

Grantee: San Joaquin County, CA

Grant: B-08-UN-06-0005

April 1, 2009 thru June 30, 2009 Performance Report

Grant Number:

B-08-UN-06-0005

Obligation Date:**Grantee Name:**

San Joaquin County, CA

Award Date:**Grant Amount:**

\$9,030,385.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Reviewed and Approved

Submitted By:

No Submitter Found

Disasters:

Declaration Number

NSP

Plan Description:

San Joaquin County is located in the central valley region of California, an area that experienced a considerable amount of residential growth and property value appreciation in the late 1990s through 2005. Because of this, the Stockton/San Joaquin County area has been significantly impacted by the current foreclosure crisis. Available data indicates that the San Joaquin County area has the highest rate nationally of foreclosures per housing unit. In determining areas of greatest need, HUD requires that the San Joaquin County Urban County entitlement jurisdictions (unincorporated San Joaquin County and the cities of Escalon, Lathrop, Lodi, Manteca, Ripon and Tracy) identify areas with a high percentage of subprime or high cost mortgages, high rate of foreclosures, and at risk of further decline through foreclosures or abandonment. San Joaquin County has been tracking and mapping foreclosures in the county since January 2007. This data along with HUD provided estimates of foreclosure risk data, and loan origination data was used to determine the areas of greatest need for Neighborhood Stabilization Program (NSP) funding within San Joaquin County. The following census tract block groups have been identified by the County and Urban County jurisdictions, as the priority areas of the greatest need. A map of these identified Areas of Greatest Need is attached as Exhibit A. The County will initially start utilizing NSP funding in these census tract block groups, then move into other areas identified with a high percentage of home foreclosures, if funding is available. JURISDICTION CENSUS TRACT AND BLOCK GROUP(S) DISTRICT RISK INDEX UNINCORPORATED COUNTY Garden Acres CT: 27.01 BG: 1-4 2 8 CT: 27.02 BG: 1-3 2 9 Gianone Park CT: 17.00 BG: 1-3 1 9 Country Club CT: 10.00 BG: 1 3 9 CT: 11.02 BG: 1, 3, 4 1 10 Boggs Tract CT: 8.00 BG: 1 1 10 CITY OF ESCALON CT: 49.01 BG: 2 4 8 CITY OF LATHROP CT: 51.27 BG: 1-2 3 8 CITY OF LODI CT: 42.03 BG: 2-3 4 9 CT: 44.02 BG: 1-2 4 9 CT: 45.00 BG: 1-4 4 9 CITY OF MANTECA CT: 51.08 BG: 1-3 3 9 CT: 51.09 BG: 1-4 3 8 CITY OF RIPON CT: 50.01 BG: 2 5 7 CITY OF TRACY CT: 53.02 BG: 2 5 8 CT: 53.03 BG: 1-5 5 10 CT: 53.05 BG: 1-2 5 9 CT: 54.04 BG: 1-4 5 9 The County will target all of the NSP activities in these high priority areas. However, activities may occur outside these high-priority areas if an opportunity arises or the implementation schedule dictates expanding the program to other areas with a concentration of foreclosures.

Recovery Needs:

San Joaquin County will prioritize the use of NSP funding by targeting its activities in the areas identified as high priority areas. However, activities may occur outside these high-priority areas if an opportunity arises or the implementation schedule dictates expanding the program to other areas with a concentration of foreclosures. NSP funding has been allocated to each participating jurisdiction based primarily on the proportion of overall foreclosures in San Joaquin County, by jurisdiction. NSP funding allocation is proposed as follows:

1. Acquisition/Rehabilitation/Resale of Foreclosed Residential Properties (\$5,669,751). The Urban County will focus its acquisition, rehabilitation, and resale on housing units in the census tract block groups identified as priority areas with the greatest need. The design of this activity is to provide income eligible households at or above 51% to 120% of Area Median Income. Initial acquisition of properties will average at least 15% below a current appraised value. The sales price will be no greater than the total investment by the Urban County jurisdictions (including acquisition, rehabilitation and associated program delivery costs). The property will have deed restrictions recorded against it throughout the 30-year affordability period. Shared

appreciation shall be included in loan repayment, if before 30 years. Shared appreciation is a percentage of the difference between the original purchase price of the real property and the price at which it is sold. The shared appreciation percentage is calculated by dividing the amount of the home loan by the original purchase price of the real property. In cases where transfer of the real property to another party by means other than sale (with exception of a creditor taking title or interest therein), the appreciation is the difference between the original purchase price and the appraised value of the real property at the time of transfer.

2. Acquisition/Rehabilitation/Rental of Foreclosed Residential Properties. San Joaquin County will set-aside at least \$2,257,597 (25% of the Countys NSP allocation) available for purchase, redevelopment of foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50% of the areas median income. Programs to meet this goal may include single family rental housing, multi-family rental housing or congregate housing for special needs populations.

3. Acquisition/Demolition of Blighted Structures/Redevelopment (\$200,000). This activity is for acquisition/demolition/redevelopment of vacant, foreclosed single family properties that would require more funds to rehabilitate than to demolish and rebuild. If the properties are determined to be demolished, they will then be made available to a non-profit housing provider to plan the redevelopment of the property as soon as feasible. Redevelopment may include sale of the property at current fair market value, or below current fair market value, or partnership with the non-profit agency.

4. Administration (\$903,038). A maximum of 10% of NSP funds will be used to cover costs associated with program planning, implementation, and administration. It is anticipated that actual costs will be less than the maximum allowed. The remainder will be transferred to other NSP activities.

NSP Allocation

\$2,257,596 ≤50% AMI Set-Aside
 UC Total: \$5,869,750 Net Allocation
 Escalon 66 1.12% \$65,762 Escalon
 Lathrop 648 11.00% \$645,663 Lathrop
 Lodi 580 9.85% \$577,908 Lodi
 Manteca 1121 19.03% \$1,116,956 Manteca
 Ripon 120 2.04% \$119,567 Ripon
 Tracy 1895 32.17% \$1,888,164 Tracy
 Uninc. County (inc \$1,455,730 Uninc. County
 100.00% \$5,869,750 Total Net Allocation

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$13,545,576.00
Total CDBG Program Funds Budgeted	N/A	\$6,772,788.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	\$99.99	\$0.00
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$1,354,557.75	\$0.00
Limit on Admin/Planning	\$903,038.50	\$0.00
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

The County executed NSP grant agreements in March 2009. During the reporting period, to implement the County's NSP, the County executed agreements with four (4) local non-profit housing development organizations to purchase, rehabilitate and resell vacant foreclosed properties in designated target areas. Additionally, the County established relationships with lenders, Fannie Mae and the Neighborhood Stabilization Trust to receive "first look" foreclosed property listings.

Initially, with the program required 15% property purchase discount requirement, the County had a very difficult time acquiring properties. We also found banks were not prepared to work with NSP funded programs. We spent a considerable amount of time assessing and viewing properties with lenders subsequently not accepting our offers at 15% below appraised value. However, a program rule change occurred in June 2009 lowering the aggregate discount rate to 1%.

The County did not draw any program funding during the first quarter. With the discount rate rule change, the County anticipates significant program progress in the 2nd quarter.

Project Summary

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00
NSP-1, Acquisition/Rehabilitation/Resale	\$5,669,751.00	\$0.00	\$5,669,751.00	\$0.00
NSP-2, Acquisition/Rehabilitation/Rental	\$2,257,596.00	\$0.00	\$2,257,596.00	\$0.00
NSP-3, Acquisition/Demolition/Redevelopment	\$200,000.00	\$0.00	\$200,000.00	\$0.00
NSP-4, Administration	\$903,038.00	\$0.00	\$903,038.00	\$0.00

