

**Grantee: Sacramento County, CA**

**Grant: B-11-UN-06-0004**

**July 1, 2015 thru September 30, 2015 Performance Report**

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**Grant Number:**

B-11-UN-06-0004

**Obligation Date:****Award Date:****Grantee Name:**

Sacramento County, CA

**Contract End Date:****Review by HUD:**

Reviewed and Approved

**Grant Award Amount:**

\$8,358,000.00

**Grant Status:**

Active

**QPR Contact:**

John Braford Satterwhite

**LOCCS Authorized Amount:**

\$8,358,000.00

**Estimated PI/RL Funds:**

\$4,704,301.66

**Total Budget:**

\$13,062,301.66

## Disasters:

### Declaration Number

NSP

## Narratives

### Summary of Distribution and Uses of NSP Funds:

The Sacramento Housing and Redevelopment Agency (SHRA), a joint powers authority of the City and County, serves annually as the designee for the City and County to administer community development grants originating from HUD. As such, the City and County authorized SHRA to administer the NSP3 program.

Sacramentos NSP3 target areas exhibit the following traits: 1) high crime- and code-related incidences; 2) increased physical deterioration of existing housing manifested through a prevalence of aged, deteriorated housing; and 3) ongoing challenges related to above average concentrations of rental housing. As a result, the NSP3 target areas are the most impacted neighborhoods related to foreclosure.

SHRAs approach to stabilizing the target neighborhoods includes a comprehensive strategy; providing homeownership and rental opportunities as well as investing significant resource into improving the existing housing stock by providing high quality, energy- and cost-efficient housing for very-low, low- and moderate-income families.

The NSP3 efforts will compliment ongoing public and private initiatives within the target neighborhoods, which include affordable housing programs, ownership and rental housing projects, and critical capital improvements. Specifically, NSP3 dollars will support the continuation of two successful NSP1 activities including the Vacant Properties Program and the Property Recycling Program as described in detail below. The continuation of existing programs allows SHRA to take advantage of operational systems in place to facilitate an efficient implementation and deployment of NSP3.

### How Fund Use Addresses Market Conditions:

Target Area Current Market Conditions:

- **Concentrated Foreclosure Rates and High Cost Loans:** September 2009 through September 2010, the target areas experienced 1,342 new foreclosures; representing 9 percent of the total number of foreclosures within the unincorporated County and City of Sacramento over the same time period, according to data from MDA Data Quick (McDonald, Dettwiler and Associates, Ltd.) On average, an estimated 34 percent of all loans in the target areas originating between 2004 and 2007 were high cost/high leverage compared to 12.8 percent for the county as a whole as calculated by HUD.

- **Decline in Home Values:** As a result of the sheer number of foreclosures, the target areas have experienced rapidly declining home values. In April 2006, according to MLS data from the Sacramento Association of Realtors, median sales prices in the eight ZIP codes that represent a large portion of the target areas ranged from \$254,000 - \$300,000. By September 2010,



median prices in those same eight ZIP codes had fallen to \$63,000 - 140,000, representing an average median price decline of 70 percent from market peak.

• **Income Characteristics and Housing Cost Burden:** The NSP3 target areas represent communities in the region with some of the lowest family incomes, highest pockets of poverty, and high unemployment.

• **Excessive code violations and crime:** The NSP3 target areas represent communities in the region with some of the highest rates of incidents.

• **Rehabilitation needs:** The NSP3 target area contain mostly older residential neighborhoods, characterized by the predominance of aged, functionally obsolete homes (lacking air conditioning, insulation, etc.).

• **Concentration of rental housing:** According to 2005-2009 ACS estimates, 60 percent of homes in Sacramento County were owner-occupied as opposed to approximately 46 percent within the NSP3 target areas.

Response:

The deployment of NSP3 resources in coordination with other local funds and activities within the refined target areas will be at a scale and concentration of activity where the number of units and properties directly assisted will visibly impact neighborhoods by arresting the most deteriorated properties. By visibly arresting the most deteriorated and impacted properties the surrounding properties will be positively impacted by the changed perception, property and values will begin to stabilize. Vacant foreclosed properties will be rehabilitated and occupied by owners and renters that can sustainably afford their units. The high level of rehabilitation, the use of fixed rate mortgages, and the stabilization of property values should reduce the cost burden for residents.

### **Ensuring Continued Affordability:**

Rental properties assisted with NSP3 will follow the HOME rental requirements for ensuring continued affordability which pertains to the amount of investment provided on a per unit basis and will be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD.

The target areas, on average, are naturally affordable and long term regulatory restrictions are not required for homeownership units. SHRA has tracked the natural affordability of its NSP1 target areas over the past three years and records show the target areas have become increasingly affordable over that time period. All proposed NSP3 target areas fall within the boundaries of existing NSP1 target areas. SHRA will annually calculate the affordability rate for the target area to ensure continued natural affordability. All homes purchased in the NSP3 target area will be affordable to families at or below moderate income.

### **Definition of Blighted Structure:**

The definition of a blighted structure is located under California State Redevelopment Law (California Health and Safety Code 33000 et seq.), specifically in section 33031.

Physical Blight is described at Subdivision (a) of section 33031 and includes:

1. A building in which it is unsafe or unhealthy for persons to live or work. These conditions can be caused by serious building code violations, dilapidation and deterioration, defective design or physical construction, faulty or inadequate utilities, or other similar factors.
2. Factors that prevent or substantially hinder the economically viable use or capacity of building or lots.



3. Adjacent or nearby uses that are incompatible with each other and prevent economic development of those parcels or other portions of the area.
4. Existence of irregularly formed, shaped or sized lots for proper usefulness that owned by multiple entities, given present General Plan and zoning standards and present market conditions
5. Serious residential overcrowding that has resulted in significant public health or safety problems.
6. An excess of bars, liquor stores, or adult-oriented businesses that has resulted in significant public health, safety, or welfare problems.
7. A high crime rate that constitutes a serious threat to the public safety and welfare.

**Definition of Affordable Rents:**

SHRA has adopted the Low HOME rent as the standard definition of affordable rents for NSP units. 24 CFR 92.252(b)(1) defines the Low HOME rent standards as follows:

The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

24 CRF 92.252(c) further describes how utility allowances are to be factored in to rent standards: The participating jurisdiction must establish maximum monthly allowances for utilities and services (excluding telephone). The participating jurisdiction must review and approve rents proposed by the owner for units subject to the maximum rent limitations in paragraphs (a) or (b) of this section. For all units subject to the maximum rent limitations in paragraphs (a) or (b) of this section for which the tenant is paying utilities and services, the participating jurisdiction must ensure that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services.

**Housing Rehabilitation/New Construction Standards:**

SHRAs housing rehabilitation standards comprehensively address all facets of design, construction and sustainability. The standards incorporate selected portions of Build It Green’s “GreenPoint Rated Existing Home Checklist” as well as applicable incentive programs from the local utility districts, with particular emphasis in three areas: energy efficiency, indoor environmental quality, and durability. All rehabilitation work is overseen by SHRA’s construction management staff, including review and approval of scope of work and participating in on-going construction inspections. Included in the requirements are the following:

1. Accessibility Housing. Units constructed or improved with NSP3 funds shall meet the accessibility standards of 24 CFR, Part 8. For Multi-Family projects, the total number of units made accessible for those projects shall meet the requirements of this section. Though Single Family homes are exempt from these requirements, (reasonable accommodations) will be made where a demonstrated need for accessibility improvements are shown for a particular residence.
2. Energy Efficiency and Green Building Standards for Existing Buildings. SHRAs adopted Construction Standards (for existing buildings) were created as an amalgam of our own building standards (which already incorporated many energy-efficiency features) and Build It Greens GreenPoint Rated Existing Home Checklist. The resulting document was highly received by Build It Green, who used it as the blueprint for their own Construction Standards. For all areas of work affected, where a green approach to the rehab may be utilized, the standards prescribe the methods used to achieve this goal. Use of Energy Star products and appliances, and adherence to local utilities rebate programs for high efficiency replacement systems, are woven into the document.
3. Energy Efficiency and Green Building Standards for New Low-rise Buildings. For buildings up to three stories in height, all newly constructed housing, and gut-rehab projects defined as new construction,
4. Energy Efficiency and Green Building Standards for Mid-rise and High-Rise Buildings. For buildings greater than three stories in height, all newly constructed housing, and gut rehab projects defined as new construction.
5. Water efficient fixtures. Water-saving plumbing fixtures, such as toilets, tub / shower valves, and faucets, shall be used wherever replaced or newly installed.

**Vicinity Hiring:**

In accordance with the requirements of NSP3 funding, SHRA will to the greatest extent feasible, provide for the hiring of employees who reside in the vicinity of projects funded under NSP3 and contract with small businesses that are owned and operated by persons residing in the vicinity of projects funded under NSP3.

SHRA will continue all outreach efforts as outlined in NSP1, enhancing its publishing and posting requirements, and will take additional steps to proactively identify prospective new hires as job opportunities become available through NSP3 initiatives, including:

A training workshop was held on May 31, 2013, to inform all NSP3 development partners of required local hire preference and Section 3 hire requirements;



- Additional job opportunities and advertisements will be published in the local ethnic newspapers;
- Additional job opportunities and postcards and flyers will be distributed to local community based organizations and employment centers; and
- NSP3 development partners will be required to post flyers related to job/trade specific new hire opportunities available at targeted locations.

**Grantee Contact Information:**

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**Procedures for Preferences for Affordable Rental Dev.:**

The NSP3 target areas have a higher concentration of rental housing relative to the rest of the City and County. To ensure compliance with the preference for affordable rental development NSP3 requirements stating that at least 25 percent of NSP3 dollars will be used to provide housing that is affordable to very low-income families, those that make no more than 50 percent AMI be targeted for rental activities. SHRA will meet or exceed this requirement through the rehabilitation of blighted homeownership and rental housing units within the target areas. Once rehabilitated, these units will be restricted to families earning not more than 50 percent AMI. Rental housing resident incomes will be verified during the time of application, interim re-examination and annual re-examination. All residents will be individually assessed to ensure their mortgage or rent is affordable based on their paying no more than 30 percent of income towards housing.

Overall	This Report Period	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$13,062,301.66
<b>Total Budget</b>	\$328,823.37	\$13,062,301.66
<b>Total Obligated</b>	\$380,388.95	\$11,295,083.85
<b>Total Funds Drawdown</b>	\$132,872.31	\$10,733,234.36
<b>Program Funds Drawdown</b>	\$0.00	\$7,378,045.25
<b>Program Income Drawdown</b>	\$132,872.31	\$3,355,189.11
<b>Program Income Received</b>	\$250,923.37	\$4,704,301.66
<b>Total Funds Expended</b>	\$258,103.69	\$10,986,404.53
<b>Match Contributed</b>	\$0.00	\$0.00



## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$1,253,700.00	\$0.00
Limit on Admin/Planning	\$835,800.00	\$1,109,569.45
Limit on State Admin	\$0.00	\$1,109,569.45

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$835,800.00	\$1,192,299.00

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$2,089,500.00	\$3,083,518.52

## Overall Progress Narrative:

There was \$250,923.37 program income added to the NSP-3 total budget. \$15,500 was added to Admin and the remaining \$235,423.37 was added to PRP-SF. There was no other activity in the quarter.

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
A. Administration, Administration	\$0.00	\$1,192,299.00	\$799,433.23
B. Vacant Property Program, VPP	\$0.00	\$1,700,000.00	\$1,095,939.29
C. Property Recycling Program, PRP (SF)	\$0.00	\$8,206,209.72	\$3,518,879.79
D. Property Recycling Program, PRP (MF)	\$0.00	\$1,963,792.94	\$1,963,792.94

## Activities

**Project # / Title:** A. Administration / Administration

**Grantee Activity Number:** 656-478-1245

**Activity Title:** Administration

**Activity Category:**

Administration

**Project Number:**

A. Administration

**Projected Start Date:**

06/01/2011

**Benefit Type:**

( )

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Administration

**Projected End Date:**

05/31/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

Sacramento Housing and Redevelopment

### Overall

**Total Projected Budget from All Sources**

### Jul 1 thru Sep 30, 2015

N/A

### To Date

\$1,192,299.00

**Total Budget**

\$15,500.00

\$1,192,299.00

**Total Obligated**

\$15,500.00

\$1,192,299.00

**Total Funds Drawdown**

\$787.37

\$1,109,569.45

**Program Funds Drawdown**

\$0.00

\$799,433.23

**Program Income Drawdown**

\$787.37

\$310,136.22

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$3,922.92

\$1,112,879.80

    Sacramento Housing and Redevelopment

\$3,922.92

\$1,112,879.80

**Match Contributed**

\$0.00

\$0.00

### Activity Description:

Administration of Neighborhood Stabilization Program activities; Eligible Use 24 CFR205 and 206.

### Location Description:

City and County NSP3 eligible areas.

### 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

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## Project # / Title: B. Vacant Property Program / VPP

**Grantee Activity Number:** 656-478-4761 VPP

**Activity Title:** VPP

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

B. Vacant Property Program

**Projected Start Date:**

06/01/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

VPP

**Projected End Date:**

05/31/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

Sacramento Housing and Redevelopment

### Overall

**Total Projected Budget from All Sources**

**Jul 1 thru Sep 30, 2015**

N/A

**To Date**

\$1,188,705.40

**Total Budget**

\$0.00

\$1,188,705.40

**Total Obligated**

\$0.00

\$1,159,369.37

**Total Funds Drawdown**

\$17.90

\$1,156,619.07

**Program Funds Drawdown**

\$0.00

\$644,360.76





<b>Program Income Drawdown</b>	\$17.90	\$512,258.31
<b>Program Income Received</b>	\$0.00	\$807,290.13
<b>Total Funds Expended</b>	\$5.55	\$1,156,622.77
Sacramento Housing and Redevelopment	\$5.55	\$1,156,622.77
<b>Match Contributed</b>	\$0.00	\$0.00

### Activity Description:

The Vacant Properties Program (VPP) is specifically designed to:

- Return vacant and/or blighted homes and properties to owner occupancy;
- generate and retain local jobs
- rehabilitate an aged and deteriorating housing inventory;
- ensure high quality construction standards; and
- provide energy and cost efficient homeownership opportunities within NSP3 targeted neighborhoods.

### Location Description:

County NSP3 targeted areas.

### Activity Progress Narrative:

### Accomplishments Performance Measures

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Properties	0	16/17

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Housing Units	0	17/17
# of Singlefamily Units	0	17/17

### Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod
# of Households	0	0	0	5/0	12/17	17/17	100.00
# Owner Households	0	0	0	5/0	12/17	17/17	100.00

### 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

**Project # / Title: C. Property Recycling Program / PRP (SF)****Grantee Activity Number: 65-2410-4891 (SF) - VLI****Activity Title: PRP (SF) - VLI****Activity Category:**

Rehabilitation/reconstruction of residential structures

**Activity Status:**

Under Way

**Project Number:**

C. Property Recycling Program

**Project Title:**

PRP (SF)

**Projected Start Date:**

06/01/2011

**Projected End Date:**

05/31/2014

**Benefit Type:**

Direct ( HouseHold )

**Completed Activity Actual End Date:****National Objective:**

NSP Only - LH - 25% Set-Aside

**Responsible Organization:**

Sacramento Housing and Redevelopment

**Overall****Jul 1 thru Sep 30, 2015****To Date****Total Projected Budget from All Sources**

N/A

\$608,430.98

**Total Budget**

\$0.00

\$608,430.98

**Total Obligated**

\$0.00

\$608,430.98

**Total Funds Drawdown**

\$0.00

\$608,430.98

**Program Funds Drawdown**

\$0.00

\$295,216.00

**Program Income Drawdown**

\$0.00

\$313,214.98

**Program Income Received**

\$0.00

\$0.00

**Total Funds Expended**

\$0.00

\$608,430.98

**Match Contributed**

\$0.00

\$0.00

**Activity Description:**

Rehabilitation and preservation activities for homes and other residential properties, and for demolished or vacant properties. SHRA provides vacant and/or foreclosed housing units to development partners for rehabilitation and sale to income eligible families.

**Location Description:**

NSP3 eligible target areas; North Highlands, Del Paso Heights and Oak Park.



**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

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**Grantee Activity Number:** 656-478-4891 PRP (SF)

**Activity Title:** PRP (SF)

**Activity Category:**

Rehabilitation/reconstruction of residential structures

**Project Number:**

C. Property Recycling Program

**Projected Start Date:**

06/01/2011

**Benefit Type:**

Direct ( HouseHold )

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

PRP (SF)

**Projected End Date:**

05/31/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

Sacramento Housing and Redevelopment

**Overall**

	<b>Jul 1 thru Sep 30, 2015</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$7,597,778.74
<b>Total Budget</b>	\$313,323.37	\$7,597,778.74
<b>Total Obligated</b>	\$364,888.95	\$5,859,896.96
<b>Total Funds Drawdown</b>	\$132,067.04	\$5,383,527.32
<b>Program Funds Drawdown</b>	\$0.00	\$3,223,663.79
<b>Program Income Drawdown</b>	\$132,067.04	\$2,159,863.53
<b>Program Income Received</b>	\$250,923.37	\$3,897,011.53
<b>Total Funds Expended</b>	\$254,175.22	\$5,633,383.44
Sacramento Housing and Redevelopment	\$254,175.22	\$5,633,383.44
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Rehabilitation and preservation activities for homes and other residential properties, and for demolished or vacant properties. SHRA provides vacant and/or foreclosed housing units to development partners for rehabilitation and sale to income eligible families.

**Location Description:**

NSP3 eligible target areas: North Highlands, Del Paso Heights and Oak Park

**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

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