

Resolution No. 2020-12-01-1501

STOCKTON CITY COUNCIL

AUTHORIZING THE APPLICATION, ACCEPTANCE AND APPROPRIATION FOR THE PERMANENT LOCAL HOUSING ALLOCATION PROGRAM NON-ENTITLEMENT LOCAL GOVERNMENT COMPETITIVE COMPONENT

The Department is authorized to provide up to \$15 million under the SB 2 Permanent Local Housing Allocation Program Competitive Component from the Building Homes and Jobs Trust Fund for assistance to Cities and Counties (as described in Health and Safety Code section 50470 *et seq.* (Chapter 364, Statutes of 2017 (SB 2)); and

The State of California (the "State"), Department of Housing and Community Development ("Department") issued a Notice of Funding Availability ("NOFA") dated August 31, 2020, under the Permanent Local Housing Allocation (PLHA) Program Competitive Component; and

City of Stockton (City), the applicant, is an eligible non-entitlement Local government who has applied for program funds to administer an eligible activity; and

The Department may award, subject to selection criteria set forth in PLHA guidelines section 403, funding allocations for applicants recommended for funding, subject to the terms and conditions of the Guidelines, NOFA, Program requirements, the Standard Agreement and other contracts between the Department and PLHA competitive grant recipients; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF STOCKTON, AS FOLLOWS:

1. To conduct a public hearing on the proposed City of Stockton Five-Year PLHA Affordable Housing Plan.
2. If the City is awarded a grant of PLHA funds from the Department pursuant to the above referenced PLHA Competitive Component NOFA, it represents and certifies that it will use all such funds in a manner consistent and in compliance with all applicable state and federal statutes, rules, regulations, and laws, including without limitation all rules and laws regarding the PLHA Program, as well as any and all contracts Applicant may have with the Department.
3. The City hereby agrees to use the PLHA funds for the eligible activity for which the Applicant has submitted an application, as set forth in section 401 of the Guidelines, and as awarded and approved by the Department in accordance with all Program requirements, Guidelines, other rules and laws, as well as in a manner

consistent and in compliance with the Standard Agreement and other contracts between the Applicant and the Department.

4. Pursuant to the City's certification in this resolution, the PLHA funds will be expended only for the eligible Activity for which the Applicant has submitted an application, and consistent with all program requirements,

5. The City certifies that, if funds are awarded for the development of new multifamily housing at or below 60 AMI or substantial rehabilitation of multifamily rental housing at or below 60 percent of AMI, Applicant shall comply with Uniform Multifamily Regulations Subchapter 19, Title 25, Division 1, Chapter 7, commencing with section 8300 and the Multifamily Housing Program Guidelines commencing with section 7300;

6. The City certifies that, if funds are awarded for the development of an Affordable Rental Housing Development, the Local Government shall make PLHA assistance in the form of a low-interest, deferred loan to the Sponsor of the Project, and such loan shall be evidenced through a Promissory Note secured by a Deed of Trust and a Regulatory Agreement shall restrict occupancy and rents in accordance with the Department-approved underwriting of the Project for a term of at least 55 years.

7. The City shall be subject to the terms and conditions as specified in the Standard Agreement, the PLHA Program Guidelines and any other applicable SB 2 Guidelines published by the Department.

8. Authorize the City Manager, or designee, if awarded, to use PLHA grant funds to support homeownership, the creation of new affordable permanent multi-family housing units, and the establishment of a local Housing Trust Fund, as described in the section 302(c)(4) Plan, attached hereto as Exhibit 1.

9. Authorize the City Manager, or designee, to apply for, accept and appropriate the City's entitlement of Permanent Local Housing Allocation (PLHA) funds, to enter into all required agreements to receive the PLHA funds and amend the City's budget accordingly.

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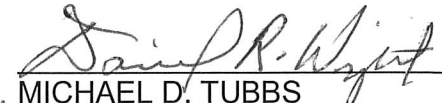
10. The City Manager is hereby authorized to take whatever actions are necessary and appropriate to carry out the purpose and intent of this Resolution.

PASSED, APPROVED, and ADOPTED December 1, 2020.

ATTEST:


ELIZA R. GARZA, CMC
City Clerk of the City of Stockton




MICHAEL D. TUBBS
Mayor of the City of Stockton

§302(c)(4) Plan	Rev. 5/20/20
§302(c)(4)(A) Describe the manner in which allocated funds will be used for eligible activities.	
<p>The City of Stockton has identified three housing priorities for the use of PLHA funds. The three priorities include: 1) the expansion of developments targeting households at or below 60 percent of the Area Median Income and moderate income households; 2) establishment of a Local Housing Trust fund for the development of future affordable housing opportunities; and 3) the development of Homeownership opportunities for first time homebuyers, which may include construction/rehab costs, down payment and mortgage assistance.</p> <p>Development of Multifamily Housing for Extremely low, Very-low, low income households.</p> <p>The City of Stockton currently has five affordable housing projects in its development pipeline that will result in over 500 units of affordable housing within the next five years with approximately 25 percent or 125 of the units targeting extremely low-income households (ELI incomes at or below 30% AMI). The City's goal is to move those projects forward using PLHA funds as gap financing.</p> <p>•Hunter House development is a new construction development of a 120-unit affordable multi-family project located at 610 N. Hunter and 619 N. San Joaquin Streets. Ninety (90) units will be affordable to mentally ill homeless and at risk of becoming homeless veterans, targeting households with incomes at or below 60 percent of the AMI.</p> <p>•Grand View Village is an affordable 75-unit multi-family new construction mixed-use housing development. The project will target households with incomes at or below 80 percent of the AMI.</p> <p>•Partnership in Housing for the Homeless is a new construction development of 13 units of homeless modular housing.</p> <p>•Park Village Apartments is a 208-unit rehabilitation development, of which 203 units target households at or below 60 percent of the AMI. The development is located at 3830 N. Alvarado Avenue.</p> <p>•Liberty Square is an adaptive reuse project that will convert a vacant office building on the Property into seventy four (74) units of multifamily housing in which one-hundred percent (100%) of the housing units will target very- and extremely- low income households as defined by HUD.</p> <p>• Development of Multifamily Housing for Extremely low, Very-low, low income households</p> <p>o PLHA funding will provide gap-financing for new construction, rehabilitation and infill projects, for the developmentconstruction of multifamily rental housing affordable to households with incomes at or below 60 percent of Area Median Income. PLHA funded projects will be in the form of low-interest deferred loan with a 55-year loan term with 55 year rent restrictions, and/or persons experiencing homelessness. Loan will have a term 55 years with a 3% residual receipts note.</p> <p>o The City will coordinate PLHA funds with the allocation of federal HOME Investment Partnership (HOME) funding and Community Development Block Grant (CDBG) funds to provide greater financial leveraging. PLHA funding for affordable housing projects will be targeted to developers Citywide and may be used to provide incentive funding for those projects that target sites identified as suitable for affordable housing development in the City's Housing.</p> <p>•Matching portions of funds placed into a newly established Local Housing Trust Fund</p> <p>o Over the next two years the City of Stockton plans to implement a highly needed Local Housing Trust Fund to increase the supply of affordable rental and housing opportunities in Stockton.</p> <p>o PLHA funds will be used to match and leverage the City's other dedicated source of funds that are to be deposited into the City of Stockton LHTF account.</p> <p>o The City will detail the appropriate funding priorities and basic requirements that all projects must meet, such as income targeting, long term affordability, developer experience, property management requirements, etc.in order to qualify for financing from the trust.</p> <p>Homeownership opportunities which include down payment assistance</p> <p>o The City's current "Down-Payment Assistance Program" will be revised to adjust to current demand within the City of Stockton to assist households with incomes up to 120 percent of Area Median Income. The median home purchase price in Stockton dropped 14% to \$277,000, which requires a minimum annual income of \$70,000.</p> <p>o Funds will be able to cover a 5 percent downpayment of the total value of the home; or to assist homeowners to make a an up to maximum of 20 percent mortgage assistance to avoid payments for Private Mortgage Insurance.</p>	
§302(c)(4)(B) Provide a description of the way the Local government will prioritize investments that increase the supply of housing for households with incomes at or below 60 percent of Area Median Income (AMI).	
<p>Matching funds for a newly established Local Housing Trust Fund to assist in meeting the City's regional housing needs.</p> <p>• Develop innovative housing solutions for "hard-to-serve" individuals and households</p> <p>o Delivery of Permanent Housing, New Construction, and Rental Assistance/Rapid Re-housing: To increase capacity in a challenging rental market, we will master lease or acquire housing, supported by 24/7 site management and compliance with house rules, and funding to ensure basic necessities of living once projects are completed.</p> <p>o Funding multiple new construction projects that specifically expands the inventory of affordable housing stock for at or below 60 percent of Area Median Income households with necessary financing to keep the project on track for an on time year of market entry.</p> <p>o Gathering all sources of funding that will advance the early stages of pre-development and construction financing to advance a projects process through development of completion. The City will detail the appropriate funding priorities and basic requirements that projects must meet, such as income targeting, long term affordability, developer experience, property management requirements, etc., in order to qualify for financing from the trust.</p> <p>•Make available operating subsidies to those developers that develop multi-family units targeting extremely low-income households</p>	
§302(c)(4)(C) Provide a description of how the Plan is consistent with the programs set forth in the Local Government's Housing Element.	
<p>• The City of Stockton's Council has identified the development of affordable housing as one of its top priorities and has implemented various General Plan amendments to facilitate the production of a variety of housing types in non-residential and mixed-use zones. The General Plan specifically focused on policies to facilitate development up to 18,400 new housing units within the City's existing limits.</p> <p>The City goal is to implement the following strategies to increase housing development:</p> <p>• Continue to take actions to streamline the approval and review processes for multi-family affordable and infill housing projects, working to provide timely and accurate information and funding to developers.</p> <p>• Encourage and provide opportunities for a variety of housing types that serve affordable housing opportunities and promote balanced mixed income neighborhoods.</p> <p>• Strive to ensure that application and development fees do not unnecessarily constrain the production of affordable housing, including small infill and single-family ownership housing projects as well as larger multifamily housing developments.</p> <p>• Maintain and improve access to information regarding housing programs, services, and resources, as well as fair housing laws and consumer information on housing choice.</p> <p>• Advocate further to developers of the development of multifamily housing through additional funding such as gap financing, development standards, and deferred fees, to provide a variety of housing types for all income groups.</p> <p>• Per the 2015-2023 Housing Element the City of Stockton has a yet unmet goal to create a Local Housing Trust Fund Program.</p>	
Activities Detail (Activities Detail (Must Make a Selection on Formula Allocation Application worksheet under Eligible Activities, §301))	
§301(a)(1) The predevelopment, development, acquisition, rehabilitation, and preservation of multifamily, residential live-work, rental housing that is affordable to extremely low-,very low-, low-, or moderate-income households, including necessary Operating subsidies.	

§302(c)(4)(E)(ii) Area Median Income Level Served	120%	120%	120%	120%	120%											TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level	15	15	15	15	15											75
§302(c)(4)(E)(i) Percentage of Funds Allocated for Each Affordable Housing	20%	20%	20%	10%	10%											
§302(c)(4)(E)(ii) Projected Number of Households Served	5	5	5	5	5											25
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years	30	30	30	30	30											
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of each Affordable Rental and Ownership Housing project.																
• The City will make available a NOFA and schedule for developers in Fall 2020, for funding availability for the development of ownership project opportunities. • Development applicants will have one fiscal year from funding award to allocate all moneys given by the City.																
§301(a)(3) Matching portions of funds placed into Local or Regional Housing Trust Funds.																
§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity.										Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing				0%		
•Prior to Funding Year 2022 the City will be creating a new Low Income Housing Trust Fund Program. •The funds will be used to match dollars deposited from a future Low Income Housing Trust Fund Program to increase more affordable multifamily, senior, and homeless housing in the City. • After the Housing Trust Fund is established, the City will match the funds put into the Trust Fund, with PHLA funds to increase the starting value of the trust and bringing more eligibility for financing and promoting affordable housing in the City of Stockton.																
Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).																
Funding Allocation Year	2022	2022	2023	2023												
Type of Affordable Housing Activity	Rental	Owner	Rental	Owner												
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	35.00%	35.00%	35.00%	35.00%												
§302(c)(4)(E)(ii) Area Median Income Level Served	60%	120%	60%	120%												TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level	143	144	144	144												575
§302(c)(4)(E)(ii) Projected Number of Households Served	48	48	48	48												192
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)	55	30	55	30												
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.																
• Prior to Funding Year 2022 the City of Stockton will establish a local Housing Trust Fund to be used in implementing the housing need. • The City is currently initiating a Nexus study to evaluate a dedicated funding source for the Trust Fund that will come from impact fees. • Funds received from the Trust Fund Program will be deposited into the City of Stockton Low Income Housing Trust Fund Account. The City will then use the allocated PLHA funds to match other dollars deposited. •The total funds available in the Low Income Housing Trust Fund Account will then be used to in the effort to meet the infill target of 4,400 new units in the City, in which encourages the rapid need for new construction of affordable projects and appeals to developers with additional funding to support multiple projects.																
§301(a)(4) Matching portions of funds available through the Low- and Moderate-Income Housing Asset Fund pursuant to subdivision (d) of HSC Section 34176.																
§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity.										Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing						
Complete the table below for the proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).																
Funding Allocation Year																
Type of Affordable Housing Activity																
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity																
§302(c)(4)(E)(ii) Area Median Income Level Served																TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level																0
§302(c)(4)(E)(ii) Projected Number of Households Served																0
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years																

§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.															
§301(a)(5) Capitalized Reserves for Services connected to the preservation and creation of new permanent supportive housing.															
§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity .															
Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).															
Funding Allocation Year															
Type of Permanent Supportive Housing Project															
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity															
§302(c)(4)(E)(ii) Area Median Income Level Served															TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level															0
§302(c)(4)(E)(ii) Projected Number of Households Served															0
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years															
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.															
§301(a)(6) Assisting persons who are experiencing or At risk of homelessness, including, but not limited to, providing rapid rehousing, rental assistance, supportive/case management services that allow people to obtain and retain housing, operating and capital costs for navigation centers and emergency shelters, and the new construction, rehabilitation, and preservation of permanent and transitional housing.															
§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity.															
Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).															
Funding Allocation Year															
Type of Activity for Persons Experiencing or At Risk of Homelessness															
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity															
§302(c)(4)(E)(ii) Area Median Income Level Served															TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level															0
§302(c)(4)(E)(ii) Projected Number of Households Served															0
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)															
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.															
§301(a)(7) Accessibility modifications in Lower-income Owner-occupied housing.															
§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity.											Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing				
Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).															
Funding Allocation Year															
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity															
§302(c)(4)(E)(ii) Area Median Income Level Served															TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level															0

§302(c)(4)(E)(ii) Projected Number of Households Served															0
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity															
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.															
§301(a)(8) Efforts to acquire and rehabilitate foreclosed or vacant homes and apartments.															
§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity.												Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing (AOWH)			
Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).															
Funding Allocation Year															
Type of Activity															
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity															
§302(c)(4)(E)(ii) Area Median Income Level Served															TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level															0
§302(c)(4)(E)(ii) Projected Number of Households Served															0
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years															
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.															
§301(a)(9) Homeownership opportunities, including, but not limited to, down payment assistance.															
§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity.												Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing (AOWH)		100%	
• The allocated funds would further operate and expand the existing Downpayment Assistance Program for low-income first time homebuyers to widen the range of eligible participants. •The funds would help expand the number of households who would qualify up to 120 percent of the Area Median Income for a purchase of a single family home or condominium unit that would help assist with the down payment, prepaid mortgage insurance, closing costs, or permanent mortgage interest rate buy down.															
Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).															
Funding Allocation Year	2019	2020	2021	2022	2023										
Type of Homeowner Assistance	Home Buyer Assistance	Home Buyer Assistance	Home Buyer Assistance	Home Buyer Assistance	Home Buyer Assistance										
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity	10.00%	10.00%	10.00%	2.50%	2.50%										
§302(c)(4)(E)(ii) Area Median Income Level Served	120%	120%	120%	120%	120%										TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level	15	15	15	15	15										75
§302(c)(4)(E)(ii) Projected Number of Households Served	5	5	5	5	5										25
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity	30	30	30	30	30										
§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.															

<ul style="list-style-type: none">• The City shall continue to provide opportunities for and reduce barriers to homeownership and promote public awareness of the various means available to become a homeowner.• The City currently has an exsiting Down Payment Assistance Program. The City would like to expand its current program through the use of PLHA funds by increasing the maximum mortgage assistance amount to the lesser of 20% of the down payment or \$60,000.• There is currently a renewed interest in the Down Payment Assistance Program given the upward trend of rents outpricing local residents with an increased subsidy amount low-moderate households may have more success in securing affordable housing through homeownership then renting in the open market.• Additionally, increased marketing and outreach is scheduled within the next few years to ensure that the citizens of Stockton are aware of the eligible homeownership program and the various City sponsored programs that are available to assist them in obtaining homeownership.• The City will be revamping an existing underutilized Down Payment Assistance Program to further promote homeownership for low- and moderate-income households.																
<p>§301(a)(10) Fiscal incentives made by a county to a city within the county to incentivize approval of one or more affordable housing Projects, or matching funds invested by a county in an affordable housing development Project in a city within the county, provided that the city has made an equal or greater investment in the Project. The county fiscal incentives shall be in the form of a grant or low-interest loan to an affordable housing Project. Matching funds investments by both the county and the city also shall be a grant or low-interest deferred loan to the affordable housing Project.</p>																
<p>§302(c)(4)(E)(i) Provide a description of how allocated funds will be used for the proposed Activity.</p>												<p>Percentage of Funds Allocated for Affordable Owner-occupied Workforce Housing (AOWH)</p>				
<p>Complete the table below for each proposed Activity to be funded with 2019-2023 PLHA allocations. If a single Activity will be assisting households at more than one level of Area Median Income, please list the Activity as many times as needed to capture all of the AMI levels that will be assisted, but only show the percentage of annual funding allocated to the Activity one time (to avoid double counting).</p>																
Funding Allocation Year																
Type of Activity																
Type of Affordable Housing Project																
§302(c)(4)(E)(i) Percentage of Funds Allocated for the Proposed Activity																
§302(c)(4)(E)(ii) Area Median Income Level Served																TOTAL
§302(c)(4)(E)(ii) Unmet share of the RHNA at AMI Level																0
§302(c)(4)(E)(ii) Projected Number of Households Served																0
§302(c)(4)(E)(iv) Period of Affordability for the Proposed Activity (55 years required for rental housing projects)																
<p>§302(c)(4)(E)(iii) A description of major steps/actions and a proposed schedule for the implementation and completion of the Activity.</p>																
File Name:	Plan Adoption				<p>§302(c)(4)(D) Evidence that the Plan was authorized and adopted by resolution by the Local jurisdiction and that the public had an adequate opportunity to review and comment on its content.</p>							Attached and on USB?				