

SUBSTANTIAL AMENDMENT #4 TO 2020-2025 CONSOLIDATED PLAN CITY COUNCIL: NOVEMBER 12, 2024

The City of Stockton is a recipient of funding from several Federal programs from the U.S. Department of Housing and Urban Development (HUD). HUD requires jurisdictions to prepare a five-year Consolidated Plan as one of the conditions to receiving Community Development Block Grant (CDBG), Home Investment Partnerships Program (HOME), and Emergency Solutions Grant (ESG) funding. The Consolidated Plan assesses community needs related to affordable housing and community development and establish a 5-year strategic plan to address the needs. In addition to the Consolidated Plan, the City must prepare and submit Annual Action Plans and performance reports for each fiscal encompassed by the five-year Consolidated Plan. The City's Economic Development Department (EDD) is the lead department in administering these HUD funded programs.

Background

HUD requires that the City follows its Citizen Participation Plan when amending its Consolidated Plan if new goals, projects, or policies are to be implemented and not previously identified in the active Consolidated Plan and/or Annual Action Plan.

This document serves to comply with the City's HUD Citizen Participation Plan requirements and inform the public of two proposed amendments to the City's 2020-2025 Consolidated Plan.

Present Situation

Through this item, EDD is proposing a Substantial Amendment # 4 to the 2020-2025 Consolidated Plan to impose the following updates:

1. Amend AP-90 (part of Year 1 Annual Action Plan 2020-2021) of the Consolidated Plan to establish HOME Program Preferences for rental housing projects, in accordance with 24 CFR 92.253(d)(3) to allow the award of HOME funds to housing developers intending to develop housing for particular segments of the population.
2. Amend AP-50 (part of Year 1 Annual Action Plan 2020-2021) of the Consolidated Plan to designate a slum/blight area map for use of CDBG funds for eligible activities in Program Year 2024-2025 under the Slum Blight Area Basis National Objective for aiding in prevention or elimination of slums or blight.

1. Amend AP-90 (part of Year 1 Annual Action Plan 2020-2021) of the Consolidated Plan to establish HOME Program Preferences for rental housing projects, in accordance with 24 CFR 92.253(d)(3) to allow the award of HOME funds to housing developers intending to develop housing for particular segments of the population.

In efforts to address the affordable housing shortage in the City of Stockton, the City partners with local or regional affordable housing developers using vital state and federal resources to assist in the development of affordable housing within the City of Stockton to in turn provide safe, decent, affordable housing opportunities for income eligible populations.

From time to time, the City of Stockton issues Notice of Funding Availability (NOFA) notices to solicit affordable project proposals to partner with housing developers by providing financial assistance for the purpose of developing affordable housing. Depending on local housing needs, NOFA applicants/developers seek to address housing challenges within the community and in doing so, it is common that applicants may have already partnered with other funding agencies (e.g. County, state, and/or federal agencies) where funding has already been secured to develop housing for specific segments of the population including but not limited to low income individuals and families, senior citizens, veterans, homeless or at risk of homeless youth and/or individuals and families, homeless special needs, foster youth, farmworkers, domestic violence survivors, etc.

The HOME program is a key source of affordable housing funding and by way of HOME program regulations, HUD imposes stringent regulatory requirements to ensure that affordable housing projects meet HOME specific project underwriting requirements. One of the specific HOME program requirements, codified at 24 CFR 92.253(d)(3), requires that if there is any limitation or preference given to a particular segment of the population (e.g. seniors, veterans, homeless/at risk of homelessness, farmworkers, youth, etc.) on any affordable housing project assisted with HOME program funds, the limitation or preference must be described in the City's HUD Consolidated Plan (without violating any nondiscrimination requirements). This is a unique requirement given that most housing project proposals focus on housing one or more specific segments of the population (e.g. homeless individuals), which are inherently low-income and meet HOME program income eligibility requirements.

Staff has conducted an analysis of the HOME regulation requirements and proposes establishing a list of "preference" population types (hereafter "HOME Preferences") for projects supported with HOME funds. The proposed HOME Preferences have been informed by project types proposed to the city in the last several years. Without the

establishment of a list HOME Preference types, the City of Stockton would be unable to establish a housing pipeline which would impact the City's ability partner with housing developers and spend HOME funds on addressing the affordable housing shortage.

The proposed HOME Preference Policy is included as Exhibit 1 to this document.

2. Amend AP-50 (part of Year 1 Annual Action Plan 2020-2021) of the Consolidated Plan to designate a slum/blight area map for use of CDBG funds for eligible activities in Program Year 2024-2025 under the Slum Blight Area Basis National Objective for aiding in prevention or elimination of slums or blight.

The CDBG Slum Blight Area (SBA) national objective allows the use of CDBG program funds to fund activities aimed at preventing or eliminating slums or blight. Since 1996, Stockton has used a portion of CDBG funds in addressing slum and blight through various programs, including the Commercial Façade Improvement Forgivable Loan Program. The programs have aided in revitalizing blighted commercial properties within the previous Redevelopment Project Areas, which also met the definition for HUD's Slum Blight Area designation.

Pursuant to HUD guidelines, 24 CFR 570.208(b)(1), an activity will be considered to address prevention or elimination of slums or blight on an area basis if:

- i) The area "meets a definition of a slum, blighted, deteriorated or deteriorating area under State or local law";
- ii) The area also meets the conditions in either paragraph (A) or (B):
 - A) At least 25 percent of properties throughout the area experience one or more of the following conditions:
 - 1) Physical deterioration of buildings or improvements;
 - 2) Abandonment of properties;
 - 3) Chronic high occupancy turnover rates or chronic high vacancy rates in commercial or industrial buildings;
 - 4) Significant declines in property values or abnormally low property values relative to other areas in the community; or
 - 5) Known or suspected environmental contamination.
 - B) The public improvements throughout the area are in a general state of deterioration.

In order for SBA designation to remain eligible, the City must maintain documentation on the boundaries and conditions of the area, as well as the methodology used to

delineate the area. Furthermore, the designated area must be redetermined every 10 years for continued qualification.

Activities assisted with CDBG funds must address one or more of the conditions that contributed to the deterioration of the area.

In 2023, RSG, Inc. completed a reevaluation of the previous Slum Blight Area as well as the current Opportunity Zones census tracts. Using available data, conducting a field study for physical assessments, and considering the City's and Council's goals of revitalizing downtown and the Shape Stockton initiative, the Slum Blight Area was determined to include a 5.62-square mile area located in central/south Stockton. The area is primarily composed of Downtown Stockton, the Little Manila/Gleason Park area, South Airport Way Corridor, and Cabral/East Cabral area.

The evaluation determined that 34 percent of properties within the Slum Blight Area exhibit one or more forms of HUD's condition of blight. The area also met the slum and blight criteria established under State law (California Health and Safety Code Section 33030 and 33031(a)(1)) and local law (Stockton Municipal Code Section 8.36.040). Therefore, the area qualifies as a slum and blighted area under the CDBG program regulations, and the SBA national objective will be used in deploying CDBG-funded activities and programs to assist in addressing slum and blight within the map area.

The proposed Slum-Blight Area Map is included as Exhibit 2 to this document.

EXHIBIT 1

**CITY OF STOCKTON
HOME PREFERENCE POLICY**

HOME Housing Preference Policy:

1. When issuing affordable housing Notices of Funding Availability (NOFAs) the City of Stockton will consider awarding HOME funds to eligible projects that propose to serve any of the following target populations:

Housing Project Population	Definition of Population	Rationale Notes/Supporting Data
<p>Housing for Homeless or at Risk of Homeless (includes unaccompanied/foster care youth)</p>	<p>Homeless or at risk of homeless individuals or households.</p> <p>Must meet HUD/HCD definition of homelessness.</p>	<p>The need for permanent homes for homeless residents is overwhelming and immediate. Consistent with City/Regional plans.</p> <p>The San Joaquin County 2024 Point in Time Count reported a total of 4,732 persons experiencing homelessness in San Joaquin County in 2024, with 2,996 (63%) within the City of Stockton. According to the 2022 Point in Time Count 2,319 persons experiencing homelessness resided within in San Joaquin County. The fact that the homeless population has doubled in the past two years indicates that more attention and resources need to be dedicated to addressing this issue.</p> <p>The San Joaquin County 2024 Point in Time Count collected data on four subpopulations that the federal government determined to face particular challenges related to housing. One of the key subpopulations identified by the federal government was children and youth under age 25 experiencing homelessness. Of the 4,732 persons experiencing homelessness in San Joaquin County, 304 individuals were identified as being children and transition aged youth under 25. Compared to the other four vulnerable subpopulations identified in the report, children and youth under the age of 25 experienced the highest share of unsheltered homelessness as 80% of this population reported they were unsheltered.</p> <p>The Analysis of Impediments that was completed in correspondence with the 2020-2025 Consolidated Plan identified homeless persons as a special housing needs</p>

		<p>population. The report suggests the lead determinate for homelessness is due to the inability to afford housing in a particular community. Increasing the stock of affordable housing for this subpopulation can alleviate some of the challenges faced by this special housing needs subpopulation.</p>
<p>Housing for Homeless with Special Needs</p>	<p>Homeless individuals w/ special needs including but not limited to individuals experiencing or recovering from substance abuse disorders, mental or physical disabilities, chronic homelessness, justice involved individuals, etc.</p> <p>Must meet HUD/HCD definition of homelessness.</p>	<p>The 2024 City of Stockton Housing Element cites persons with disabilities as a key population with special housing needs. The report cites “14.6 percent of the total population in Stockton five years and older had one or more disabilities in 2020, compared 13.3 percent countywide, and 8.0 percent in California.”</p> <p>Using HMIS data, the 2024 Regional Homeless Action Plan identified statistically significant vulnerable populations within the San Joaquin Continuum of Care district. According to HMIS data, people with serious mental illness (SMI) and people with substance use disorders (SUD) were a significant population that faced housing insecurity.</p> <p>The San Joaquin County 2024 Point in Time Count (PITC) collected data on four subpopulations that the federal government determined to face particular challenges related to housing. One of the key subpopulations identified by the federal government was individuals with disabilities experiencing chronic homelessness. Of the 4,732 persons experiencing homelessness in San Joaquin County, 1,078 individuals were identified as being chronically homeless. According to the PITC, 72% of the chronically homeless population are unsheltered.</p> <p>The Analysis of Impediments that was completed in correspondence with the 2020-2025 Consolidated Plan identified persons with disabilities as a special housing needs population. The analysis cites that persons with disabilities can face discrimination in the housing market due to biases about adaptive equipment and the need for modifications. Property owners might be concerned about potential damage from equipment or be</p>

		<p>reluctant to accommodate service animals, even if it means violating a no-pet policy.</p> <p>According to San Joaquin County Behavioral Health Services, “there is an urgent and increasing need for affordable housing in San Joaquin County, particularly for justice-involved mental health consumers. According to the National Institute of Mental Health, approximately 37% of individuals in the U.S. incarcerated in state and federal prisons and 44% in local jails have been diagnosed with a mental illness. Furthermore, justice-involved individuals with mental health conditions are significantly more likely to experience homelessness, with studies indicating that about 15% of people leaving jails and prisons become homeless within a year of release.”</p>
<p>Housing for Low/Moderate Income Individuals and Families (includes families with children and large families)</p>	<p>Low-income individuals and Families. Must meet HUD/HCD low/moderate income definition(s).</p>	<p>The updated 2024 City of Stockton Housing Element cites large families as a key population with special housing needs. HUD defines a large household or family as consisting of five or more members. Large families are cited as a special housing needs population because 21.2% of households in Stockton are considered large households compared to 19.6% in the County and 13.8% in California.</p> <p>The San Joaquin County 2024 Point in Time Count collected data on four subpopulations that the federal government determined to face particular challenges related to housing. One of the key subpopulations identified by the federal government was families with children experiencing homelessness. Of the 4,732 persons experiencing homelessness in San Joaquin County, 454 individuals were identified as being members of homeless families with children.</p> <p>The Analysis of Impediments that was completed in correspondence with the 2020-2025 Consolidated Plan identified large households as a special housing needs population. The analysis conducted cited that lower-income large households often face excessive housing costs due to the higher expense of larger units and the scarcity of such units in conventional apartment complexes. Additionally, these families may</p>

		<p>experience overcrowded living conditions and discrimination in the housing market, such as higher rents or outright denial of rental applications.</p>
Housing for Veterans	U.S. Military Veterans	<p>Many housing authorities have preferences for award of housing vouchers to veterans.</p> <p>Rationale is that veterans are more likely to be physically and financially vulnerable and to need affordable housing more than the general population. VASH rental vouchers from the VA are either portable or project-based. Preference could be for VASH holders.</p> <p>The San Joaquin County 2024 Point in Time Count collected data on four subpopulations that the federal government determined to face particular challenges related to housing. One of the key subpopulations identified by the federal government was veterans. Of the 4,732 persons experiencing homelessness in San Joaquin County, 249 individuals were homeless veterans. Moreover, the report cites that 79% of the homeless veteran population were unsheltered.</p> <p>Using HMIS data, the 2024 Regional Homeless Action Plan identified statistically significant vulnerable populations within the San Joaquin Continuum of Care district. According to HMIS data, veterans were a significant population that faced housing insecurity. The plan states that “while veterans had the highest rate for permanent housing placement, they also have a higher-than-average rate of returning to homelessness after placement, suggesting that veterans' housing programs might benefit from additional support for clients (perhaps trauma or PTSD-specific).” The plan also outlines that one of the four funding priorities of HHAP round 5 involves targeted outreach and support services for vulnerable populations such as veterans.</p>
Housing for Survivors of Domestic Violence	Victims of Domestic Violence	<p>Many housing authority voucher programs give priority to the Violence Against Women</p>

		<p>Act population. HUD recently issued new resources for advancing housing protections for survivors of domestic violence.</p> <p>Using HMIS data, the 2024 Regional Homeless Action Plan identified statistically significant vulnerable populations within the San Joaquin Continuum of Care district. According to HMIS data, people fleeing domestic violence was a significant population that faced housing insecurity. The plan outlines that one of the four funding priorities of HHAP round 5 involves targeted outreach and support services for vulnerable populations such as victims of domestic violence.</p>
Senior Housing	<ul style="list-style-type: none"> • 55 years of age or older if at least 80 percent of its units are occupied by at least one person of this age. • OR at least one person 62 or older resides in each apartment unit (100% of the units) • AND the housing project is required to demonstrate the “intent” to be “Housing for Older Persons.” • Head of Household or spouse must meet the age definition. 	<p>The 2024 City of Stockton Housing Element cites seniors as a key population with special housing needs. Senior households make up 21.6% of Stockton households and nearly 30% of senior households in Stockton have an income of less than \$25,000.</p> <p>The Analysis of Impediments that was completed in correspondence with the 2020-2025 Consolidated Plan identified seniors as a special housing needs population. The analysis describes that seniors possess special housing needs due to living on fixed incomes, limited mobility, and physical or mental impairments or disabilities. In order to make housing accessible to this subpopulation, housing must be affordable within their fixed income budget and designed for individuals with limited mobility.</p>
Farmworker Housing	Farmworkers including those that meet other funding source farmworker definitions.	<p>The updated 2024 City of Stockton Housing Element cites farmworkers as a key population with special housing needs. The plan states that farmworkers are an essential component of Stockton’s economy and according to the 2016-2020 American Community Survey 5,010 Stockton residents work in agriculture, forestry, fishing and hunting, or mining. Moreover, according to the 2017 Census, 19,741 farmworkers worked in San Joaquin County. Programs 11, 12, 16, 22, 23, and 30 of the Housing Element commit to actions to support developing new homes and rehabilitating existing homes for farmworkers, along with prioritizing outreach</p>

		<p>and programs for farmworkers. While farmworkers are important to the local economy, many are low-income workers and are often subject to substandard housing.</p> <p>The Analysis of Impediments that was completed in correspondence with the 2020-2025 Consolidated Plan identified farmworkers as a special housing needs population. While farmworkers were identified as being an essential component of the regional agricultural system they face challenges in obtaining adequate and affordable housing due to high poverty rates, large household sizes, linguistic isolation, and intimidation and fear due to citizenship status. Due to limited capital in farmworker housing, the farm-working community frequently ends up in overcrowded, substandard housing that is often geographically isolated and lacks essential services, increasing their risk of homelessness.</p>
Workforce Housing	Housing that is affordable for those earning between 80% and 120% of the area median income.	Households in workforce housing typically earn too much to qualify for programs under HUD. At the same time, they are also unable to afford most quality market-rate apartments. Development of workforce housing will be subject to the availability of public or private resources tailored to this population.
Artists' Housing	Those engaging in defined artistic pursuits, including visual arts, music, dance, and other media.	Artists are underpaid relative to housing prices, part of the City's priorities for placemaking, and at high risk of displacement. Need for flexible and affordable live/workspace.

2. The following requirements shall apply to all HOME-assisted housing projects that adopt any of the target populations allowable under this policy:
 - a. The project shall not violate of any local, state, or federal fair housing regulations.
 - b. The project shall comply with all applicable housing regulations at 24 CFR Part 92.
 - c. The project shall comply with the HOME Tenant Selection requirements at 24 CFR 92.253(d) as follows:

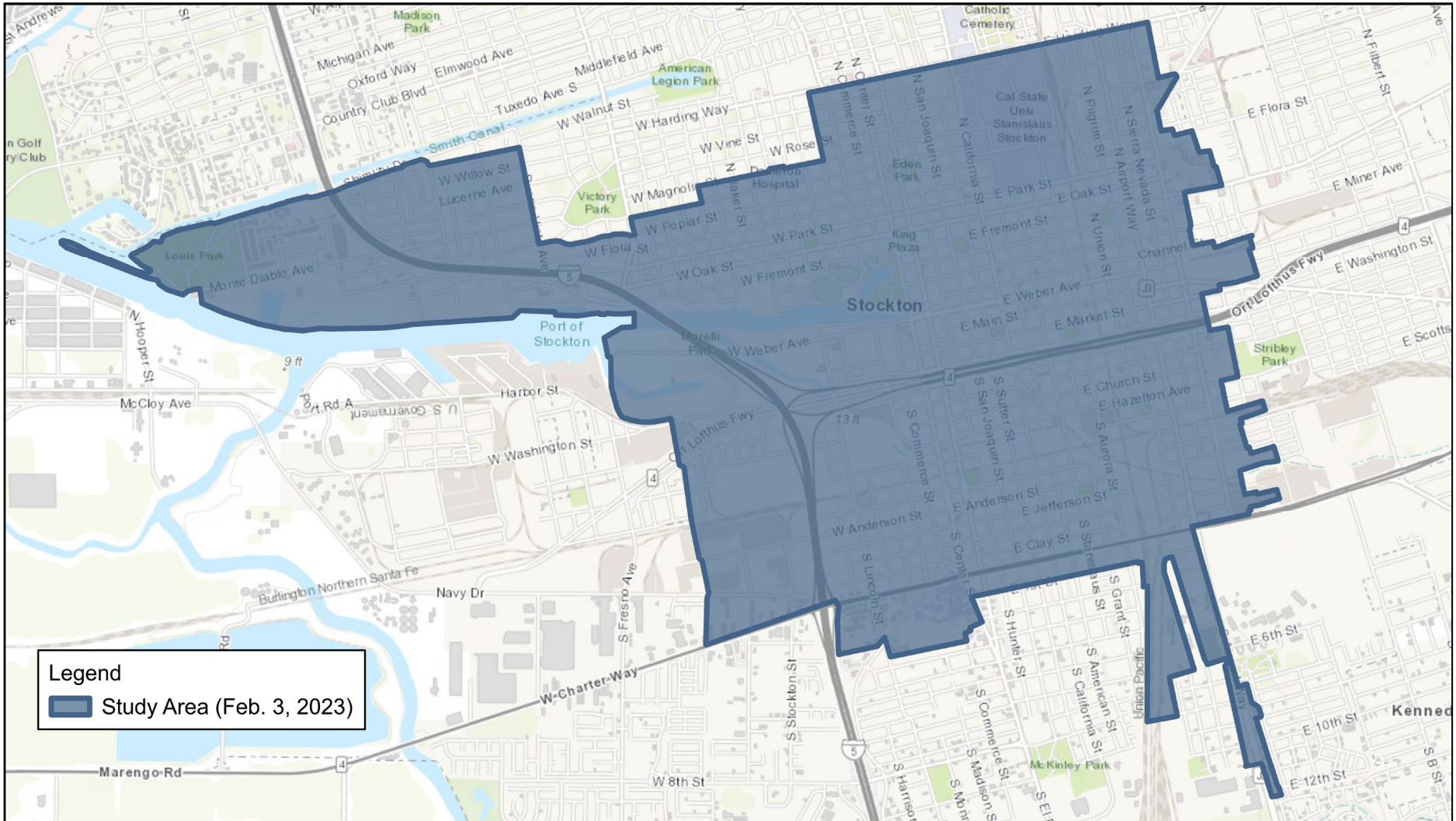
- i. An owner of rental housing assisted with HOME funds must comply with the affirmative marketing requirements established by the City of Stockton pursuant to [§ 92.351\(a\)](#).
- ii. The owner must adopt and follow written tenant selection policies and criteria that:
 - 1) Limit the housing to very low- income and low-income families;
 - 2) Are reasonably related to the applicants' ability to perform the obligations of the lease (i.e., to pay the rent, not to damage the housing; not to interfere with the rights and quiet enjoyment of other tenants);
 - 3) Limit eligibility or give a preference to a particular segment of the population if permitted in its written agreement with the City of Stockton (and only if the limitation or preference is described in the City of Stockton's Consolidated Plan).
 - (i.) Any limitation or preference must not violate nondiscrimination requirements in [§ 92.350](#). A limitation or preference does not violate nondiscrimination requirements if the housing also receives funding from a Federal program that limits eligibility to a particular segment of the population (e.g., the Housing Opportunity for Persons with AIDS program under [24 CFR part 574](#), the Shelter Plus Care program under [24 CFR part 582](#), the Supportive Housing program under [24 CFR part 583](#), supportive housing for the elderly or persons with disabilities under [24 CFR part 891](#)), and the limit or preference is tailored to serve that segment of the population.
 - (ii.) If a project does not receive funding from a Federal program that limits eligibility to a particular segment of the population, the project may have a limitation or preference for persons with disabilities who need services offered at a project only if:
 - (A.) The limitation or preference is limited to the population of families (including individuals) with disabilities that

significantly interfere with their ability to obtain and maintain housing;

(B.) Such families will not be able to obtain or maintain themselves in housing without appropriate supportive services; and

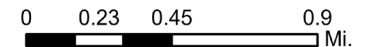
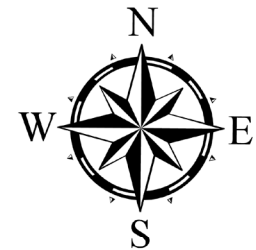
(C.) Such services cannot be provided in a nonsegregated setting. The families must not be required to accept the services offered at the project. In advertising the project, the owner may advertise the project as offering services for a particular type of disability; however, the project must be open to all otherwise eligible persons with disabilities who may benefit from the services provided in the project.

- 4) Do not exclude an applicant with a voucher under the Section 8 Tenant-Based Assistance: Housing Choice Voucher Program ([24 CFR part 982](#)) or an applicant participating in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such voucher or comparable HOME tenant-based assistance document.
- 5) Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable. The Continuum of Care's (CoC) Coordinated Entry process is not a compliant tenant selection process therefore not permitted;
- 6) Give prompt written notification to any rejected applicant of the grounds for any rejection; and
- 7) Comply with the VAWA requirements prescribed in [§ 92.359](#).



2023 Stockton Slum-Blight Area Map

The Study Area meets the Slum Blight Area Basis criteria set forth in the National Objectives Code for aiding in the prevention or elimination of slums or blight in a designated area.



City of Stockton, San Joaquin County GIS/Planning, San Joaquin County Public Works, Bureau of Land Management, Esri, HERE, Garmin, INCREMENT P, USGS, METI/NASA, EPA, USDA, August 2022 Stockton Field Survey, DTSC, CA State Water Board

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