

Resolution No.

STOCKTON CITY OUNCIL

APPROVAL OF LOAN AND/OR GRANT AWARDS TO ELIGIBLE RESPONDENTS TO THE 2024 AFFORDABLE HOUSING PROPERTY ACQUISITION NOTICE OF FUNDING AVAILABILITY

The City receives annual allocations of Community Development Block Grant (CDBG) funds from the U.S. Department of Housing and Urban Development (HUD) for the purpose of advancing the City's affordable housing and community development needs of low-income residents; and

CDBG funds are used for a wide variety of activities that benefit low-income residents, including but not limited to the provision of public services, property acquisition for affordable housing purposes, and economic development activities; and

In addition, in 2023, the State of California designated the City of Stockton as a Pro-Housing City, recognizing Stockton for committing to policies and practices that will help them remove barriers to housing production. Being designated as a Pro-Housing City, the State of California awarded Pro-Housing Incentives Pilot (PIP) Program funds to the City of Stockton in 2023 to be used for the Development of affordable housing; and

In July 2024, the City of Stockton's Economic Development Department (EDD) released the 2024 Real Property Acquisition Notice of Funding Availability (NOFA); and

The NOFA announced the availability of approximately \$4,551,524; and

The NOFA sought project proposals from qualified nonprofit housing developers and/or housing or service providers to provide CDBG and PIP funds to acquire real property to be used for the development of affordable housing; and

The NOFA resulted in the submittal of five applications requesting \$10,015,714; and

The City of Stockton is held to stringent regulations by its State and Federal funding agencies. As such, the City must conduct a risk assessment of each applicant and its proposal and impose rigorous experience and capacity requirements, in addition to an assessment of the project, to ensure the selected applicant has the ability to comply with the stringent funding requirements. Under this consideration, EDD's project recommendations are being made after considering several project proposal factors; and

After careful review and analysis of each proposal, EDD recommends funding awards to the following projects:

1) Parents By Choice Transitional Housing for Youth project located at 523 E. Main Street, Stockton CA 95202 in the amount of \$1,500,000. The project proposes to serve former foster care, justice involved individuals, probation, low income, or at risk of homelessness with incomes at or below 80% of the Area Median Income (AMI).

2) Delta Community Developers Corp. Harding Way Apartments located at 645 E. Harding Way in the amount of \$1,891,000. The project proposes to serve Justice involved mental health consumers at risk of homelessness with incomes at or below 50% of the Area Median Income (AMI); and

Due to the proposed public financing, the development of the project must be approved pursuant to Article XXXIV (34) of the California Constitution, which requires a local election to approve affordable housing projects; and

In 2010, local voters gave the City Council the authority to approve up to 500 units per year. The proposed units are within this limit; now, therefore,

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

1. Approving a \$1,500,000 loan and/or grant award to Parents by Choice, Inc. for the purpose of acquiring property located at 523 E Main Street, Stockton CA for development of a Transitional Housing for Youth affordable housing project.

2. Approving a \$1,891,000 loan and/or grant award to Delta Community Developers Corp. (DCDC) for the purpose of acquiring property located at 645 W. Harding Way, Stockton CA for development of the Harding Way Apartments affordable housing project.

3. Awarding and Allocating Pro Housing Incentive Program Grant Funds and/or Community Development Block Grant Funds not to exceed a combined total of \$3,391,000.00 to the projects that best strategically meet grant expenditure deadlines.

4. Approving the allocation of 36-units of affordable housing through the Transitional Housing for Youth and Harding Way Apartments projects pursuant to Article XXXIV of the California Constitution; and

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5. The City Manager or designee is hereby authorized to execute all documents and take all necessary and appropriate actions to carry out the purpose and intent of the Resolution.

PASSED, APPROVED, and ADOPTED October 1, 2024.

KEVIN J. LINCOLN II
Mayor of the City of Stockton

ATTEST:

KATHERINE ROLAND, CMC, CPMC
Interim City Clerk of the City of Stockton