

**DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT**  
**DIVISION OF FINANCIAL ASSISTANCE**  
**FEDERAL PROGRAMS BRANCH**  
**Community Development Block Grant (CDBG)**  
**Neighborhood Stabilization Program (NSP)**

1800 Third Street, Suite 330  
P. O. Box 952054  
Sacramento, CA 94252-2054  
(916) 522-9398  
FAX (916) 319-8488 or (916) 327-0579



February 10, 2011

## Neighborhood Stabilization Program 3

### Substantial Amendment to the 2010 Annual Action Plan

The California Department of Housing and Community Development (Department) requests to amend, upon HUD approval, the State of California 2009-2010 Annual Action Plan as allowed under the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) of 2010. This legislation was designed to provide additional funding to the Neighborhood Stabilization Program (NSP) to further address the most severe neighborhood problems associated with the persistent housing foreclosure crisis. The additional funds are known as Neighborhood Stabilization Program-3 (NSP3). The Department requests the full \$7,777,019 made available through the NSP3 allocation formula process, and any additional NSP funds if they become available.

#### **NSP3 Grantee Information**

<b>NSP3 Program Administrator Contact Information</b>	
<b>Name (Last, First)</b>	Brandeberry, Thomas
<b>Email Address</b>	tbrandeb@hcd.ca.gov
<b>Phone Number</b>	916-327-3613
<b>Mailing Address</b>	State of California Department of Housing & Community Development Division of Financial Assistance 1800 Third Street, Room 330 P.O. Box 952054 Sacramento, CA 94252-2054

#### **Areas of Greatest Need**

#### **Map Submission**

The maps generated by the HUD NSP3 Mapping Tool for Preparing Action Plan website is included as attachments number 1, 2 and 3.

**Data Sources Used to Determine Areas of Greatest Need**

<b>Describe the data sources used to determine the areas of greatest need.</b>
HCD began with HUD’s Foreclosure Need list provided to grantees, and also accessed HUD.gov/HUD Homes website (HUDHomestore.com), NSP Resource.com, and the HUD Foreclosure Need website (www.huduser.org/portal/datasets/nsp.html).

**Determination of Areas of Greatest Need**

<b>Describe how the areas of greatest need were established.</b>
<p>Due to the size of California’s State program award, HCD began narrowing the eligible applicants by eliminating any jurisdictions announced to receive NSP3 funding directly from HUD. From this list, the following filters applied were used to establish a pool of potential applicants:</p> <ul style="list-style-type: none"> <li>– NSP3 Needs Scores of 18 or higher;</li> <li>– Unemployment numbers at or above 15%; and,</li> <li>– Number of units required to be impacted at or above 4 units per LOGRECNO (record number from HUD’s NSP3 Needs report).</li> </ul> <p>From this list of jurisdictions, capacity was evaluated using NSP1 experience as the standard. Three jurisdictions were identified that have NSP3 Need scores at or above 18, unemployment at or above 15%, and minimum number of units to be impacted at or above 4 and NSP1 experience.</p>

**Definitions and Descriptions**

**Definitions**

<b>Term</b>	<b>Definition</b>
Blighted Structure	A structure is blighted when it exhibits objectively determinable signs of deterioration sufficient to constitute a threat to human health, safety, and public welfare. This definition is consistent with California Health & Safety Code definition of a substandard structure under Section 17920.
Affordable Rents	At a minimum, all properties assisted with NSP funds will be subject to the HOME requirement of continued affordability as outlined in the regulations for the HOME Investment Partnership Program, Final Rule, 24 CFR Part 92. These regulations are available at the following sites: HOME affordability rental housing §92.252 <a href="http://edocket.access.gpo.gov/cfr_2004/aprqr/pdf/24cfr92.252.pdf">http://edocket.access.gpo.gov/cfr_2004/aprqr/pdf/24cfr92.252.pdf</a>  HOME affordability periods-Homeownership §92.254 <a href="http://edocket.access.gpo.gov/cfr_2004/aprqr/pdf/24cfr92.254.pdf">http://edocket.access.gpo.gov/cfr_2004/aprqr/pdf/24cfr92.254.pdf</a>

**Descriptions**

<b>Term</b>	<b>Definition</b>
Long-Term Affordability	At a minimum, all properties with with NSP funds will be subject to the HOME requirement of continued affordability as outlined in the

	<p>regulations for the HOME Investment Partnership Program, Final Rule, 24 CFR Part 92. These regulations are available at the following sites:  HOME affordability rental housing §92.252  <a href="http://edocket.access.gpo.gov/cfr_2004/aprqrtr/pdf/24cfr92.252.pdf">http://edocket.access.gpo.gov/cfr_2004/aprqrtr/pdf/24cfr92.252.pdf</a></p> <p>HOME affordability periods-Homeownership §92.254  <a href="http://edocket.access.gpo.gov/cfr_2004/aprqrtr/pdf/24cfr92.254.pdf">http://edocket.access.gpo.gov/cfr_2004/aprqrtr/pdf/24cfr92.254.pdf</a></p>
Housing Rehabilitation Standards	<p>All grantees will be required to submit their local Rehabilitation Standards for Department review prior to activity work. Each project work write up must be developed as outlined by the Rehabilitation Standards and must be submitted to the Department. At completion, all properties must meet local and state building codes, be free of all health and safety hazards and include energy efficient systems if remaining economic life is less than 20 years.</p>

**Low-Income Targeting**

**Low-Income Set-Aside Amount**

<p><b>Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.</b></p>
<p><u>Response:</u>  Total low-income set-aside <b>percentage</b> (must be no less than 25 percent) = 25.00%  Total funds set aside for low-income individuals = \$1,944,255  Minimum number of units to be set aside for households at or below 50% AMI is 25%, rounded up</p>

**Meeting Low-Income Target**

<p><b>Provide a summary that describes the manner in which the low-income targeting goals will be met.</b></p>
<p>The State of California will, at a minimum, meet the legislative statute that 25 percent of the funds be used for housing individuals and families whose incomes do not exceed 50 percent of area median income, adjusted for household size. A minimum of \$1,944,225 (25 percent of \$7,777,019) of the total allocation to the State will be used to meet this statutory requirement. The minimum number of units for households at or below 50% AMI will also be 25% (rounded up) so ensure the minimum funds, households and units will be equitable and will provide the low income population an opportunity for affordable housing.</p>

**Acquisition and Relocation**

**Demolition or Conversion of LMI Units**

<p>Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?</p>	<p>No</p>
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If yes, fill in the table below.

<b>Question</b>	<b>Number of</b>
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	<b>Units</b>
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	N/A
The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).	N/A
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	N/A

## **Public Comment**

### **Citizen Participation Plan**

<b>Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.</b>
<p>The Neighborhood Stabilization Program 3 Substantial Amendment to the 2010 Annual Action Plan (NSP3 Substantial Amendment) will be posted on the State of California Department of Housing and Community Development (Department) Neighborhood Stabilization Program (NSP) website located at <a href="http://www.hcd.ca.gov/fa/nsp">www.hcd.ca.gov/fa/nsp</a>. The NSP3 Substantial Amendment will be sent out via email to the NSP Interested Parties List via ListServ. The Department will hold two public hearings to collect comments, one held between 12:00 (noon) and 1:00 pm at the City of Coachella City Hall, 1515 Sixth Street, Coachella, CA 92236 on February 22, 2011, and at Department headquarters, 1800 Third Street, Room 183, Sacramento, CA on February 24, 2011 between 12:00 and 1:00 pm. The Notice will be published in English and Spanish, in the Daily Recorder, the Los Angeles Daily Journal and the San Francisco Daily Journal on Thursday, February 10, 2011.</p> <p>HCD will prepare an Attachment #4, which will contain all public comments and will include Attachment #4 in the application packet HCD will submit to HUD prior to 3/1/11.</p>

## ***NSP Information by Activity***

<b>Activity Number 1</b>	
<b>Activity Name</b>	<b>Acquisition and Rehabilitation of Foreclosed Single Family Residential units to be Rental Housing</b>
<b>Uses</b>	<b>Eligible Use B: Acquisition and Rehabilitation</b>
<b>CDBG Activity or Activities</b>	24 CFR 570.201(a) Acquisition and (b) Disposition 24 CFR 570.202 Eligible rehabilitation and preservation activities for residential properties 24 CFR 570.206 Program administration costs (including activity delivery costs for eligible activities)
<b>National</b>	Low- and Moderate-Income Housing (up to 80% AMI)

Objective	
<p><b>Activity Description</b></p>	<p><b>Acquisition/Rehabilitation/Rental Single Family Housing</b>  Purchase and rehabilitation of foreclosed or abandoned residential properties in order to rent such homes and properties to income eligible households with no more than 74.99% of the units to be rented to households between 50% and 80% of the Area Median Income (with a minimum of 25% of the funds and units dedicated to properties targeted for households at or below 50% AMI).</p> <p>This activity provides affordable rental units in areas with persistently high unemployment and high foreclosure rates.</p>
<p><b>Activity Description</b></p>	<p>Acquisition sales prices must reflect a minimum discount of 1% below the current market appraised value. All appraisals must meet NSP appraisal criteria. Eligible properties are foreclosed or abandoned residential properties that have been vacant for a minimum of 90 days. Properties requiring relocation benefits are not eligible.</p> <p>All units will be rehabilitated to address all health and safety related deficiencies and meet local building code standards. In addition:</p> <ol style="list-style-type: none"> <li>1. Any substantial rehabilitation projects (i.e. general replacement of the interior of a building that may or may not include changes to structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings must be designed to meet the Standard for Energy Star Qualified New Homes.</li> <li>2. All other rehabilitation projects (non substantial) must meet the same standards to the extent applicable to the rehabilitation work undertaken, e.g., replace older and/or obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, air conditioning units, refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.</li> <li>3. Water efficient toilets, showers, and faucets, such as those with the WaterSense label, must be installed.</li> <li>4. California Green Building code to be implemented, if possible.</li> </ol> <p>Affordability periods will follow the HOME affordability requirements, as listed in Section 3: Definitions, above.</p> <p>The hiring of employees who reside in the vicinity of NSP3 projects or contract with small businesses that are owned and operated by persons residing in the vicinity of the project is required.</p> <p><u>City / County Eligibility:</u>  Non-direct HUD NSP3 awarded jurisdictions with minimum NSP3 Need Scores of 18, with a minimum unemployment rate of 15%, with a minimum Impact Score of 4 or greater that has NSP1 experience are eligible. NSP3 funding will be targeted in areas where NSP1 funding was expended, to provide the greatest stabilization impact for the effected neighborhoods.</p> <p>NSP3 Need Scores of 18-20 (one of the eligibility criteria) takes into account the sub-prime foreclosures within the past 12 months in the</p>

	targeted areas.	
<b>Location Description</b>	NSP3 Planning Data Neighborhood identification numbers 5335754, 6003448 and 1026367	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$ 6,999,317
	Any additional NSP funding that may become available	\$ unknown
<b>Total Budget for Activity</b>		<b>\$ 6,999,317 minimum</b>
<b>Performance Measures</b>	Rental properties within all areas funded = 38	
<b>Projected Start Date</b>	June, 2011	
<b>Projected End Date</b>	June, 2014	
<b>Responsible Organization</b>	<b>Name</b>	State of California, Department of Housing and Community Development
	<b>Location</b>	1800 Third Street, Room 330 Sacramento, CA 95811
	<b>Administrator Contact Info</b>	Thomas Brandeberry, CDBG Section Chief, 916-327-3613; tbrandeb@hcd.ca.gov

<b>Activity Number 2</b>	
<b>Activity Name</b>	<b>Administration</b>
<b>Uses</b>	<b>Eligible Use B: Acquisition and Rehabilitation</b>
<b>CDBG Activity or Activities</b>	24 CFR 570.201(a) Acquisition and (b) Disposition 24 CFR 570.202 Eligible rehabilitation and preservation activities for residential properties 24 CFR 570.206 Program administration costs (including activity delivery costs for eligible activities)
<b>National Objective</b>	Low- and Moderate-Income Housing (up to 80% AMI)
<b>Activity Description</b>	<b>Acquisition/Rehabilitation/Rental Single Family Housing</b> NSP3 Program Administration funds will pay reasonable and necessary expenses of implementation and oversight of the program. These costs will include but are not limited to staff salaries, office supplies, planning and development expenses, monitoring and providing technical assistance to our grantees. General administration costs will not exceed ten (10) percent of the total allocation amount, to be applied by no more than five (5) percent of the total allocation amount will be provided to grantees and at least five (5) percent to the State for administration of the program.
<b>Location Description</b>	NSP3 Planning Data Neighborhood identification numbers 5335754,

	6003448 and 1026367	
<b>Budget</b>	<b>Source of Funding</b>	<b>Dollar Amount</b>
	NSP3	\$ 777,702
<b>Total Budget for Activity</b>		<b>\$ 777,702 minimum</b>
<b>Performance Measures</b>	Rental properties within all areas funded = 38	
<b>Projected Start Date</b>	June, 2011	
<b>Projected End Date</b>	June, 2014	
<b>Responsible Organization</b>	<b>Name</b>	State of California, Department of Housing and Community Development
	<b>Location</b>	1800 Third Street, Room 330 Sacramento, CA 95811
	<b>Administrator Contact Info</b>	Thomas Brandeberry, CDBG Section Chief, 916-327-3613; tbrandeb@hcd.ca.gov

## ATTACHMENT #1

Neighborhood ID: 3555969

### **NSP3 Planning Data**

Grantee ID: 0699990N

Grantee State: CA

Grantee Name: CA NONENTITLEMENT

Grantee Address: 1800 3rd Street Sacramento CA 95811 Grantee [Email: kpatterson@hcd.ca.gov](mailto:kpatterson@hcd.ca.gov)

Neighborhood Name: NSP3-Yuba City Date:201 1-02-03 00:00:00

### NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 19.15

State Minimum Threshold NSP3 Score: 17 Total Housing Units in Neighborhood: 4740

### Area Benefit Eligibility

Percent Persons Less than 120% AMI: 64.11 Percent Persons Less than 80% AMI: 44.36

### Neighborhood Attributes (Estimates)

#### *Vacancy Estimate:*

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 5094

Residential Addresses Vacant 90 or more days (USPS, March 2010): 120 Residential Addresses NoStat (USPS, March 2010): 65



### *Foreclosure Estimates:*

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 1995

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 23.13 Percent of Housing Units 90 or more days delinquent or in foreclosure: 19.01 Number of Foreclosure Starts in past year: 177

Number of Housing Units Real Estate Owned July 2009 to June 2010: 100

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 35

### Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): - 45.6 Place (if place over 20,000) or county unemployment rate June 2005\*: 10.68 Place (if place over 20,000) or county unemployment rate June 2010\*: 21.69 \*Bureau of Labor Statistics Local Area Unemployment Statistics

### Market Analysis

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of Corner Points

-121.643543 39.113680 -121.617279 39.1 12880 -121.616249 39.138049 -121.630325 39.138183 -121.629810 39.132723 -121.643887 39.132590

Blocks Comprising Target Neighborhood

061010503011002, 061010503011005, 061010503011006, 061010503011012, 061010503011014,  
061010503011016, 061010503011018, 061010503011017, 061010503011015, 061010503011013,  
061010503011011, 061010503011010, 061010503011007, 061010503012012, 061010503012013,  
061010505012024, 061010505012025, 061010505032001, 061010505032007, 061010505032009,  
061010505032011, 061010505032027, 061010505032034, 061010505032033, 061010505032032,  
061010505032031, 061010505032029, 061010505032012, 061010505032010, 061010505032008,  
061010505032006, 061010505032005, 061010502011027, 061010502011026, 061010502011025,  
061010502011024, 061010502011023, 061010502011022, 061010502011018, 061010502011017,  
061010502011034, 061010502011033, 061010502011032, 061010502011031, 061010502011030,  
061010502011029, 061010502011028, 061010502011016, 061010502011015, 061010502012000,  
061010502012001, 061010502012003, 061010502012005, 061010502012007, 061010502012027,  
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061010503012006, 061010503012008, 061010503012010, 061010503012015, 061010503012014,  
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061010503013003, 061010503013001, 061010503013002, 061010503021000, 061010503021001,  
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061010503025003, 061010503025004, 061010503025002, 061010503025005, 061010505012007,  
061010505012010, 061010505012009, 061010505012008, 061010505012023, 061010505012006,  
061010505032000, 061010503025001,

## ATTACHMENT #2

Neighborhood ID: 7694519

### **NSP3 Planning Data**

Grantee ID: 0699990N

Grantee State: CA

Grantee Name: CA NONENTITLEMENT

Grantee Address: 1800 3rd Street Sacramento CA 95811 Grantee [Email: kpatterson@hcd.ca.gov](mailto:kpatterson@hcd.ca.gov)

Neighborhood Name: NSP3-Yuba County Date:201 1-02-03 00:00:00

### NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 19

State Minimum Threshold NSP3 Score: 17 Total Housing Units in Neighborhood: 2769

### Area Benefit Eligibility

Percent Persons Less than 120% AMI: 83.6 Percent Persons Less than 80% AMI: 62.33

### Neighborhood Attributes (Estimates)

#### *Vacancy Estimate:*

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 3768

Residential Addresses Vacant 90 or more days (USPS, March 2010): 246 Residential Addresses NoStat (USPS, March 2010): 259

### *Foreclosure Estimates:*

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 1776

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 26.9 Percent of Housing Units 90 or more days delinquent or in foreclosure: 19.9 Number of Foreclosure Starts in past year: 170

Number of Housing Units Real Estate Owned July 2009 to June 2010: 95

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 33

### Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -45.6

Place (if place over 20,000) or county unemployment rate June 2005\*: 8.5

Place (if place over 20,000) or county unemployment rate June 2010\*: 18.2

\*Bureau of Labor Statistics Local Area Unemployment Statistics

### Market Analysis

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of Corner Points

-121.558743 39.113280 -121.523380 39.114212 -121.523724 39.137650 -121.551876 39.134454 -  
121 .571445 39.124201

Blocks Comprising Target Neighborhood

061150403001001, 061150403001002, 061150403001000, 061150403001005, 061150403001007,  
061150403001009, 061150403001011, 061150403001013, 061150403001015, 061 150403001034,  
061150403001033, 061150403001032, 061150403001031, 061150403001029, 061150403001028,  
061150403001027, 061150403001026, 061150403001025, 061150403001024, 061150403001023,  
061150403001022, 061150403001021, 061150403001020, 061150403001019, 061150403001018,  
061150403001017, 061150403001016, 061150403001014, 061150403001012, 061150403001010,  
061150403001008, 061150403001006, 061150403001003, 061150403001004, 061150403002000,  
061150403002010, 061150403002009, 061150403002008, 061150403002003, 061150403002004,  
061150403002005, 061150403002018, 061150403002007, 061150403002006, 061150403002001,  
061150403003000, 061150403003018, 061150403003017, 061150403003016, 061150403003015,  
061150403003014, 061150403003013, 061150403003012, 061150403003011, 061150403003010,  
061150403003009, 061150403003008, 061150403003007, 061150403003006, 061150403003004,  
061150403003001,

## ATTACHMENT #3

Neighborhood ID: 4813903

### **NSP3 Planning Data**

Grantee ID: 0699990N

Grantee State: CA

Grantee Name: CA NONENTITLEMENT

Grantee Address: 1800 3rd Street Sacramento CA 95811 Grantee [Email: kpatterson@hcd.ca.gov](mailto:kpatterson@hcd.ca.gov)

Neighborhood Name: NSP3-West Sac. Date:201 1-02-03 00:00:00

### NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 18.53

State Minimum Threshold NSP3 Score: 17 Total Housing Units in Neighborhood: 1478

### Area Benefit Eligibility

Percent Persons Less than 120% AMI: 82.87 Percent Persons Less than 80% AMI: 64.75

### Neighborhood Attributes (Estimates)

#### *Vacancy Estimate:*

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 1606

Residential Addresses Vacant 90 or more days (USPS, March 2010): 67 Residential Addresses NoStat (USPS, March 2010): 78

### *Foreclosure Estimates:*

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 629

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 24.61 Percent of Housing Units 90 or more days delinquent or in foreclosure: 17.42 Number of Foreclosure Starts in past year: 53

Number of Housing Units Real Estate Owned July 2009 to June 2010: 30

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 10

### Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal Housing Finance Agency Home Price Index through June 2010): -38.5

Place (if place over 20,000) or county unemployment rate June 2005\*: 7.8

Place (if place over 20,000) or county unemployment rate June 2010\*: 17.9

\*Bureau of Labor Statistics Local Area Unemployment Statistics

### Market Analysis

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
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Latitude and Longitude of Corner Points

-121.533165 38.595273 -121.533208 38.590275 -121.517715 38.588564 -121.516771 38.593361 -121.523123 38.594166 -121.522951 38.596279 -121.529989 38.596212

Blocks Comprising Target Neighborhood

061130101011002, 061130101011003, 061130101011004, 061130101011005, 061130101011014,  
061130101011015, 061130101011016, 061130101011017, 061130101014001, 061130101014002,  
061130101014003, 061130101014004, 061130101014005, 061130101014006, 061130101014007,  
061130101014008, 061130101014009, 061130101014010, 061130101025000, 061130101025002,  
061130101025004, 061130101025013, 061130101025012, 061130101025011, 061130101025010,  
061130101025009, 061130101025008, 061130101025007, 061130101025006, 061130101025005,  
061130101025003, 061130101025001,



## Certifications

### Certifications for State and Entitlement Communities

- (1) Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
- (3) Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR Part 87, together with disclosure forms, if required by that part.
- (4) Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (5) Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.
- (6) Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR Part 24, except as those provisions are modified by the notice for the NSP program published by HUD.
- (7) Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR Part 135.
- (8) Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (9) Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]
- (10) Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.

**(11) The jurisdiction certifies:**

- a. That all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and,
- b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.

**(12) Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:

- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and,
- b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.

**(13) Compliance with anti-discrimination laws.** The jurisdiction certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.

**(14) Compliance with lead-based paint procedures.** The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.

**(15) Compliance with laws.** The jurisdiction certifies that it will comply with applicable laws.

**(16) Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.

**(17) Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.

\_\_\_\_\_  
Signature/Authorized Official

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title