

Grantee: Vallejo, CA

Grant: B-08-MN-06-0010

October 1, 2019 thru December 31, 2019 Performance Report

Grant Number: B-08-MN-06-0010	Obligation Date:	Award Date:
Grantee Name: Vallejo, CA	Contract End Date:	Review by HUD: Reviewed and Approved
Grant Award Amount: \$2,657,861.00	Grant Status: Active	QPR Contact: Charri Barrera
LOCCS Authorized Amount: \$2,657,861.00	Estimated PI/RL Funds: \$1,700,000.00	
Total Budget: \$4,357,861.00		

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

Foreclosures and Abandonment of Residential Properties in Vallejo: As of October 17, 2008, there were 513 active single family residences in foreclosure and 69 condominiums in active foreclosure, in Vallejo. Thirty-one percent of these foreclosures were in the North Vallejo area, and twenty-one percent were in Central Vallejo. North Vallejo consists of a relatively small geographic area within the jurisdiction. Based on HUD's data for the six quarters prior to June 30, 2008, the local foreclosure rate in the City of Vallejo was at 9.7 percent, as compared to a State-wide foreclosure rate of 6.7 percent. Subprime Lending in Vallejo: For the period of January 1, 2003 through June 30, 2008, 46 percent of the single family residence loans closed in Vallejo were subprime loans, as follows: 35 percent of all loans provided in Zip Code 94589 (North Vallejo), 46 percent of the loans provided in Zip Code 94590 (Central Vallejo), and 51 percent of the loans provided in Zip Code 94591 (East Vallejo), were subprime. Zip Codes 94589 and 94590 contain CDBG Target Area Neighborhoods, the Country Club Crest and Central City, respectively.

Distribution and and Uses of Funds:

The distribution of NSP funds for the acquisition and rehabilitation of foreclosed properties, and new homebuyer financing, in the City's geographic areas of greatest need, is severely needed. The City proposes to distribute its NSP funds for acquisition and rehabilitation of foreclosed properties, and new homebuyer financing, in the following priority order: (1) within the North Vallejo area, as shown in Area D0106 on the Multiple Listing Service (MLS) Map published by the Solano Association of Realtors (SAR); and (2) in Central Vallejo, Area D0104 on the SAR MLS Map. Funds will also be used for costs associated for meeting the administrative requirements of NSP.

Definitions and Descriptions:

(1) Definition of "blighted structure" in context of state or local law.

The City has adopted the definition of "blighted structure" found in California Health and Safety Code Section 17920.3.

(2) Definition of "affordable rents"

"Affordable rent" is defined by the City of Vallejo as a housing unit of two bedrooms that a family of four persons is able to rent for no more than 30 percent of their gross income.

(3) Describe how the grantee will ensure continued affordability for NSP-assisted housing.

Using funds from the Housing Authority, in the fall of 2008 the City hired a consultant to complete a feasibility study and analysis for the establishment of a Community Land Trust (CLT). This analysis is anticipated to be completed in January, 2009. If the City deems that a CLT is viable, the City will pursue the creation of a CLT during 2009. Once a CLT is established, the City will use the CLT to ensure continued affordability for NSP-assisted housing. The CLT is intended to be primarily a vehicle for permanently affordable homeownership or, as a second option, lease-to-own homeownership through a CLT. To that end, NSP funds may be used as gap financing in order to lower the for-sale price of vacant, foreclosed-upon, or abandoned homes, that the City would acquire and renovate, so that they would be affordable to low- and moderate-income buyers. The CLT would then retain ownership of the land beneath the homes acquired, renovated, and sold, and would lease the land to the buyers who eventually purchase the homes. A ground lease would contain durable controls on resale in order to maintain affordability, in exchange for homeownership at below-market prices. CLT homeowners would agree to limit the price at which they might resell their homes. Homes brought into a CLT would be affordable in perpetuity.

For sale-restricted homeownership housing that NSP or other funds may subsidize, a CLT would manage resales, and as such would monitor and enforce the continued affordability of CLT homes, the preservation of these homes in safe, decent, and habitable condition, and the income eligibility of future buyers.

If a CLT is not found to be feasible, or cannot be established within eighteen months of the City's receipt of its NSP funds, (or by or before approximately June 30, 2010), the City will ensure continued affordability through the following alternative methods, in this order of preference: deed-restricted homes; or homebuyer loans with an affordability period pursuant to the



federal HOME Investment Partnerships Program standards at 24 CFR 92.252(a), (c), (e), and (f), 92.254.

(4) Describe housing rehabilitation standards

NSP-assisted housing rehabilitation that is completed will, as a first priority, address and eliminate any and all foreclosed-upon property conditions that exist that cause the assisted property to be considered by the City or its agents to qualify as a "blighted structure" as defined in California Health and Safety Code Section 17920.3.

Low Income Targeting:

A key NSP requirement is that at least 25 percent of Vallejo's NSP funds must be used for the purchase and rehabilitation of abandoned or foreclosed homes or residential properties that will be used to house individuals or families that are very low-income, i.e., at 50 percent or below the area median income, (AMI). In addition, unlike the regular CDBG Program, NSP funds may be used to assist persons at up to 120 percent of the AMI. Through the City's existing CDBG Program, households may be assisted who are at no more than 80 percent of the AMI.

Acquisition and Relocation:

The Neighborhood Stabilization Program requires that foreclosed-upon properties that are acquired with these funds must be purchased at a discount of at least five percent per individual property, or at least fifteen percent in the aggregate, i.e., for all properties acquired. If the City develops and documents a methodology which factors in carrying costs and the estimated holding period for a property, the discount may be ten percent in the aggregate.

After an NSP-assisted rehabilitation of a property, the sales price of the home to a new buyer must be at or below the cost of acquisition and rehabilitation. Sales and closing costs may be included in the resale price.

The City does not intend to undertake any NSP activities that will require compliance with the Uniform Relocation Act.

Public Comment:

On November 6, 2008, the City of Vallejo Community Development Commission held a public hearing to receive comments on the draft Substantial Amendment, which included the proposed use of NSP funds as recommended by staff. The following persons spoke:

1. Claudia Humphrey, Lift 3 Support Group, commented that survivors of domestic violence need a continuum of care, including transitional housing, after going through a crisis. She stated that foreclosed-upon properties acquired and renovated by the City with NSP funds could be used to house women who have been victims of domestic violence, and their children.
2. Carol Hardy, Vallejo Neighborhood Housing Service (VNHS), stated that agency's support for the City's application for NSP funds and staff's proposed use. She also indicated that very low-income families may be eligible for homeownership.
3. John Allen, Fighting Back Partnership, stated an interest in partnering NSP with its Parolee Re-Entry Program. He stated that parolees need employment and housing. He proposed a transitional housing living environment of parolees in the Country Club Crest, and indicated that parolee could be hired to help rehabilitate acquired homes.
4. Elvie DeLeon, Global Center for Success, spoke in favor of NSP funds being used in partnership with the Parolee Re-Entry Program.
5. Tony Pearsall, Fighting Back Partnership, spoke in favor of NSP funds being used in partnership with the Parolee Re-Entry Program.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$4,357,861.00
Total Budget	\$294,361.25	\$4,357,861.00
Total Obligated	\$294,361.25	\$4,290,253.69
Total Funds Drawdown	\$0.00	\$3,484,646.83
Program Funds Drawdown	\$0.00	\$2,058,000.75
Program Income Drawdown	\$0.00	\$1,426,646.08
Program Income Received	\$0.00	\$1,584,170.05
Total Funds Expended	\$0.00	\$3,472,149.98
Most Impacted and Distressed Expended	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00



Progress Toward Required Numeric Targets

Requirement	Target	Actual
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$150,000.00
Limit on Public Services	\$398,679.15	\$0.00
Limit on Admin/Planning	\$265,786.10	\$424,202.64
Limit on Admin	\$0.00	\$424,202.64
Most Impacted and Distressed Threshold (Projected)	\$0.00	\$0.00
Progress towards LH25 Requirement	\$1,089,465.25	\$914,466.00

Overall Progress Narrative:

The City has not been reporting as required. All information will be reported in the current QPR for the period ending 3/31/2020.

On advice of Marilee Hansen from HUD Headquarters, this QPR is being submitted without any changes. All data updates will be updated in the QPR period ending 3/31/2020.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
103-2104-463.40-82, Acqu/Rehab/Resale LMMI	\$0.00	\$2,175,836.75	\$1,064,852.01
A, Homebuyer Assistance	\$0.00	\$473,197.00	\$199,694.66
B, Acqu/Rehab MF LH25	\$0.00	\$964,466.00	\$527,668.08
F, Program Administration	\$0.00	\$450,000.00	\$265,786.00
Sonoma Estates NSP1, Sonoma Estates Housing Project	\$0.00	\$294,361.25	\$0.00



Activities

Project # / Sonoma Estates NSP1 / Sonoma Estates Housing Project

Grantee Activity Number: 40-82

Activity Title: Sonoma Estates NSP1

Activity Category:

Construction of new housing

Project Number:

Sonoma Estates NSP1

Projected Start Date:

05/22/2019

Benefit Type:

Direct (HouseHold)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Sonoma Estates Housing Project

Projected End Date:

07/30/2022

Completed Activity Actual End Date:

Responsible Organization:

Community Housing Development Corporation

Overall

Total Projected Budget from All Sources

Oct 1 thru Dec 31, 2019

To Date

N/A

\$294,361.25

Total Budget

\$294,361.25

\$294,361.25

Total Obligated

\$294,361.25

\$294,361.25

Total Funds Drawdown

\$0.00

\$0.00

Program Funds Drawdown

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Total Funds Expended

\$0.00

\$0.00

Community Housing Development Corporation

\$0.00

\$0.00

Most Impacted and Distressed Expended

\$0.00

\$0.00

Match Contributed

\$0.00

\$0.00

Activity Description:

Construction of 11 for-ownership housing units

Location Description:

Vacant parcel at 759 Sonoma Boulevard in South Vallejo CDBG Target 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
