

Grantee: Contra Costa County, CA

Grant: B-11-UN-06-0002

January 1, 2014 thru March 31, 2014 Performance Report



Grant Number:

B-11-UN-06-0002

Obligation Date:**Award Date:****Grantee Name:**

Contra Costa County, CA

Contract End Date:**Review by HUD:**

Submitted - Await for Review

LOCCS Authorized Amount:

\$1,871,294.00

Grant Status:

Active

QPR Contact:

Kara Douglas

Estimated P/RL Funds:

\$0.00

Total Budget:

\$1,871,294.00

Disasters:

Declaration Number

NSP

Narratives

Summary of Distribution and Uses of NSP Funds:

County staff first considered the amount of the NSP3 grant (\$1.8 million) and how to best meet the HUD-identified goals. It determined that it would pursue a multifamily rental project for the following reasons:

1. HUD requires grantees create a preference for rental housing. Multi-family housing is the most cost effective way to provide rental housing.
2. Multi-family rental is an effective way to meet the requirement to expend 25 percent of the NSP3 grant on low income households.
3. HUD is seeking a significant impact in a community from NSP3 activities. With the limited resources available, rental housing can be a more cost effective use of the funds and will concentrate the impact in a small area.
4. HUD has determined that a grantee must improve 20 percent of the foreclosed units in an area to show an impact. Some of the Contra Costa areas would have to be so small to reach the 20 percent threshold that it would be extremely difficult to find appropriate units to purchase and rehabilitate.

Next, the County used the HUD data from its mapping tool and mapped all areas with a HUD-determined score of 17 and above. (See Attachment A.) Seventeen is the minimum score needed in California for an area to be eligible for NSP3 funded activities. The cities and communities highlighted on the map have scores of at least 17 and are the following: Antioch, Bay Point, Concord, Pittsburg, North Richmond, Richmond, and San Pablo.

County staff met with representatives of all of these jurisdictions to determine which specific neighborhoods would be best served with NSP3 activities. County staff requested information, about projects or activities that the city and community representatives desired in their communities.

County staff reviewed that information together with its additional research on rents, incomes, vacancy rates, and neighborhood assets.

Potential Projects: Of the seven NSP3 qualifying areas, Antioch, Pittsburg, and Concord have various potential sites for multi-family rental housing that would meet the NSP3 community impact and funding expenditure requirements. Research on rental market information was done for all seven NSP3 qualifying areas with priority given to Antioch, Pittsburg, and Concord due to the likelihood of potential sites that would meet NSP3 requirements.

County staff determined that a portion of west Antioch, Monument Corridor in Concord, and downtown Pittsburg showed the greatest potential benefit from NSP3 funds. These areas are called "Tier 1" in this application.

The remaining areas are Bay Point, North Richmond (both City and County portions), and San Pablo. They are the "Tier 2" areas. Tier 2 areas are included in this application so if there are no feasible projects in any Tier 1 area, the County can quickly move onto other areas.

Finally, if there are not any viable multi-family projects in either Tier 1 or Tier 2, the County will move to Tier 3.

Tier 3 will be one or more of above areas and will consist of scattered site single-family home acquisition and rehabilitation, and homebuyer downpayment assistance/shared appreciation loans. The priority Tier 3 areas will be Bay Point and San Pablo. These two areas have had successful NSP1 activities.

Data Sources and Analysis

The County first used the HUD's mapping tool and mapped all areas with a HUD-determined score of 17 and above (see Attachment A). Seventeen is the minimum score needed in California for an area to be eligible for NSP3 funded activities.

In addition, the following sources were used:

- Policy Map was used for additional NSP 3 information, such as income eligibility, foreclosure starts, and mortgage delinquency.
- Foreclosure Radar was used for additional foreclosure information (i.e. number of foreclosure filings) and the foreclosure trends for an area.



- American Community Survey 2005-2009 (U.S. Census Bureau) information was used for estimated number of housing units in an area, overall vacancy, and median gross rents, and household income.
- California (CA) Employment Development Department &dash Labor Market Information was used for current unemployment information for the overall County and the Cities within the County.
- RealData, Inc. Apartment Insights information was used for a snapshot of rental vacancy rates within target areas.

In addition to the sources above, the following studies or plans for a local jurisdiction were utilized providing additional information described above:

- Contra Costa County Consortium, 2010-15 Consolidated Plan
- Contra Cost County Consortium, Analysis of Impediments to Fair Housing Choice
- City of Pittsburg, Affordable Housing Market Study (December 2009), prepared by AECOM Economics
- City Of Pittsburg, Market Study for Affordable Senior Housing (March 2010), prepared by Laurin Associates/Raney Planning & Management, Inc.
- City of Antioch, Summary Appraisal Report/Market Study (June 2010), prepared by Joseph J. Blake and Associates, Inc.

How Fund Use Addresses Market Conditions:

Potential Projects: Of the seven NSP3 qualifying areas, Antioch, Pittsburg, and Concord have various potential sites for multi-family rental housing that would meet the NSP3 community impact and funding expenditure requirements. Research on rental market information was done for all seven NSP3 qualifying areas with priority given to Antioch, Pittsburg, and Concord due to the likelihood of potential sites that would meet NSP3 requirements.

Vacancy Rate Information: According to 2005-2009 American Community Survey information, the overall vacancy rate for Contra Costa County is 6.9 percent. The overall vacancy rates of the areas that meet the HUD determined score of 17 or above are as follows: Antioch - 8.9 percent; Pittsburg &dash 9.1 percent; Concord &dash 5.8 percent; Bay Point &dash 7.1 percent; San Pablo &dash 9.1 percent; Richmond/North Richmond &dash 12.5 percent. The overall vacancy rate includes owner-occupied units; however, a snapshot of multi-family apartment complexes (100 units or over) within the six areas shows a lower vacancy rate for each area: Antioch &dash 4.8 percent; Pittsburg &dash 4.3 percent; Concord &dash 4.7 percent; Bay Point 5.0 percent; San Pablo &dash 6.8 percent; Richmond/North Richmond &dash 5.3 percent. The differences between the overall vacancy rates and the rental vacancy rates are a reflection of the impact that the housing foreclosure crisis has on owner-occupied single-family properties within these areas. Furthermore, the lower vacancy rates for rental properties indicate that the rental market is still strong in these areas.

Median Gross Rent Information: The median gross rent for Contra Costa County as a whole is \$1,239. All NSP 3 qualifying areas are below the County median: Antioch - \$1,192; Pittsburg - \$1,197; Concord - \$1,171; Bay Point - \$1,076; San Pablo - \$999; Richmond/North Richmond - \$1,110.

Income and Unemployment Information: Contra Costa County is considered a high-income area; however, the communities in the County have a significant disparity of household income between them. According to Census information, the median household income for Contra Costa County is \$63,675. The annual median household incomes of each of the six NSP3 qualifying areas in the County are below the County's overall median household income. Antioch's median household income (\$60,360) is the highest of the County's six qualifying NSP3 areas, but still lower than the County's overall median household income. Pittsburg, Bay Point, San Pablo, and Richmond each have median household incomes near or below \$50,000. Concord is located in central Contra Costa County and although higher income communities tend to be located in central Contra Costa County, Concord's annual median household income (\$55,600) is closer to those of lower-income communities.

Unemployment is also particularly high in the six NSP3 qualifying areas. According to California Employment Development Department information, the unemployment rate for Contra Costa County dropped from 11.2 percent in November 2010 to 10.9 in December 2010. However, all six NSP3 qualifying areas still exceed the overall County unemployment rate. Pittsburg, San Pablo, Richmond, and Bay Point each have unemployment rates near or above 17 percent. The unemployment rates for both Antioch and Concord are approximately 12 percent. These six areas appear to be ideal for rentals given that most residents would not be able to afford to purchase a home due to the lower incomes and high unemployment rates found in these areas.

Neighborhood Asset Information: A review of neighborhood assets was done for each target area to see how attractive each area may be to potential renters. Each of the priority target areas (Antioch, Pittsburg, and Concord) has various amenities that most renters and families desire in a neighborhood (i.e. parks, commercial/retail, access to public transportation, schools, etc.). Each target area/city has an active redevelopment agency and these agencies completed various projects to improve the overall infrastructure and economic vitality of each area.

Foreclosures (for Tier 3 priority areas): Both Bay Point and San Pablo were selected areas because of the high number of foreclosures and they have been successful areas for NSP1 activities. Based on Policy Map (policymap.com) and Foreclosure Radar (foreclosureradar.com) information, Bay Point and San Pablo have high numbers of delinquent mortgages, foreclosure starts, and overall number of foreclosure filings. Over the last year, San Pablo had over 280 foreclosure starts while Bay had over 180 foreclosure starts.

Ensuring Continued Affordability:

Rental housing developers will be required to enter into a Regulatory Agreement with a term of not less than 30 years.

Shared Appreciation Loans: Homebuyers who receive a shared appreciation loan will be required to enter into a Promissory Note which requires the home remains owner-occupied for the 30 year term of the loan.

Presumed Affordability: Homebuyers in North Richmond and Bay Point who purchase homes without financial assistance from the County will be required to enter into a Declaration of Restrictive Covenants. The Declaration of Restrictive Covenants requires homes to be owner occupied for the entire 20 year term of affordability.

Definition of Blighted Structure:

"Blighted Structure" shall mean buildings or conditions causing blight as defined in California Health and Safety Code Section 33031(a)(1) and (2).



Definition of Affordable Rents:

- A. For low income households, the product of one-twelfth of 30 percent times 50 percent of the area median income adjusted for family size appropriate for the unit, less an allowance for tenant paid utilities.
- B. For moderate income households whose gross incomes exceed the maximum income for low income households, the product of one-twelfth of 30 percent times 65 percent of the area median income adjusted for family size appropriate for the unit, less an allowance for tenant paid utilities.
- C. For middle income households, the product of one-twelfth of 30 percent times 110 percent of the area median income adjusted for family size appropriate for the unit, less an allowance for tenant paid utilities.

Housing Rehabilitation/New Construction Standards:

Rehabilitation Standards shall mean the applicable residential standards in the California Building Code as amended by the California Building Standards Commission.

In addition, as applicable, the following standards shall be met:

- All gut rehabilitation (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) or new construction of residential buildings up to three stories shall be designed to meet the standard for Energy Star Qualified New Homes.
- All gut rehabilitation or new construction or mid- or high-rise multifamily housing shall be designed to meet the American Society of Heating, Refrigeration, and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent (which is the Energy Star standard for multifamily buildings piloted by the Environmental Protection Agency and the Department of Energy.
- Other rehabilitation shall meet these standards to the extent applicable to the rehabilitation work undertaken, e.g. replace older obsolete products and appliances (such as windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units refrigerators, clothes washers and dishwashers) with Energy Star-46 labeled products.
- Water efficient toilets, showers, and faucets, such as those with the WaterSense label, shall be installed.
- Where relevant, the housing will be improved to mitigate the impact of disasters such as earthquakes, fires, and flooding.

Vicinity Hiring:

Contra Costa will encourage vicinity hiring to the extent practicable. The County will modify its Section 3 advertising and bidding policies to accommodate the vicinity hiring requirements.

Procedures for Preferences for Affordable Rental Dev.:

1. HUD requires grantees create a preference for rental housing. Multi-family housing is the most cost effective way to provide rental housing.
2. Multi-family rental is an effective way to meet the requirement to expend 25 percent of the NSP3 grant on low income households.
3. HUD is seeking a significant impact in a community from NSP3 activities. With the limited resources available, rental housing can be a more cost effective use of the funds and will concentrate the impact in a small area.
Tier 1 and Tier 2 require proposals for rental housing. Homeownership is only considered for Tier 3 projects.
Total low-income set-aside percentage (must be no less than 25 percent): 25.00%
The minimum amount of funds set aside for low-income individuals will be 25 percent of the grant amount which is \$467,824. Up to \$1,685,000 may be used for low income housing if the selected Tier 1 activity requires that amount.
The County will issue a Request for Proposals (RFP) for a developer to meet the low income target. The RFP will allow developers to respond with either a proposal for rental housing or for homeownership. Proposals in the Tier 1 areas will be evaluated first. If there are no feasible Tier 1 proposals, then Tier 2 proposals will be evaluated. If there are no feasible Tier 1 or Tier 2 proposals, then Tier 3 proposals will be evaluated.

Rental Housing: Tier 1 proposals will be for a rental housing project in the Tier 1 areas. The projects may be either new construction on a vacant or abandoned site, or rehabilitation of an existing foreclosed development. Low and moderate units will be required based on a proportional share of the NSP3 investment into the project. For example, if the NSP3 funds are 10 percent of the total project cost, at least 10 percent of the units must be compliant with NSP3 income and rent requirements. Once 25 percent of the County's NSP3 funds have been used to support low income households, additional NSP3 funds may be allocated to the same project to support additional units that will be affordable to moderate income households.

Homeownership: A successful proposal for homeownership will demonstrate how a low-income household will be able to finance the purchase and maintain successful homeownership (i.e. cover future maintenance and repair costs, and not become cost burdened or at risk of foreclosure). The County successfully worked with Habitat for Humanity East Bay on NSP1 and expects the same type of approach will also work for NSP3.

Grantee Contact Information:

Douglas, Kara
Kara.Douglas@dcd.cccounty.us
925-674-7880 Contra Costa County
Department of Conservation and Development
30 Muir Road
Martinez, CA 94553

Overall

This Report Period

To Date



Total Projected Budget from All Sources	N/A	\$1,871,294.00
Total Budget	\$0.00	\$1,871,294.00
Total Obligated	\$0.00	\$1,871,294.00
Total Funds Drawdown	\$26,399.23	\$1,871,277.71
Program Funds Drawdown	\$26,399.23	\$1,871,277.71
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$13,055.53	\$1,871,277.71
Match Contributed	\$0.00	\$560,000.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$560,000.00
Limit on Public Services	\$280,694.10	\$0.00
Limit on Admin/Planning	\$187,129.40	\$187,112.71
Limit on State Admin	\$0.00	\$187,112.71

Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$187,129.40	\$187,129.00

Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$467,823.50	\$1,684,165.00

Overall Progress Narrative:

Completion of Robin Lane was delayed by the unexpected discovery of mold in several units. Lease up is delayed until the mold remediation is complete, which is expected in May. County staff continues to monitor the progress and expects to close out the NSP3 grant this summer.

Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
2, Multi-family housing	\$12,349.98	\$1,684,165.00	\$1,684,165.00
3, Single family ac/rehab	\$0.00	\$0.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00
Administration, Administration	\$14,049.25	\$187,129.00	\$187,112.71



Activities

Grantee Activity Number:	Administration
Activity Title:	Program Administration

Activity Category:

Administration

Project Number:

Administration

Projected Start Date:

07/01/2010

Benefit Type:

N/A

National Objective:

N/A

Activity Status:

Under Way

Project Title:

Administration

Projected End Date:

02/28/2013

Completed Activity Actual End Date:

Responsible Organization:

Contra Costa County, Dept of Conservation & Development

Overall

	Jan 1 thru Mar 31, 2014	To Date
Total Projected Budget from All Sources	N/A	\$187,129.00
Total Budget	\$0.00	\$187,129.00
Total Obligated	\$0.00	\$187,129.00
Total Funds Drawdown	\$14,049.25	\$187,112.71
Program Funds Drawdown	\$14,049.25	\$187,112.71
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$9,643.93	\$187,112.71
Contra Costa County, Dept of Conservation & Development	\$9,643.93	\$187,112.71
Match Contributed	\$0.00	\$0.00

Activity Description:

Program administration

Location Description:

Contra Costa County
 Department of Conservation and Development
 Martinez, CA 94553

Activity Progress Narrative:

Completion of Robin Lane was delayed by the unexpected discovery of mold in several units. Lease up is delayed until the mold remediation is complete, which is expected in May. County staff continues to monitor the progress and expects to close out the NSP3 grant this summer.

Accomplishments Performance Measures

No Accomplishments Performance Measures found.



Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources



Grantee Activity Number: Affordable Housing Associates
Activity Title: Robin Lane Multi-Family Housing

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

2

Projected Start Date:

03/01/2011

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Multi-family housing

Projected End Date:

02/28/2014

Completed Activity Actual End Date:

Responsible Organization:

Contra Costa County, Dept of Conservation & Development

Overall

	Jan 1 thru Mar 31, 2014	To Date
Total Projected Budget from All Sources	N/A	\$1,684,165.00
Total Budget	\$0.00	\$1,684,165.00
Total Obligated	\$0.00	\$1,684,165.00
Total Funds Drawdown	\$12,349.98	\$1,684,165.00
Program Funds Drawdown	\$12,349.98	\$1,684,165.00
Program Income Drawdown	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Total Funds Expended	\$3,411.60	\$1,684,165.00
Contra Costa County, Dept of Conservation & Development	\$3,411.60	\$1,684,165.00
Match Contributed	\$0.00	\$560,000.00

Activity Description:

Acquisition and rehabilitation of foreclosed multi-family apartment building

Location Description:

Monument Corridor, Concord

Activity Progress Narrative:

Completion of Robin Lane was delayed by the unexpected discovery of mold in several units. Lease up is delayed until the mold remediation is complete, which is expected in May. County staff continues to monitor the progress and expects to close out the NSP3 grant this summer.

Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# ELI Households (0-30% AMI)	0	0/0
	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/16



of Multifamily Units

0

0/16

Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/16	0/0	0/16	0
# Renter Households	0	0	0	0/16	0/0	0/16	0

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

