

Action Plan

Grantee: Elk Grove, CA

Grant: B-08-MN-06-0002

LOCCS Authorized Amount:	\$ 2,389,651.00
Grant Award Amount:	\$ 2,389,651.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 1,835,000.00
Total Budget:	\$ 4,224,651.00

Funding Sources

No Funding Sources Found

Narratives

Areas of Greatest Need:

The City used several data sources in evaluating the areas of greatest needs, including HUD data and City data on the number of bank-owned properties. Foreclosures are scattered throughout the City, with no area showing a significant concentration.

HUD provided data at the Census block group level, including home price declines since peak, unemployment rates, high cost loan rates, predicted 18-month foreclosure rates, and vacancy rates (see Appendix A). This information was used to create a foreclosure and abandonment risk score. Of the City's 41 block groups, scores ranged from 5 to 7 on a 10-point scale. This indicates that all areas of the City face roughly the same foreclosure risk.

The City compiles its own list of foreclosures, using information on bank-owned properties receiving utility billings. Bank-owned residential properties are generally considered foreclosures. The mapping of these foreclosed homes does not indicate a concentration of foreclosures in any particular area (see Appendix B). Foreclosures may be slightly more prevalent in residential areas built since 2003, but the correlation is weak and foreclosures are scattered throughout the City.

Foreclosures also have little relation to low-, moderate-, and middle-income (LMMI) areas of the City, occurring in those areas about as frequently as in the rest of the City. The LMMI areas generally have a higher concentration of rental housing, and in particular affordable rental housing, which has not suffered from foreclosure at nearly the rate of single-family homes.

Based on this data, all neighborhoods within the City are anticipated to have approximately the same risk of foreclosure and thus a similar level of need. The City's areas of greatest need encompass all areas within the City.

Distribution and Uses of Funds:

As noted in the previous section, the City's areas of greatest need include all Census block groups within the City, as all have similar foreclosure risk. Appendix B shows that home foreclosures are scattered throughout the City, with no discernable concentration in any one residential area.

High cost loan rates correlate closely to subprime loans. Subprime loans are typically high cost because of the higher risk associated with making them, while prime loans generally have more favorable terms and lower risk of defaulting. The percentage of high cost loans in Census block groups within the City (the smallest area possible to aggregate) range from 16.1 percent to 27.3 percent, with a median of 23.6 percent.

The majority of Elk Grove's housing is newer, and there is a slightly higher percentage of foreclosures in areas built since 2003 than in older areas. However, foreclosures are occurring throughout the City, and are anticipated to continue to occur throughout the City. Between 2002 and 2007, housing in Elk Grove sold very quickly and at prices much higher than current sales prices. Housing within the older areas of Elk Grove remained some of the most affordable in the Sacramento region at the time, and many subprime loans were made for housing purchases there, as well as in the newer areas of the City.

The City will distribute funds to all areas of the City, and will reevaluate foreclosure statistics on a quarterly basis to ensure



that our assumptions of the similar foreclosure risk faced by all areas continue to be accurate.

Definitions and Descriptions:

“Blighted Structure” shall mean buildings or conditions causing blight as defined in California Health and Safety Code, Section 33031(a)(1) and (2).

"Affordable rents" will be defined as not more than 30 percent of household income.

To ensure continued affordability for NSP assisted housing:

The City currently ensures affordability on its affordable ownership and rental properties using deed restriction documents, such as Regulatory Agreements, and will continue to use this strategy for all NSP-assisted housing. Rental housing will be required to maintain affordability for a minimum of 45 years, and ownership housing will be required to maintain affordability for the term that the owner occupies the home. For-sale housing will be required to be owner-occupied.

The City will adopt the HOME program standards at 24 CFR 92.252(a), (c), (e), and (f), and 92.254, but may make the affordability periods longer.

Housing rehabilitation standards that will apply to NSP assisted activities:

The City’s housing rehabilitation standards will conform to the Uniform Building Code and any local code.

Low Income Targeting:

The City will provide a minimum of 25 percent of total NSP funding (\$597,413), plus 25 percent of total NSP program income, to serve households with incomes not exceeding 50 percent of the area median income (currently \$35,500 for a family of four). The City plans to partner with a non-profit to own and manage a long-term affordable housing resource for very low-income individuals and/or families.

Acquisition and Relocation:

The City does not plan to demolish or convert any low- and moderate-income dwelling units. The majority of the City’s low- and moderate-income units are recently built and have low vacancy, and therefore would not be good candidates for demolition or conversion.

Public Comment:

NSP Action Plan

Public comment on the NSP Substantial Amendment was taken from October 28, 2008 until November 12, 2008. The City noticed the NSP Substantial Amendment online and in the local newspaper (see Attachment C). A public hearing to approve the NSP Substantial Amendment was held on November 12, 2008. No public comment was received.

NSP Action Plan – Amendment #1

Public comment on the NSP Substantial Amendment was taken from March 10, 2009 until March 25, 2009. The City noticed the NSP Substantial Amendment online on the City’s website. A public hearing to approve the NSP Substantial Amendment was held on March 25, 2009. No public comment was received.

NSP Action Plan – Amendment #2

Public comment on Amendment #2 to the NSP Action Plan was taken from February 23, 2016 until March 9, 2016. The City noticed the NSP Substantial Amendment on the City’s website. A public hearing to approve the NSP Action Plan – Amendment #2 was held on March 9, 2016. One public comment was received. The commenter noted the City lacks a policy for intervening in individual foreclosures. The commenter also stated that the City should use youth to make repairs to acquired properties, and should consider a \$15 minimum wage law.

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
01	Acq/Rehab - VLI (B)	01-AcqRehab-LH25	Acq/Rehab - VLI
02	Acq/Rehab - LMMI (B)	02.1-AcqRehab-LMMI-HBT	LMMI Acq/Rehab - Homes by Towne
		02.2-AcqRehab-LMMI-NWORKS	LMMI Acq/Rehab - NeighborWorks
03	Downpayment Assistance (A)	03-DAP	Downpayment Assistance
9999	Restricted Balance	<i>No activities in this project</i>	
Administration	Administration	00-Admin	Administration
NS-0005	Tax Default Property	NSP-0005-01	Tax Default Property Rehabilitation Program - LH25
		NSP-0005-02	Tax Default Property Redevelopment Program
		NSP-0005-03	Tax Default Property Redevelopment Program - LH25



Activities

Project # / 01 / Acq/Rehab - VLI (B)

Grantee Activity Number: 01-AcqRehab-LH25
Activity Title: Acq/Rehab - VLI

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 01

Projected Start Date:
 10/01/2008

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.

Activity Status:
 Completed

Project Title:
 Acq/Rehab - VLI (B)

Projected End Date:
 09/30/2012

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 675,732.68
Most Impacted and Distressed Budget: \$ 0.00
Other Funds: \$ 0.00
Total Funds: \$ 675,732.68

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	2	2		100.00
# Owner Households	6	6		100.00
# of Households	8	8		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	8
# of Housing Units	8
# ELI Households (0-30% AMI)	
#Low flow showerheads	10
#Low flow toilets	7
#Dishwashers replaced	4
#Clothes washers replaced	
#Refrigerators replaced	
#Light fixtures (outdoors) replaced	12



#Light Fixtures (indoors) replaced	2
#Replaced hot water heaters	5
#Replaced thermostats	6
#Efficient AC added/replaced	4
#Energy Star Replacement Windows	24
# of Properties	8

Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

City of Elk Grove

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Elk Grove	Unknown	\$ 675,732.68

Location Description:

Owner units: 8728 Elk Way; 9472 Queensbury Court; 9578 Jan Marie Way; and 9313 Aizenberg Circle; 2 units to be purchased within City of Elk Grove

Renter units: 9532 Emerald Park Drive #3; 9508 Emerald Park Drive #4

Activity Description:

The acquisition and rehabilitation program will provide funding to an eligible developer to purchase and rehabilitate homes or residential properties that will be sold to very low-income households. Funds for this component will meet the very low-income housing requirement for those below 50 percent of the area median income.

For the two rental units, the City will work with one or more nonprofits interested in purchasing and managing two condo units within the City.

Environmental Assessment: EXEMPT

Environmental None

Project # / 02 / Acq/Rehab - LMMI (B)

Grantee Activity Number: 02.1-AcqRehab-LMMI-HBT

Activity Title: LMMI Acq/Rehab - Homes by Towne



Activity Type:
Rehabilitation/reconstruction of residential structures

Project Number:
02

Projected Start Date:
05/01/2009

Project Draw Block by HUD:
Not Blocked

Activity Draw Block by HUD:
Not Blocked

Block Drawdown By Grantee:
Not Blocked

National Objective:
LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:
Completed

Project Title:
Acq/Rehab - LMMI (B)

Projected End Date:
09/30/2012

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 438,924.69

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 438,924.69

Benefit Report Type:
Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	3	3		100.00
# of Households	3	3		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	3
# of Housing Units	3
#Low flow showerheads	1
#Low flow toilets	1
#Dishwashers replaced	1
#Clothes washers replaced	1
#Refrigerators replaced	1
#Light fixtures (outdoors) replaced	1
#Light Fixtures (indoors) replaced	1
#Replaced hot water heaters	1
#Efficient AC added/replaced	1
#Energy Star Replacement Windows	1
# of Properties	3



Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Elk Grove

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Elk Grove	Unknown	\$ 1,000,000.00

Location Description:

9309 Quintanna Court, 9477 Laguna Pointe Way, and 9416 Ivydale Circle

Activity Description:

In order to prevent further blight and decline in housing values, the City will purchase or assist in the purchase of residential properties that have not been occupied. These properties will have been either foreclosed upon or abandoned. Properties may include foreclosed homes requiring substantial rehabilitation, half-built homes abandoned by developers, and build-ready lots. The City will redevelop these properties as housing. The City may demolish existing improvements or structures on these properties subsequent to purchase and prior to redevelopment, as necessary.

Environmental Assessment: EXEMPT

Environmental None



Grantee Activity Number: 02.2-AcqRehab-LMMI-NWORKS
Activity Title: LMMI Acq/Rehab - NeighborWorks

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 02

Projected Start Date:
 03/01/2010

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:
 Completed

Project Title:
 Acq/Rehab - LMMI (B)

Projected End Date:
 12/31/2012

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 875,567.14

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 875,567.14

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	6	6		100.00
# of Households	6	6		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	6
# of Housing Units	6
# ELI Households (0-30% AMI)	
#Low flow showerheads	8
#Low flow toilets	9
#Dishwashers replaced	3
#Clothes washers replaced	
#Refrigerators replaced	
#Light fixtures (outdoors) replaced	14
#Light Fixtures (indoors) replaced	20
#Replaced hot water heaters	3
#Replaced thermostats	3
#Efficient AC added/replaced	3
#Energy Star Replacement Windows	24



of Properties

6

Activity is being carried out by

No

Activity is being carried out through:

Organization carrying out Activity:

City of Elk Grove

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
City of Elk Grove	Unknown	\$ 875,567.14

Location Description:

9557 Dunkerrin Way, 9332 Barth Street, 5045 Felicia Way, 8629 Lujan Crest Court, 8712 Los Banos Way, and 9339 Mark Street.

Activity Description:

In order to prevent further blight and decline in housing values, the City will purchase or assist in the purchase of residential properties that have not been occupied. These properties will have been either foreclosed upon or abandoned. Properties may include foreclosed homes requiring substantial rehabilitation, half-built homes abandoned by developers, and build-ready lots. The City will redevelop these properties as housing. The City may demolish existing improvements or structures on these properties subsequent to purchase and prior to redevelopment, as necessary.

Environmental Assessment: EXEMPT

Environmental None

Project # / 03 / Downpayment Assistance (A)

Grantee Activity Number: 03-DAP
Activity Title: Downpayment Assistance

Activity Type:
Homeownership Assistance to low- and moderate-income

Project Number:
03

Projected Start Date:
10/01/2008

Activity Status:
Completed
Project Title:
Downpayment Assistance (A)
Projected End Date:
07/30/2010



Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Benefit Report Type:

Direct (Households)

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget:	\$ 541,861.00
Most Impacted and Distressed Budget:	\$ 0.00
Other Funds:	\$ 0.00
Total Funds:	\$ 541,861.00

Proposed Beneficiaries

Owner Households

Total	Low	Mod	Low/Mod%
15	5	10	100.00
15	5	10	100.00

of Households

Proposed Accomplishments

of Singlefamily Units

Total

15

of Housing Units

15

Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

City of Elk Grove

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Elk Grove

Organization Type

Unknown

Proposed Budget

\$ 541,861.00

Location Description:

City-wide.

Activity Description:

The downpayment assistance program will provide low-interest silent second loans primarily to moderate- and middle-income households. Eligible households will be those not having owned a home in the previous three years and purchasing a foreclosed home with the City.

Environmental Assessment:

EXEMPT



Environmental

None

Project # / Administration / Administration

Grantee Activity Number: 00-Admin
Activity Title: Administration

Activity Type:

Administration

Project Number:

Administration

Projected Start Date:

10/01/2008

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)

Benefit Report Type:

NA

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

12/31/2012

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 278,965.00

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 278,965.00



Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

City of Elk Grove

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Elk Grove

Organization Type

Unknown

Proposed Budget

\$ 278,965.00

Location Description:

Citywide

Activity Description:

Administrative costs of the NSP local program.

Environmental Assessment: EXEMPT

Environmental None

Project # / NS-0005 / Tax Default Property Rehabilitation and

Grantee Activity Number: NSP-0005-01

Activity Title: Tax Default Property Rehabilitation Program - LH25

Activity Type:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

NS-0005

Project Title:

Tax Default Property Rehabilitation and

Projected Start Date:

03/09/2016

Projected End Date:

12/31/2020

Project Draw Block by HUD:

Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:

Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:

Total Budget:

\$ 300,000.00



Not Blocked

National Objective:

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

Most Impacted and Distressed Budget:

\$ 0.00

Other Funds:

\$ 0.00

Total Funds:

\$ 300,000.00

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Renter Households

Total

Low

Mod

Low/Mod%

5

5

100.00

of Households

5

5

100.00

Proposed Accomplishments

Total

of Singlefamily Units

1

of Housing Units

1

of Properties

1

Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

City of Elk Grove

Proposed budgets for organizations carrying out Activity:

Responsible Organization

City of Elk Grove

Organization Type

Unknown

Proposed Budget

\$ 300,000.00

Location Description:

8679 Adamstown Way, Elk Grove, CA 95624

Other locations to be determined

Activity Description:

The City will purchase vacant tax-defaulted residential properties (generally meaning property taxes have not been paid in at least five years). These properties will meet the definition of "abandoned." The City will rehabilitate the properties for use as permanent housing, either as stand-alone units or as shared housing, in which bedrooms are rented to separate households. The City anticipates transferring the properties to one or more nonprofit partners for long-term ownership and management. Properties will be deed-restricted to ensure affordability to low-income households (at or below 50 percent of the area median income).

Environmental Assessment:

COMPLETED

Environmental

None





Grantee Activity Number: NSP-0005-02
Activity Title: Tax Default Property Redevelopment Program

Activity Type:
Construction of new housing

Project Number:
NS-0005

Projected Start Date:
03/09/2016

Project Draw Block by HUD:
Not Blocked

Activity Draw Block by HUD:
Not Blocked

Block Drawdown By Grantee:
Not Blocked

National Objective:
LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:
Under Way

Project Title:
Tax Default Property Rehabilitation and

Projected End Date:
12/31/2022

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 668,160.49

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 668,160.49

Benefit Report Type:
Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Renter Households	4		4	100.00
# Owner Households	2		2	100.00
# of Households	6		6	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	2
# of Multifamily Units	4
# of Housing Units	6

Activity is being carried out by
Yes

Activity is being carried out through:
Grantee Employees and Contractors

Organization carrying out Activity:
City of Elk Grove

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
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Location Description:

9625 Kent Street, Elk Grove, CA 95624
Other locations to be determined

Activity Description:

The City will purchase vacant tax-defaulted properties (generally meaning property taxes have not been paid in at least five years). These properties will meet the definition of “abandoned,” and may be residential, commercial, or industrial properties. The City will redevelop the properties with uses consistent with public benefit, which may include permanent affordable housing for renters and owners. For multi-family residential uses, the City anticipates transferring the properties to one or more nonprofit partners for long-term ownership and management. Residential properties will be deed-restricted to ensure affordability to LMMI households.

Environmental Assessment: UNDERWAY

Environmental None

Grantee Activity Number: NSP-0005-03
Activity Title: Tax Default Property Redevelopment Program - LH25

Activity Type: Construction of new housing	Activity Status: Under Way
Project Number: NS-0005	Project Title: Tax Default Property Rehabilitation and
Projected Start Date: 03/09/2016	Projected End Date: 12/31/2022
Project Draw Block by HUD: Not Blocked	Project Draw Block Date by HUD:
Activity Draw Block by HUD: Not Blocked	Activity Draw Block Date by HUD:
Block Drawdown By Grantee: Not Blocked	Total Budget: \$ 445,440.00
National Objective: LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.	Most Impacted and Distressed Budget: \$ 0.00
	Other Funds: \$ 0.00
	Total Funds: \$ 445,440.00

Benefit Report Type:
Direct (Households)

Proposed Beneficiaries	Total	Low	Mod	Low/Mod%
# Renter Households	2	2		100.00
# Owner Households				0.0
# of Households	2	2		100.00

Proposed Accomplishments	Total
# of Singlefamily Units	
# of Multifamily Units	2
# of Housing Units	2

Activity is being carried out by
Yes

Activity is being carried out through:
Grantee Employees and Contractors

Organization carrying out Activity:
City of Elk Grove

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
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Location Description:

9625 Kent Street, Elk Grove, CA 95624
 Other locations TBD

Activity Description:

The City will purchase vacant tax-defaulted properties (generally meaning property taxes have not been paid in at least five years). These properties will meet the definition of “abandoned,” and may be residential, commercial, or industrial properties. The City will redevelop the properties with uses consistent with public benefit, which may include permanent affordable housing for renters and owners. For multi-family residential uses, the City anticipates transferring the properties to one or more nonprofit partners for long-term ownership and management. Residential properties will be deed-restricted to ensure affordability to LMMI households.
 This activity is a partner activity to NSP-0005-02. The same property or properties may contain both units used to meet the LH25 requirement and units that do not meet that requirement.

Environmental Assessment: UNDERWAY

Environmental None

Action Plan Comments:

Reviewer - The grantee is combining the budgeted amounts for Residential Rehab and DPA for a total of \$1,553,273. In the NSP Activity sheet submitted in December 2008, the DPA was budgeted for \$15,553,273, but now that amount is divided between DPA & Rehab.

Reviewer - The grantee is combining the budgeted amounts for Residential Rehab and DPA for a total of \$1,553,273. In the NSP Activity sheet submitted in December 2008, the DPA was budgeted for \$1,553,273, but now that amount is divided between DPA & Rehab.

Reviewer - The Planning & Administration activity does not need to be identified as a "Bucket Project."

Reviewer - The AP should tell the city's NSP 1 story. Each activity description should contain enough detail that the reader has a good idea of what is being done.

The definition of affordable is problematic. Saying the rent is 30% of a HHs income makes it



virtually impossible to actually underwrite and cash flow out the project. It is a safer bet to use the HOME low rents as a default.

Also, the affordability period home ownership is unclear ("term the home owner occupies the home"). Again most folks used the HOME affordability period based on the amount of direct homebuyer assistance 5 to 15 years and 20 years for a new construction. This should be revised.

Action Plan History

Version	Date
B-08-MN-06-0002 AP#1	07/22/2010
B-08-MN-06-0002 AP#2	02/10/2011
B-08-MN-06-0002 AP#3	12/14/2011
B-08-MN-06-0002 AP#4	12/19/2011
B-08-MN-06-0002 AP#5	08/30/2012
B-08-MN-06-0002 AP#6	04/26/2016
B-08-MN-06-0002 AP#7	01/28/2020

