted the Substantial Amendment, with the condition that any comments received at the board meeting be included in the final submission to HUD. No member of the public made comments at the Board meeting.

In September 2015 another public notice was published which invited the public to view the substantial amendment submitted to HUD to add census tract 4130.00 to the list of approved census tracts. This is being done for the purpose of creating a 50% or below AMI project at 9702 International Blvd., Oakland, CA 94603. This Substantial Amendment will allow HCD to contract with Hello housing to purchase the property, rehabilitate it, then transfer ownership to a managing non-profit to manage the daily operations of the transitional housing/ community benefit facility. The units will be restricted to persons making less than 50% of AMI. The public comment ended on 9/11/15, with no comments received from the public.

## Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
100	Administrative Costs	100	Administration
		3	



120-Homeownership	120-Homeownership	200	Acquisition/Rehabilitaion/Resale
400 - LH 25	Transitional Shelter Housing	400 - LH 25	9702 International Blvd
9999	Restricted Balance		<i>No activities in this project</i>
VLI-25% Rental	VLI-25% Rental	300	Rental Housing



# Activities

**Project # / Title:** 100 / Administrative Costs

**Grantee Activity Number:** 100  
**Activity Title:** Administration

**Activity Type:**

Administration

**Project Number:**

100

**Projected Start Date:**

09/29/2008

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

**Environmental Assessment:**

**Benefit Report Type:**

NA

**Activity Status:**

Under Way

**Project Title:**

Administrative Costs

**Projected End Date:**

03/01/2013

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 500,000.00

**Other Funds** \$ 0.00

**Total Funds** \$ 500,000.00

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Alameda County Housing and Community Development Department

**Proposed budgets for organizations carrying out Activity:**

**Responsible Organization**

Alameda County Housing and Community Development Department

**Organization Type**

Unknown

**Proposed**

\$ 212,692.70

**Location Description:**



Administration activities are carried out at HCD's office, at 224 W. Winton Ave, Room 108, Hayward CA 4544

**Activity Description:**

Grant administration includes maintaining a relationship with HUD, entering into grant agreements, taking grant agreements to the Board of Supervisors, maintaining financial records, drafting and issuing Request For Proposals, selecting organizations to carryout the activities, gaining Board of Supervisor approval for these activities, and updating and maintaing the DRGR financial system.

**Project # / Title: 120-Homeownership / 120-Homeownership**

**Grantee Activity Number: 200**  
**Activity Title: Acquisition/Rehabilitaion/Resale**

<b>Activity Type:</b> Acquisition - general	<b>Activity Status:</b> Completed
<b>Project Number:</b> 120-Homeownership	<b>Project Title:</b> 120-Homeownership
<b>Projected Start Date:</b> 08/01/2009	<b>Projected End Date:</b> 06/30/2014
<b>Project Draw Block by HUD:</b> Not Blocked	<b>Project Draw Block Date by HUD:</b>
<b>Activity Draw Block by HUD:</b> Not Blocked	<b>Activity Draw Block Date by HUD:</b>
<b>Block Drawdown By Grantee:</b> Not Blocked	
<b>National Objective:</b> LMMI: Low, Moderate and Middle Income National Objective for NSP Only	<b>Total Budget:</b> \$ 2,347,251.88
<b>Environmental Assessment:</b> COMPLETED	<b>Other Funds:</b> \$ 0.00
<b>Benefit Report Type:</b> Direct (Households)	<b>Total Funds:</b> \$ 2,347,251.88

<b>Proposed Beneficiaries</b>	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Owner Households	8		8	100.00
# of Households	8		8	100.00
# of Permanent Jobs Created				0.0

<b>Proposed Accomplishments</b>	<b>Total</b>
# of Singlefamily Units	8



# of Housing Units	8
# of Parcels acquired voluntarily	8
# of Parcels acquired by admin settlement	
# of Parcels acquired by condemnation	
# of buildings (non-residential)	8
# of Properties	8

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Hallmark Community Solutions

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed
Hallmark Community Solutions	Non-Profit	\$

**Location Description:**

Activities will take place in qualified census tracts in unincorporated Alameda County and the City of Newark.

**Activity Description:**

Acquisition, Rehabilitation and Resale of foreclosed upon homes.

**Project # / Title:** 400 - LH 25 / Transitional Shelter Housing

**Grantee Activity Number:** 400 - LH 25  
**Activity Title:** 9702 International Blvd

**Activity Type:**

Rehabilitation/reconstruction of public facilities

**Project Number:**

400 - LH 25

**Projected Start Date:**

09/01/2015

**Project Draw Block by HUD:**

Not Blocked

**Activity Draw Block by HUD:**

**Activity Status:**

Under Way

**Project Title:**

Transitional Shelter Housing

**Projected End Date:**

09/30/2017

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**



Not Blocked

**Block Drawdown By Grantee:**

Not Blocked

**National Objective:**

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Environmental Assessment:**

UNDERWAY

**Benefit Report Type:**

NA

<b>Total Budget:</b>	\$ 237,250.00
<b>Other Funds</b>	\$ 0.00
<b>Total Funds</b>	\$ 237,250.00

**Proposed Accomplishments**

	<b>Total</b>
<b># of Singlefamily Units</b>	
<b># of Multifamily Units</b>	8
<b># of Housing Units</b>	8
<b># of Elevated Structures</b>	1
<b># of Public Facilities</b>	1

**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Hallmark Community Solutions

**Proposed budgets for organizations carrying out Activity:**

<b>Responsible Organization</b>	<b>Organization Type</b>	<b>Proposed</b>
Hallmark Community Solutions	Non-Profit	\$ 0.00

**Location Description:**

This is a tax defaulted transitional housing facility located at 9702 International Blvd in Oakland Ca.

**Activity Description:**

This is currently a transitional housing facility that may continue to be transitional housing, but may also shift to a shelter, as the configuration of the building is better suited to a shelter use than transitional housing. Therefore we are using the public facility use. This will be an acquisition of a vacant blighted structure, and the redevelopment of it.

**Project # / Title: VLI-25% Rental / VLI-25% Rental**





**Grantee Activity Number:** 300  
**Activity Title:** Rental Housing

**Activity Type:**  
 Acquisition - general

**Project Number:**  
 VLI-25% Rental

**Projected Start Date:**  
 08/01/2009

**Project Draw Block by HUD:**  
 Not Blocked

**Activity Draw Block by HUD:**  
 Not Blocked

**Block Drawdown By Grantee:**  
 Not Blocked

**National Objective:**  
 LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

**Environmental Assessment:**  
 UNDERWAY

**Benefit Report Type:**  
 Direct (Households)

**Activity Status:**  
 Under Way

**Project Title:**  
 VLI-25% Rental

**Projected End Date:**  
 12/31/2016

**Project Draw Block Date by HUD:**

**Activity Draw Block Date by HUD:**

**Total Budget:** \$ 1,036,640.83  
**Other Funds:** \$ 0.00  
**Total Funds:** \$ 1,036,640.83

<b>Proposed Beneficiaries</b>	<b>Total</b>	<b>Low</b>	<b>Mod</b>	<b>Low/Mod%</b>
# Renter Households	9	9		100.00
# of Households	9	9		100.00
# of Permanent Jobs Created				0.0

<b>Proposed Accomplishments</b>	<b>Total</b>
# of Singlefamily Units	3
# of Housing Units	3
Total acquisition compensation to owners	
# of Parcels acquired voluntarily	3
# of Parcels acquired by admin settlement	
# of Parcels acquired by condemnation	3
# of buildings (non-residential)	3
# of Properties	3



**Activity is being carried out by Grantee:**

No

**Activity is being carried out through:**

**Organization carrying out Activity:**

Hallmark Community Solutions

**Proposed budgets for organizations carrying out Activity:**

Responsible Organization	Organization Type	Proposed
Hallmark Community Solutions	Non-Profit	\$

**Location Description:**

Activity will take place in the unincorporated portion of Alameda County, close to the Bay Fair BART station, in the neighborhood known as either Ashland or Cherryland

**Activity Description:**

Acquisition of vacant or blighted structures, which will be rehabilitated and turned into supportive housing Very Low Income households.

**Action Plan Comments:**

Reviewer - 1/25/10 - Grantee only corrected tyrographical errors contained in Action Plan.

**Action Plan History**

Version	Date
B-08-UN-06-0001 AP#1	09/22/2015
B-08-UN-06-0001 AP#2	04/02/2015
B-08-UN-06-0001 AP#3	04/26/2012
B-08-UN-06-0001 AP#4	01/04/2012
B-08-UN-06-0001 AP#5	12/21/2011
B-08-UN-06-0001 AP#6	12/21/2011
B-08-UN-06-0001 AP#7	01/28/2011
B-08-UN-06-0001 AP#8	06/29/2009

