

Grantee: Elk Grove, CA

Grant: B-08-MN-06-0002

October 1, 2020 thru December 31, 2020

Grant Number: B-08-MN-06-0002	Obligation Date:	Award Date:
Grantee Name: Elk Grove, CA	Contract End Date:	Review by HUD: Submitted - Await for Review
Grant Award Amount: \$2,389,651.00	Grant Status: Active	QPR Contact: No QPR Contact Found
LOCCS Authorized Amount: \$2,389,651.00	Estimated PI/RL Funds: \$1,835,000.00	
Total Budget: \$4,224,651.00		

Disasters:

Declaration Number

NSP

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 discernible 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.

Overall	This Report Period	To Date
Total Projected Budget from All Sources	\$0.00	\$4,625,707.73
Total Budget	\$0.00	\$4,224,651.00
Total Obligated	\$0.00	\$2,974,349.20
Total Funds Drawdown	\$0.00	\$2,786,145.12
Program Funds Drawdown	\$0.00	\$2,322,078.16
Program Income Drawdown	\$0.00	\$464,066.96
Program Income Received	\$0.00	\$1,071,689.15
Total Funds Expended	\$0.00	\$2,780,653.84
HUD Identified Most Impacted and Distressed	\$0.00	\$0.00
Other Funds	\$ 0.00	\$ 401,056.73
Match Funds	\$ 0.00	\$ 401,056.73
Non-Match Funds	\$ 0.00	\$ 0.00

Funds Expended

Overall	This Period	To Date
City of Elk Grove	\$ 0.00	\$ 2,780,653.84

Progress Toward Required Numeric Targets

Requirement	Target	Projected	Actual
Overall Benefit Percentage	.00%		NA
Minimum Non Federal Match	\$.00		\$401,056.73
Limit on Public Services	\$358,447.65		NA
Limit on Admin/Planning	\$238,965.10		NA
Limit on Admin	\$.00		NA
Most Impacted and Distressed	\$.00		\$.00



Overall Progress Narrative:

The City has completed all of its original NSP activities and made amendments to the Action Plan to accommodate a few new activities on which primarily program income will be spent. The City received technical assistance to discuss moving this grant toward closeout and making required edits to DRGR. While responding to COVID-19 has temporarily put some implementation items on hold, staff anticipates getting back on track later this year.

- Total properties: 30
- Total single family resold: 13
- Total single family rental: 2
- Downpayment assistance ONLY: 15
- Total multifamily units: 0
- Multifamily units completed and occupied: 0

For reasons unknown, the report seems incapable of saving activity level narratives. The update for all open activities is:

The City is exploring hiring a consultant to advance this activity in light of staff efforts being diverted to COVID-related tasks.

Project Summary

Project #, Project Title	This Report	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
01, Acq/Rehab - VLI (B)	\$0.00	\$675,732.68	\$550,158.12
02, Acq/Rehab - LMMI (B)	\$0.00	\$1,314,491.83	\$1,012,978.94
03, Downpayment Assistance (A)	\$0.00	\$541,861.00	\$540,294.06
Administration, Administration	\$0.00	\$278,965.00	\$218,647.04
NS-0005, Tax Default Property Rehabilitation and	\$0.00	\$1,413,600.49	\$0.00

