

EXISTING HOUSING PROGRAMS AND FINANCIAL RESOURCES

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INTRODUCTION

This section provides information on local housing programs as well as local, State, and federal financial resources that are available to support the City of Stockton's housing programs. Because of the high cost of new construction, more than one source of public funds is often required to construct an affordable housing development. The City of Stockton partners with the private sector to develop new units with the assistance of these various funding sources. The City also uses funds to support housing rehabilitation and preservation of the city's older neighborhoods, assist first-time homebuyers, and provide various other housing services to lower-income households.

LOCAL HOUSING PROGRAMS

CITY OF STOCKTON

The Housing Division of the City of Stockton Economic Development Department works closely with other agencies to facilitate the production and preservation of affordable housing, assist in the development of suitable living environments, and expand economic opportunities to low-income families by providing them with financial assistance loans.

Single Family Housing Repair Loan Program

The Single-Family Housing Repair Loan program provides financial assistance to low-income homeowners for home repairs. Funding for the loan program comes from CDBG, HOME, and CalHome. The program aims to bring local housing into compliance with California Building Code standards and improve accessibility for homeowners. The program guidelines are:

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- **Eligibility:** Low-income (80 percent AMI or lower), within city limits, owner-occupied single-family or two units on one lot with one of the units occupied by the eligible owner.
- **Loan Term:** 30 years, deferred.
- **Loan Interest Rate:** 1 percent simple interest.
- **Other:** The owner's debt ratio may not exceed 55 percent; the property loan-to-value ratio (after repair) may not surpass 105 percent.

Emergency Housing Repair Program

The Emergency Housing Repair Program provides up to \$30,000 in one-time funding for the correction of code violations from the City, fire marshal, or health officers to low-income property owners. Funds are available on a case-by-case basis from CalHome and CDBG funds. The following are the program guidelines:

- **Eligibility:** Low-income (80 percent AMI), owner-occupied, property within city limits.
- **Loan Term:** 30 years; loan forgiven after 7 years if the borrower does not sell or transfer ownership; for senior households (60 years and over) the loan is forgivable.
- **Loan Interest Rate:** Zero percent, deferred.
- **Other:** Property loan-to-value ratio (after repair) may not surpass 105 percent.

Down Payment Assistance Program

The Down Payment Assistance Program uses funds from NSP, CalHome, and HOME. The goal is to increase the homeownership rate by helping to lessen the burden of a down payment and closing costs for low-income residents. The program lends up to \$10,000 in assistance (or 5 percent of the purchase price plus the closing costs) to purchase of the home, plus accessibility repairs to residences for handicapped persons. The funds are loaned for 30 years with a simple interest rate of 3 percent

for the first 15 years and zero interest for remaining 15 years.

- **Eligibility:** Low-income (80 percent AMI), first-time homebuyers, must reside or be employed in the city for 12 months before applying.
- **Loan Term:** 30 years; deferred; amount of up to \$10,000 or 5 percent of purchase price, plus closing costs.
- **Loan Interest Rate:** 3 percent for first 15 years and zero percent for remaining 15 years; at end of 30-year period owe entire amount of loan and a "balloon payment" of 5 percent of the home's net appreciation.
- **Other:** Borrowers are required to attend a home-buyer class from a City-approved provider.

Multifamily Projects

The City provides funds for acquisition and predevelopment costs and for the cost of building or renovating multifamily units. Funding comes from HOME and CDBG. The following are the program guidelines:

- **Eligibility:** Funds are awarded through NOFA process and are project specific.
- **Loan Term:** Variable based on project.
- **Loan Interest Rate:** Variable based on project.

Fee Waivers and Reductions

Residential fee waivers/reductions are via the Greater Downtown Stockton Residential Development Public Facilities Fees Exemption Program and Stockton Economic Stimulus Plan (SESP).

Stockton Economic Stimulus Plan

The SESP program provides a Public Facility Fees (PFF) fee reduction for qualifying single-family residential, multifamily residential, commercial, and industrial projects in Stockton.

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PFF reduction amounts to the categories above are as follows:

- Up to a total of \$19,997 or 100 percent (whichever is less) for single-family residential.
- \$14,080 per unit for multifamily residential.
- 50 percent reduction for commercial and industrial.

Fee reductions are applied to the following PFF fee categories:

PFF CATEGORY	RESIDENTIAL	COMMERCIAL/ INDUSTRIAL
City Office Space	✓	✓
Libraries	✓	✓
Fire Stations	✓	✓
Parkland	✓	
Community	✓	✓
Recreation Centers	✓	✓
Police Stations	✓	✓
Street Improvements	✓	✓

The fee reduction applies to single-family residential, multifamily residential, and nonresidential (commercial/industrial) permits issued citywide for builders/developers who comply with the terms of the program.

To participate in the single-family residential component of SESP, a developer must comply with the local hire and disadvantaged individual requirements. Only units within the existing city limits are eligible to meet the local hire requirement of the program. The commercial/industrial component, formerly the Public Facilities Fee Reduction Program (established in 2010), was folded into the SESP program in 2015; reporting of local hiring is not a requirement.

Greater Downtown Stockton Residential Development Public Facilities Fees Exemption Program

A related program the Greater Downtown Stockton Residential Development Public Facilities Fees Exemption Program, provides a waiver for certain PFFs for all new residential development within the Greater Downtown Stockton area.

Downtown Infill Infrastructure Program

The Downtown Infill Infrastructure Program provides a financial incentive to eligible parties interested in developing new market-rate residential, commercial, or mixed-use projects in downtown Stockton. In Stockton's downtown area, aging infrastructure, such as sewer and water lines, and the rehabilitation of older structures can significantly increase project costs and serve as barriers to infill development.

Under the Downtown Infill Infrastructure Program, eligible development projects may receive a reimbursement for certain public infrastructure improvements. Examples of eligible public infrastructure improvements include sewer and water; storm drain; street improvements, including crosswalks, bike lanes, striping, and medians; traffic signals; streetlights; and landscaping.

To qualify for the program, the developer must meet these criteria:

1. Develop a minimum of 35 new market-rate residential units and/or develop a minimum of 30,000 square feet of new or newly renovated retail or commercial space.
2. Be within the program boundary, which includes Center Street to the west, Park Street to the north, ACE Rail/Union Pacific Railroad to the east, and Washington Street to the south.
3. Make a capital investment of at least \$500,000.
4. Eligible public infrastructure improvements must equal \$100,000 or more.

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Applicants must submit a request for funding to the Economic Development Department for review and consideration. If deemed eligible under the program guidelines, a Reimbursement Agreement requiring Council approval will be executed between the City and applicant. The City will reimburse the applicant within six months of completion of the public improvements in the reimbursement agreement, up to \$900,000 annually. The program was approved by Council on July 7, 2015, and is scheduled to sunset in July 2025.

Neighborhood Services: Code Enforcement

The Neighborhood Services Section of the Stockton Police Department enforces codes, laws, and regulations for the abatement of substandard housing conditions and zoning violations; blight issues; and the abatement of abandoned, dismantled, or inoperative vehicles.

Since 2004, code enforcement has become a more important facet of the City's operations. Many of the problems the City faced in the past have become more manageable because of public awareness and understanding of what can be done to fix the problems. Additional resources and programs have also been made available to aid rehabilitation and renovation.

Stockton Code Enforcement operates primarily on a complaint basis. Once a code enforcement officer (CEO) verifies a complaint, a Violation Warning Notice is prepared and posted on the property and sent in the mail to the occupant and property owner (if different). The Violation Warning Notice notes the violations found and gives a deadline for correcting the violations. If the occupant/owner does not comply, various administrative tools are available, including fees, fines, abatement, and civil penalties. The CEOs make every effort to work with property owners and tenants and assist whenever possible. The response to the City's approach and case processing

procedures has been positive. Approximately 30 percent of cases are closed after the first Violation Warning Notice, and the number of administrative fines has declined in the past few years.

The most common housing violations are deferred maintenance issues like plumbing leaks, worn/deteriorated materials, and lack of weather protection. Others include structural problems, raw sewage, exposed wiring, and other exterior housing problems. The majority of housing cases usually take a minimum of 45 days to resolve, depending on the amount and severity of the violations. The potential contributors to code violations include the volume of rental housing and the structural age of many buildings in the city. The majority of the violations involve multifamily dwellings. Rental property owners, especially those not in the area, find it difficult to maintain their properties and monitor their tenants on a regular basis. In the downtown and midtown areas, many of the buildings are among the first built when Stockton became a city in 1851. Although they have been maintained to some extent, many have serious structural problems that are difficult and costly to fix.

FORMER STOCKTON REDEVELOPMENT AGENCY

California law eliminated redevelopment agencies throughout the state in February 2012. The law, Assembly Bill X1 26, required the establishment of successor agencies to take over the remaining vestiges of redevelopment. Additionally, in June 2012 Governor Brown signed Assembly Bill 1484 (AB 1484). One of the key components of AB 1484 was the requirement that all successor agencies develop a long-range property management plan that governs the disposition and use of former nonhousing redevelopment agency properties. In August 2011 the City of Stockton passed a resolution stating it would serve as the successor agency to the Stockton

Redevelopment Agency and the City would assume the redevelopment agency's housing functions. In April 2012 the City established the Stockton Successor Agency Oversight Board to direct and approve functions of the successor agency. As the successor agency, the City oversees bond proceeds of the former redevelopment agency.

HOUSING AUTHORITY OF SAN JOAQUIN COUNTY

The Housing Authority of San Joaquin County has several programs to assist low- and moderate-income households with housing costs, including the Housing Choice Vouchers Program, public housing, and migrant farmworker housing. The Public Housing Program provides rental assistance at four main sites (two in Stockton, one in Tracy, and one in Thornton). Through the Migrant Program the Housing Authority manages two migrant farm labor housing developments in unincorporated areas of the county. In addition, the San Joaquin Housing Authority provides the Family Self-Sufficiency Program, supportive services centers, and the Resident Construction Program.

Housing Choice Vouchers Program

The San Joaquin Housing Authority manages the Housing Choice Vouchers Program (Section 8) for all of San Joaquin County. The program offers a voucher that pays the difference between the current fair market rent and what a tenant can afford to pay (e.g., 30 percent of their income). The voucher allows a tenant to choose housing that may cost above the payment standard, but the tenant must pay the extra cost. As of 2022, 3,639 households in Stockton received rental assistance through the Housing Choice Vouchers Program.

Public Housing

The San Joaquin Housing Authority provides public housing at the four main locations shown in **Table HE-55**. Two of the housing developments are in Stockton—Conway Homes and Sierra Vista Homes. Both developments provide single-family homes at rents affordable to low-income households. In addition, the Authority owns and manages four market-rate properties: West Park Street Apartments, Washington Avenue Apartments, Mourfield Avenue Apartments, and Claremont Manor Apartments.

Table HE-55: San Joaquin Housing Authority Public Housing
San Joaquin County, 2023

NAME OF DEVELOPMENT	ADDRESS	DESCRIPTION
Conway Homes	741 S. Flint Avenue Stockton, CA.	436 single- family dwelling units ranging from 1 to 5 bedrooms
Sierra Vista Homes	2436 S. Belleview Street Stockton, CA	391 single- family dwelling units ranging from 1 to 5 bedroom units
Tracy Homes	340 W. Fourth Street Tracy, CA	195 single- family dwelling units ranging from 1 to 5 bedrooms
Mokelumne Manor	26188 N. Manor Drive Thornton, CA	50 single-story duplexes ranging from 1 to 4 bedrooms, each equipped with a private backyard

Source: San Joaquin Housing Authority, October 2022.

Federal and State Funding

Table HE-56 lists federal and state funding sources that the City could apply for by itself or with partners.

Table HE-56: Financial Resources for Housing Activities

PROGRAM NAME	DESCRIPTION	ELIGIBLE ACTIVITIES
Federal Programs		
Community Development Block Grant (CDBG)	Grants available to the County on a competitive basis for a variety of housing and community development activities. County competes for funds through the State's application process.	<ul style="list-style-type: none"> - Acquisition - Rehabilitation - Home Buyer Assistance - Economic Development - Homeless Assistance - Public Services
Housing Choice Voucher Program (Section 8)	Assistance program that provides direct funding for rental subsidies for very low-income families.	<ul style="list-style-type: none"> - Rental Assistance
Home Investment Partnership Program (HOME)	Grants available to the County on a competitive basis for a variety of housing activities. County competes for funds through the State's application process.	<ul style="list-style-type: none"> - Home Buyer Assistance - Rehabilitation - New Construction - Rental Assistance
Section 202	Grants to private nonprofit developers of supportive housing for very low-income seniors.	<ul style="list-style-type: none"> - New Construction
Housing Rehabilitation Program	Provides financial assistance to low-income homeowners for health and safety improvements.	<ul style="list-style-type: none"> - Rehabilitation
Emergency Shelter Grants	Competitive grants to help local governments and nonprofits finance emergency shelters, transitional housing, and other supportive services.	<ul style="list-style-type: none"> - New Construction - Rehabilitation - Homeless Assistance - Public Services
Continuum of Care/Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH)	Funding through the HEARTH Act of 2009 to provide necessary resources for development of programs to assist homeless individuals and families.	<ul style="list-style-type: none"> - Homeless Assistance - New Construction
Housing Opportunities for Persons with AIDS (HOPWA)	The HOPWA program provides housing assistance and supportive services for low-income people with HIV/AIDS and their families.	<ul style="list-style-type: none"> - Rental Assistance

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PROGRAM NAME	DESCRIPTION	ELIGIBLE ACTIVITIES
State Programs		
Local Housing Trust Fund Matching Grant Program	Provides matching grants to local housing trust funds that are funded on an ongoing basis from private contributions or public sources that are not otherwise restricted in use for housing programs.	<ul style="list-style-type: none"> - New Construction - Homebuyer Assistance
Single-Family Housing Bond Program (Mortgage Revenue Bonds)	Bonds issued to local lenders and developers so that below-market interest rate loans can be issued to first-time homebuyers.	<ul style="list-style-type: none"> - Homebuyer Assistance
Mortgage Credit Certificates (MCC)	Provides qualified first-time homebuyers with a federal income tax credit that reduces the borrower's federal tax liability, providing additional income, which can be used for mortgage payments.	<ul style="list-style-type: none"> - Homebuyer Assistance
Prop 63 Mental Health Services Act Funds	Funding for capital improvements and operating subsidies for supportive housing for formerly homeless or at-risk individuals with mental disabilities.	<ul style="list-style-type: none"> - Special-Needs Programs - New Construction
CalHome Program	Grants awarded to jurisdictions for owner-occupied housing rehabilitation and first-time homebuyer assistance.	<ul style="list-style-type: none"> - Homebuyer Assistance - Rehabilitation
Low-Income Housing Tax Credit (LIHTC)	A 4 percent annual tax credit that helps owners of rental units develop affordable housing.	<ul style="list-style-type: none"> - Construction of Housing
Affordable Housing Partnership Program (AHPP)	Provides lower-interest-rate California Housing Finance Agency (CHFA) loans to homebuyers who receive local secondary financing.	<ul style="list-style-type: none"> - Homebuyer Assistance
Permanent Local Housing Allocation (PLHA)	PLHA provides a permanent source of funding for all local governments in California to help cities and counties implement plans to increase the affordable housing stock. The two types of assistance are: formula grants to entitlement and nonentitlement jurisdictions, and competitive grants to nonentitlement jurisdictions.	<ul style="list-style-type: none"> - Predevelopment - Development - Acquisition - Rehabilitation - Preservation - Matching Funds - Homelessness Assistance - Accessibility Modifications - Homeownership Assistance - Fiscal Incentives
Local Early Action Planning (LEAP) Grants	The LEAP grants provide over-the-counter grants complemented with technical assistance to local governments for the preparation and adoption of planning documents and for process improvements that accelerate housing production. Facilitate compliance to implement the sixth-cycle Regional Housing Needs Assessment.	<ul style="list-style-type: none"> - Housing Element Updates - Updates to Zoning, Plans, or Procedures to Increase or Accelerate Housing Production - Preapproved Architectural and Site Plans - Establishing State-Defined Pro-housing Policies - See Complete List in Program Materials

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PROGRAM NAME	DESCRIPTION	ELIGIBLE ACTIVITIES
Senate Bill 2 Technical Assistance Grants	Financial and technical assistance to local governments to update planning documents and the development code to streamline housing production, including, but not limited to, general plans, community plans, specific plans, implementation of sustainable communities' strategies, and local coastal programs.	<ul style="list-style-type: none"> - Technical Assistance - Planning Document Updates
Housing and Disability Advocacy Program (HDAP)	Services to assist disabled individuals who are experiencing homelessness apply for disability benefit programs while also providing housing assistance. HDAP has four core requirements: outreach, case management, disability advocacy, and housing assistance.	<ul style="list-style-type: none"> - Rental Assistance
No Place Like Home	Loans to counties or developers in counties for permanent supportive housing for those with mental illness who are homeless or at risk of homelessness.	<ul style="list-style-type: none"> - New Construction
Homeless Emergency Aid Program (HEAP)	A block grant program designed to provide direct assistance to cities, counties, and continuums of care to address the homelessness crisis throughout California.	<ul style="list-style-type: none"> - Identified Homelessness Needs - Capital Improvements Related to Homelessness - Rental Assistance
California Emergency Solutions and Housing (CESH)	Provides funds for activities to assist persons experiencing or at risk of homelessness. Program funds are granted in the form of five-year grants to eligible applicants.	<ul style="list-style-type: none"> - Homelessness Service System Administration - New Construction - Rental Assistance

PRIVATE FUNDING

The Community Reinvestment Act of 1977 directs the Department of the Treasury, the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Federal Home Loan Bank Board to encourage and assist the institutions they regulate to meet the credit needs of their communities. These agencies must assess the records of their member institutions when evaluating applications for a charter or other regulated transactions. As a result of this Act, many major financial institutions have elected to actively participate in funding low- and moderate-income housing developments developed by nonprofit corporations.

The Federal Home Loan Bank provides direct project financing through its member institutions as part of its Affordable Housing Program. The Savings Associations Mortgage Company, which is an organization of savings institutions, also provides financing for affordable housing developments. The California Community Reinvestment Corporation was formed to pool the resources of the state's banks to assist in financing affordable housing. Finally, the Federal National Mortgage Association (Fannie Mae) provides permanent financing for affordable housing development by purchasing or securitizing the lender-originated first mortgages on mutually agreeable terms.

ENERGY CONSERVATION OPPORTUNITIES

State housing element law requires an analysis of the opportunities for energy conservation in residential development. Energy efficiency has direct application to affordable housing because the more money spent on energy, the less available for rent or mortgage payments. High energy costs have particularly detrimental effects on low-income households that do not have enough income or cash reserves to

absorb cost increases and many times must choose between basic needs such as shelter, food, and energy.

LOCAL ENERGY PROGRAMS

The City of Stockton provides a number of programs to encourage energy efficiency.

- **Property Assessed Clean Energy (PACE) Programs.** The City of Stockton provides a variety of programs for property owners to finance infrastructure improvements for renewable energy technology purchase and installation, energy and water efficiency improvements, and electric vehicle charging.
- **The Green-Up Stockton Ordinance.** The Stockton City Council adopted the Green-Up Stockton Ordinance (Ordinance 005-11 C.S.) in March 2011 to encourage voluntary residential energy efficiency assessments and retrofits for existing dwelling units. The goal of the ordinance is to provide energy retrofits to 8,500 homes, nearly 10 percent of Stockton's housing stock, and reduce energy consumption and greenhouse gas emissions by 25 percent for the retrofitted dwelling units.
- **Stockton Rising.** Stockton Rising is a City-led program aiming to improve the environment and climate resilience of neighborhoods most impacted by climate change. The City, along with 11 partners, is implementing projects that will directly benefit residents in South Stockton. Stockton Rising is supported by the California Strategic Growth Council's Transformative Climate Communities Program with funds from California Climate Investments' Cap-and-Trade Dollars at Work. Stockton Rising offers several no-cost programs for residents in the Transformative Climate Communities Project Area. These

programs include solar installation and energy- and water-efficiency upgrades, as well as a tree planting program.

NEW RESIDENTIAL ENERGY STANDARDS

All new buildings in California must meet the standards in Title 24, Part 6, of the California Code of Regulations (Building Energy Efficiency Standards for Residential and Nonresidential Buildings). These regulations respond to California's energy crisis and the need to reduce energy bills, increase energy delivery system reliability, and contribute to an improved economic condition for the state. They were established in 1978 and most recently updated in 2021. Through the building permit process, local governments enforce energy efficiency requirements. All new construction must comply with the standards in effect on the date a building-permit application is submitted. The City of Stockton's Building Department enforces Title 24 standards through its building permit process.

In addition to Title 24 requirements, the City's housing rehabilitation programs include requirements for the installation of water- and energy-efficient improvements, and the Housing Division supports low- and moderate-income residents with implementation of green building practices.

SUBDIVISION DESIGN FOR HEATING OR COOLING OPPORTUNITIES

Section 66473.1 of the State Subdivision Map Act requires that the "design of a subdivision for which a tentative map is required shall provide, to the extent feasible, for future passive or natural heating or cooling opportunities in the subdivision." Although this section does not contain any precise standards, the State Attorney General has opined that "a tentative map of a subdivision must be disapproved if it fails

to meet the design requirement of Government Code Section 66473.1."

In accordance with the provisions of the California Subdivision Map Act, Section 16.72.250 of Stockton's Municipal Code states that the City may require a subdivider to "provide, to the extent feasible, for future passive or natural heating or cooling opportunities in the subdivisions, in compliance with Map Act Section 66473.1, including orientation of a structure for southern exposure, shade, or prevailing winds."

WEATHERIZATION ACTIVITIES

Pacific Gas and Electric (PG&E) provides natural gas and electric services for the city of Stockton. PG&E offer a variety of programs to increase energy conservation and reduce monthly energy costs for lower-income households. The following programs, offered by PG&E, are aimed at increasing energy efficiency and are available to PG&E customers in Stockton.

- **Multifamily Energy Savings Program.** The Multifamily Energy Savings Program offers energy-saving opportunities, including no-cost energy assessment and project consulting and rebates for energy-saving upgrades. Eligible properties include attached residences with five or more units.
- **Energy Savings Assistance Program.** The Energy Savings Assistance Program provides energy-savings improvements to qualified low-income households at no charge. The energy-savings improvements increase energy efficiency of a home to decrease energy bills.

San Joaquin County Human Services Agency offers a weatherization program that provides energy-saving measures and repairs to homes, apartments, and mobile homes. These dwellings qualify for weatherization measures if the household income does not exceed a limit

determined by the U.S. Department of Health and Human Services. Some of the energy-saving measures available include repair or replacement of refrigerators, stoves, water heaters, and microwaves; insulation; minor home repair; LED light bulbs; smoke and carbon monoxide detectors; shade screens; and weather-stripping.

In addition to the local programs described above, the California Department of Community Services and Development administers the federally funded Low-Income Home Energy Assistance Program (LIHEAP). This program provides two types of assistance—Weatherization Program and Energy Crisis Intervention Program. The Weatherization Program provides free weatherization improvement services to increase energy efficiency, such as attic insulation, caulking, water heater blankets, and heating and cooling system repairs to low-income households. The Energy Crisis Intervention Program provides assistance to low-income households that are in a crisis situation, such as receiving a 24 to 48 hour disconnect notice or service termination from their utility company.

Finally, the U.S. Department of Energy provides weatherization grants to homeowners similar to those offered by the U.S. Department of Housing and Human Services. The federal funds for the weatherization program are provided through the American Recovery and Reinvestment Act Weatherization Assistance Program. The Department of Community Services and Development implements the program at the state level.

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