

Grantee: Lancaster, CA

Grant: B-08-MN-06-0510

April 1, 2011 thru June 30, 2011 Performance Report

Grant Number:

B-08-MN-06-0510

Obligation Date:

03/11/2009

Grantee Name:

Lancaster, CA

Award Date:

03/09/2009

Grant Amount:

\$6,983,533.00

Contract End Date:

03/09/2013

Grant Status:

Active

Review by HUD:

Reviewed and Approved

QPR Contact:

Christopher Shaver

Disasters:

Declaration Number

NSP

Narratives

Areas of Greatest Need:

The City of Lancaster experienced unprecedented growth during the first half of this decade. When the subprime mortgage issues surfaced, the City immediately felt the effects and experienced firsthand the negative impacts brought about by the increase in foreclosed upon and abandoned homes. The City acted in a proactive manner in 2006 and created the Neighborhood Preservation Foreclosure Program funded by the Lancaster Redevelopment Agency's. This program targeted specific, older neighborhoods in decline with a disproportionate number of foreclosed upon homes. Despite these efforts, Lancaster remains among one of the top cities in California, month after month, with a consistently high foreclosure rate. In the Metropolitan Service Area of Los Angeles/Long Beach, the City of Lancaster is among the top three cities with the highest number of foreclosures. In March of 2008, Lancaster ranked number two with 869 foreclosures reported for that month, Los Angeles took the number one spot; and, in September of 2008, Lancaster ranked number three with 853 foreclosures reported for that month, Los Angeles again took the top spot and neighboring Palmdale took the number two spot with 866 reported foreclosures. The City has reviewed and analyzed readily available data and statistics to include the Comprehensive Housing Affordability Strategy (CHAS) data provided by HUD. The available data has assisted the City in identifying areas in greatest need of NSP funds. Key identifiers used to develop the target areas included HUD data encompassing the foreclosure abandonment risk score, the predicted eighteen month foreclosure rate, the Home Mortgage Disclosure Act (HMDA) data and the United States Postal Service (USPS) residential vacancy rate data.

Distribution and and Uses of Funds:

The City of Lancaster will use NSP funds for five primary activities, which includes administration. The first activity consists of acquisition/rehabilitation of vacant and foreclosed properties. The second activity involves acquisition and demolition of units where rehabilitation costs would exceed the purchase price. The third activity involves the redevelopment of the acquired and demolished units to be made available to income eligible homebuyers. The fourth activity involves a Direct Homeownership Assistance to provide assistance to low income households for the purchase of a home in the City of Lancaster. The fifth activity is the allowed 10% Administration cost of the NSP grant. The City of Lancaster will prioritize the use of the NSP funds by first acquiring foreclosed units in neighborhoods with high risk factors, which include a high concentration of subprime mortgage loans and high percentage of the possibility of additional foreclosures. The neighborhoods in greatest need meet income eligibility criteria and are near highly visible corridors of the City.

Definitions and Descriptions:

Blighted Structure

A blighted structure is a building in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.

The City of Lancaster defines a "Blighted Structures" in accordance with Section 33031(a) of the California Health and Safety Code: 33031(a) This subdivision describes physical conditions that cause blight: (1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities. (2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards. (3) Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area. (4) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.

Affordable Rents

"Affordable Rents" shall mean lower income households, the product of 30 percent times 60 percent of the area median income

adjusted for family size appropriate for the unit. In addition, affordable rent may be established at a level not to exceed 30 percent of gross income of the household. Affordable rents shall be determined in the same manner as pursuant to Health and Safety Code requirements.

Continued Affordability

The City of Lancaster shall ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed-upon homes and residential properties remain affordable to individuals or families with incomes below 120 percent of area median income or, for units originally assisted with funds under the requirements of Section 2301(f)(3)(A)(ii), remain affordable to individuals and families with incomes below 50 percent of area median income.

The resale price, as determined by the City of Lancaster, must be affordable to the new purchaser and may not exceed the affordable housing cost for a low-income household. The affordable housing cost is the product of 30 percent times 80 percent of the area median income adjusted for family size appropriate for the property.

Resale of the property by the participants during the affordability period to a new purchaser that is not a low-income household, does not intend to occupy the property as a primary residence, or the resale price is not an affordable price, the City shall recapture the entire amount of the City loan, including principal, accrued interest and other applicable loan charges.

During the affordability period, should participant transfer the property title, not occupy the property as a primary residence or not comply with any portion of the loan agreement, the City shall recapture the entire amount of the City loan, including principal, accrued interest and other applicable loan charges.

Continued affordability will be ensured for the entire period of affordability through monitoring, following the specific HOME monitoring requirements as defined in 24 CFR Part 92.

Housing Rehabilitation Standards

The City of Lancaster will ensure that all rehabilitation of residential properties utilizing NSP funds comply with applicable laws, codes and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties.

Low Income Targeting:

LOW INCOME TARGETING

At least 25 percent or \$1,745,883 of the City’s NSP funding must benefit persons at or below 50 percent of the median area income. The City intends to purchase, rehabilitate and dispose of foreclosed upon or abandoned residential properties to house individuals or families that meet this NSP income requirement.

Acquisition and Relocation:

ACQUISITIONS AND RELOCATION

The primary NSP eligible activity that the City of Lancaster will undertake involves the acquisition and disposition of homes and residential properties that have been abandoned or foreclosed upon. The City will then rehabilitate the home/unit to ensure that all health and safety and code violations are addressed prior to making any general property improvements. Rehabilitated homes/units will then be made available to first time homeownerships.

The City will commence the acquisition and rehabilitation activity upon the release and authorization of NSP funds. All initial NSP funds for this activity will be committed within the statutory 18-month period, as set forth in Section 2301(c) (1) of HERA.

The number of NSP affordable housing units that the City of Lancaster will make available to low-, moderate- and middle-income households will be determined by the current market conditions at the time of acquisition and rehabilitation. However, the City estimates that up to 15 NSP affordable housing units will be made available to households between 50 to 80 percent of area median income and 20 affordable housing units will be made available to households between 120 to 80 percent of area median income.

The City does not anticipate carrying out any conversion activities. Moreover, the City will not undertake demolition activities of blighted structures.

The City of Lancaster expects to acquire, rehabilitate and sell approximately 12 homes/units to first time homeownerships at or below 50 percent of the area median income. At least 25 percent of NSP funds must benefit persons who meet this income requirement.

Public Comment:

PUBLIC COMMENT

A 15-day public comment period for the 3rd Substantial Amendment to the NSP Action Plan covering the period from July 14, 2010, to July 28, 2010, was published, however, no public comments were received during the noticing period. The amendment is posted to the City’s website pursuant to NSP requirements.

| Overall | This Report Period | To Date |
|--|---------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$6,983,533.00 |
| Total CDBG Program Funds Budgeted | N/A | \$6,983,533.00 |
| Program Funds Drawdown | \$0.00 | \$6,027,931.54 |
| Program Funds Obligated | \$0.00 | \$6,983,533.00 |
| Program Funds Expended | \$37,921.20 | \$7,055,758.21 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$673,076.63 | \$673,076.63 |
| Program Income Drawdown | \$0.00 | \$0.00 |

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 | \$0.00 |
| Limit on Public Services | \$1,047,529.95 | \$0.00 |
| Limit on Admin/Planning | \$698,353.30 | \$215,548.04 |
| Limit on State Admin | \$0.00 | \$0.00 |

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

| National Objective | Target | Actual |
|-------------------------------|----------------|----------------|
| NSP Only - LH - 25% Set-Aside | \$1,745,883.25 | \$1,784,048.52 |

Overall Progress Narrative:

The City of Lancaster's NSP program for the time period from April 1, 2011, to June 30, 2011, focused mainly on marketing and maintenance of acquired and rehabilitated properties. Marketing efforts are paying off, as the City successfully sold six NSP homes. Three of the homes were LH25% and the other three were LMMI. Three of the homes were in the Lowtree area, one home in the Trend neighborhood, one home in the El Dorado area and one home in the Joshua neighborhood.

Rehabilitation efforts are still underway, as one property remains and is 95% complete and awaiting final inspection and approval. Marketing efforts are focused on sales of NSP properties to qualified persons. The City has a dedicated website to the sale of NSP homes, which contain information on the homes, such as location, square footage, year built, and sales price. Additional information is also available to prospective buyers such as neighborhood profiles, program requirements, lender information, and buyer education. Each home has a separate page with pictures and additional information.

The finished homes are available for sale to low, moderate and middle income persons. The City is currently marketing all homes to persons at or below 120% of the area median income. By the middle of the upcoming quarter, the City will have all rehabilitation complete and all homes listed for sale. The City will sell nine more homes to persons at or below 50% of the area median income and anticipates that the LMMI homes will be sold to nineteen more persons in the moderate to middle income range and the remaining ten to persons in the low income range. During this past quarter, the City expended \$52,842.19 in NSP funds for administrative, maintenance and marketing costs. The City anticipates that the remainder of the rehabilitation expenditures will be completed by the next reporting period. Maintenance and administrative expenses will continue; and, the City anticipates that, at least six or more home sales will take place between July 1, 2011, and September 30, 2011.

Project Summary

| Project #, Project Title | This Report Period | To Date | |
|--------------------------|------------------------|------------------------|------------------------|
| | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 9999, Restricted Balance | \$0.00 | \$0.00 | \$0.00 |

| | | | |
|-------------------------------------|--------|----------------|----------------|
| NSP-1, Acquisition & Rehabilitation | \$0.00 | \$6,323,345.52 | \$5,812,383.50 |
| NSP-2, Demolition | \$0.00 | \$0.00 | \$0.00 |
| NSP-3, Revelop Demolished or Vacant | \$0.00 | \$0.00 | \$0.00 |
| NSP-4, Financing Mechanisms | \$0.00 | \$0.00 | \$0.00 |
| NSP-5, Administration | \$0.00 | \$660,187.48 | \$215,548.04 |

Activities

Grantee Activity Number: NSP-1a

Activity Title: Acquisition/ Rehab - LMMI

Activity Category:

Acquisition - general

Project Number:

NSP-1

Projected Start Date:

01/05/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

09/09/2010

Completed Activity Actual End Date:

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall

Apr 1 thru Jun 30, 2011

To Date

| | | |
|--|--------------|----------------|
| Total Projected Budget from All Sources | N/A | \$2,739,297.00 |
| Total CDBG Program Funds Budgeted | N/A | \$2,739,297.00 |
| Program Funds Drawdown | \$0.00 | \$2,686,056.79 |
| Program Funds Obligated | \$0.00 | \$2,739,297.00 |
| Program Funds Expended | \$0.00 | \$3,562,534.31 |
| The Lancaster Redevelopment Agency, 44933 North Fern | \$0.00 | \$3,562,534.31 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$348,786.16 | \$348,786.16 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This NSP eligible activity is for the acquisition of vacant and foreclosed properties. The City will acquire vacant and foreclosed properties in accordance with NSP regulations in qualified neighborhoods where there is a high foreclosure and vacancy rate. Properties to be acquired are located in established neighborhoods and in qualified Census Tracts within the community with the greatest percentage of home foreclosures, homes financed by subprime mortgage related loans and areas likely to face a significant rise in the rate of home foreclosures.

The homes/units will be acquired through direct purchases. These direct purchases will be at least 1 percent aggregate below the appraised value, which will be determined no more than 60 days prior to the date of the offer to purchase.

Location Description:

The Piute neighborhood located in Census Tract 900602, Block Groups 1, 2,3 and 4, which is bounded by 3rd Street East to 10th Street East and from Avenue H to Avenue I.

45503 Foxtan

45539 Foxtan

44445 Foxtan

45310 Rodin

The Mariposa neighborhood located in Census Tract 900804, Block Groups 1 and 2, which is bounded by Beech Avenue to 10th Street West and from Avenue H to Avenue I.

611 H-12

45430 Elm

813 H-5

701 H-13

The Desert View neighborhood located in Census Tract 900803, Block Groups 1, 2, 3 and 4, which is bounded by 10th Street west to 15th Street West and from Avenue H to Avenue I.

1022 West H-8

1035 H-2

1120 West H-4

The Lowtree neighborhood in Census Tract 9007.03 bounded by Ave J to K and 10th West to 15th West.

1103 West Ave. J-15
 1124 West J-11
 1020 West J-6
 1157 West J-15
 1008 West J-14
 1144 West J-9
 1051 west J-10
 1243 West J-11
 1156 West J14
 1114 West J-7
 1144 West J-7

The El Dorado neighborhood in Census Tract 9006.07 bounded by Lancaster Blvd to Ave J and from Division to Challenger.
 639 East Pilsbury
 44745 6th Street East
 44651 Foxton

The Joshua neighborhood in Census Tract 9005.01 bounded by Ave J to Ave K and from Division to Challenger.
 44033 Andale
 43640 Foxton
 44035 Rodin
 616 Eston Place
 44041 Glenraven

The Trend neighborhood in Census Tract 9010.06 Block Group 6 bounded by 35th Street West to 40th Street West and from Avenue K-10 to Avenue L.

43041 36th Street West
 3801 West K-10

The South Downtown neighborhood in Census Tract 9008.06 bounded by 10th to Sierra Hwy and from Lancaster Blvd. to Avenue J.

44406 Fern
 940 West Norberry

Activity Progress Narrative:

The City of Lancaster did not expend any obligated NSP 1a activity funds for acquisition during this reporting period. The City strategically acquired the thirty-two LMMI properties in areas of greatest need where vacant and foreclosed homes had a destabilizing

impact on established neighborhoods. The thirty-two homes that were acquired in previous reporting periods are now available for sale and one is remaining to complete rehabilitation.

The LMMI homes were acquired in the following census tracts: 900501 -- 5 homes; 900602 -- 4 homes; 900607 -- 3 homes; 900703 -- 10 homes; 900803 -- 3 homes; 900804 -- 3 homes; 900806 -- 2 homes; 901006 -- 2 homes.

Three homes have been sold at this time during this reporting period and one is pending close of escrow for the following quarter. However, the City anticipates that twenty of the thirty-two homes will be sold to moderate to middle income persons and the remaining twelve to low income persons. The City received \$348,786.16 in program income from the sale of three homes located in the Lowtree, El Dorado and Joshua neighborhoods.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 3 | 85/32 |
| # of buildings (non-residential) | 0 | 0/0 |
| # of Parcels acquired by | 0 | 0/0 |
| # of Parcels acquired voluntarily | 0 | 64/32 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 3 | 3/32 |
| # of Singlefamily Units | 3 | 3/32 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|------|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Households | 0 | 3 | 3 | 0/10 | 3/22 | 3/32 | 100.00 |
| # Owner Households | 0 | 3 | 3 | 0/10 | 3/22 | 3/32 | 100.00 |

Activity Locations

| Address | City | State | Zip |
|--------------|-----------|-------|-------|
| 1156 J-14 | Lancaster | NA | 93534 |
| 717 Oldfield | Lancaster | NA | 93535 |
| 44035 Rodin | Lancaster | NA | 93535 |

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: NSP-1b

Activity Title: Acquisition/ Rehab LH- 25%

Activity Category:

Acquisition - general

Project Number:

NSP-1

Projected Start Date:

01/05/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

09/09/2010

Completed Activity Actual End Date:

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall

Apr 1 thru Jun 30, 2011

To Date

| | | |
|--|--------------|----------------|
| Total Projected Budget from All Sources | N/A | \$1,053,165.52 |
| Total CDBG Program Funds Budgeted | N/A | \$1,053,165.52 |
| Program Funds Drawdown | \$0.00 | \$1,053,165.52 |
| Program Funds Obligated | \$0.00 | \$1,053,165.52 |
| Program Funds Expended | \$0.00 | \$1,149,283.47 |
| The Lancaster Redevelopment Agency, 44933 North Fern | \$0.00 | \$1,149,283.47 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$324,290.47 | \$324,290.47 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This NSP eligible activity is for the acquisition of vacant and foreclosed properties. The City will acquire vacant and foreclosed properties in accordance with NSP regulations in qualified neighborhoods where there is a high foreclosure and vacancy rate. Properties to be acquired are located in established neighborhoods and in qualified Census Tracts within the community with the greatest percentage of home foreclosures, homes financed by subprime mortgage related loans and areas likely to face a significant rise in the rate of home foreclosures.

The homes/units will be acquired through direct purchases. These direct purchases will be at least 1 percent aggregate below the appraised value, which will be determined no more than 60 days prior to the date of the offer to purchase.

Vacant and foreclosed properties acquired through this NSP eligible activity will then be rehabilitated and offered for purchase to persons at or below 50 percent of the median area income.

Location Description:

The Piute neighborhood located in Census Tract 900602, Block Groups 1, 2,3 and 4, which is bounded by 3rd Street East to 10th Street East and from Avenue H to Avenue I.

45542 6th Street East

45542 Andale

The Mariposa neighborhood located in Census Tract 900804, Block Groups 1 and 2, which is bounded by Beech Avenue to 10th Street West and from Avenue H to Avenue I.

45309 Genoa Avenue

45425 Date Avenue

The Desert View neighborhood located in Census Tract 900803, Block Groups 1, 2, 3 and 4, which is bounded by 10th Street west to 15th Street West and from Avenue H to Avenue I.

1202 West Avenue H-11

45503 Newtree

The Lowtree neighborhood in Census Tract 9007.03 bounded by Ave J to K and 10th West to 15th West.

The El Dorado neighborhood in Census Tract 9006.07 bounded by Lancaster Blvd to Ave J and from Division to Challenger.

717 East Oldfield

44505 Watford

44733 Andale

The Joshua neighborhood in Census Tract 9005.01 bounded by Ave J to Ave K and from Division to Challenger.

44302 3rd Street East

44220 4th Street East

The Trend neighborhood in Census Tract 9010.06 Block Group 6 bounded by 35th Street West to 40th Street West and from Avenue K-10 to Avenue L.

43016 Guyman

The South Downtown neighborhood in Census Tract 9008.06 bounded by 10th to Sierra Hwy and from Lancaster Blvd. to Avenue J.

Activity Progress Narrative:

The City substantially completed the acquisition activity and closed it as completed. LH25% homes are available for purchase to income eligible persons.

Three homes have been sold during this reporting period; and the City expects to close escrow on an additional three in the upcoming quarter.

The remaining nine homes are available to purchase for persons at or below 50% of the area median income.

The City acquired twelve LH 25% properties. The 12 homes acquired homes were completed in the following census tracts: 900501 -- 2 homes; 900602 -- 3 homes; 900607 -- 3 homes; 900803 -- 1 home; 900804 -- 2 homes; 901006 -- 1 home.

The City received \$324,290.47 in program income for this reporting period. The three homes were sold to persons at or below 50% of the AMI. Two homes were sold in the Lowtree neighborhood and one home was sold in the Trend neighborhood.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 3 | 39/12 |
| # of buildings (non-residential) | 0 | 0/0 |
| # of Parcels acquired by | 0 | 0/0 |
| # of Parcels acquired voluntarily | 0 | 24/12 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 3 | 3/12 |
| # of Singlefamily Units | 3 | 3/12 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Households | 3 | 0 | 3 | 3/12 | 0/0 | 3/12 | 100.00 |
| # Owner Households | 3 | 0 | 3 | 3/12 | 0/0 | 3/12 | 100.00 |

Activity Locations

| Address | City | State | Zip |
|--------------|-----------|-------|-------|
| 43041 36th W | Lancaster | NA | 93536 |
| 1008 J-14 | Lancaster | NA | 93534 |
| 1124 J-11 | Lancaster | NA | 93534 |

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: | NSP-5 |
| Activity Title: | Administration of NSP Grant |

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

NSP-5

Project Title:

Administration

Projected Start Date:

01/05/2009

Projected End Date:

09/09/2010

Benefit Type:

N/A

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

| Overall | Apr 1 thru Jun 30, 2011 | To Date |
|--|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$660,187.48 |
| Total CDBG Program Funds Budgeted | N/A | \$660,187.48 |
| Program Funds Drawdown | \$0.00 | \$215,548.04 |
| Program Funds Obligated | \$0.00 | \$660,187.48 |
| Program Funds Expended | \$0.00 | \$234,358.04 |
| The Lancaster Redevelopment Agency, 44933 North Fern | \$0.00 | \$234,358.04 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

General administration and planning, as defined at 24 CFR 570.205 and 206, activities shall not exceed 10 percent of the NSP grant. The 10 percent limitation applies to the grant as a whole to cover the direct costs associated with administration of the Neighborhood Stabilization Program. Administrative activities include record keeping, environmental reviews, compliance monitoring, appraisal fees, lead and asbestos testing, property maintenance and general administration of the grant funds.

7/12/2010 -- Transferred \$33,165.52 to NSP 1b activity due to additional funds required to draw down 100% of LH 25% acquired properties.

Location Description:

The Lancaster Redevelopment Agency will be the lead entity for carrying out administration activities, at 44933 North Fern Avenue, Lancaster CA 93534.

Activity Progress Narrative:

The City of Lancaster has dedicated staff to the rehabilitation, marketing and selling of the NSP3 properties. Administrative expenses in the amount of \$14,920.99 were expended for this reporting period. Administrative expenses at this time are primarily for the reimbursement of salaries for dedicated NSP professional and clerical staff carrying out program and grant administration activities that are related to the marketing, maintenance and sale of completed NSP properties. Those expenditures will include legal notices, environmental compliance checks, preparation of reports, financial activities, DRGR data collection and input, program delivery and other eligible costs pursuant to 24 CFR 570.205 and 206.

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: NSP1a2

Activity Title: Rehabilitation of Vacant/Foreclosed Homes

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP-1

Projected Start Date:

03/09/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

09/09/2010

Completed Activity Actual End Date:

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

| Overall | Apr 1 thru Jun 30, 2011 | To Date |
|--|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$1,800,000.00 |
| Total CDBG Program Funds Budgeted | N/A | \$1,800,000.00 |
| Program Funds Drawdown | \$0.00 | \$1,343,467.13 |
| Program Funds Obligated | \$0.00 | \$1,800,000.00 |
| Program Funds Expended | \$37,921.20 | \$1,379,888.33 |
| The Lancaster Redevelopment Agency, 44933 North Fern | \$37,921.20 | \$1,379,888.33 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This activity is for the rehabilitation of NSP acquired vacant or foreclosed residential properties that were purchased with NSP funds. The City will rehabilitate the NSP acquired home/unit to ensure that all health and safety and code violations are addressed prior to making any general property improvements. The rehabilitation will bring the home/unit into compliance by addressing any preexisting code violations and making the needed repairs to abate existing health and safety issues. Code violations also pertain to unpermitted construction, which will either be brought to code or removed to achieve compliance. The City will then determine the feasibility of making general property improvements, which include energy saving materials and devices related to water conservation and green building improvements that will increase long-term sustainability and affordability.

Location Description:

The rehabilitation of NSP acquired properties will take place in the following neighborhoods:

The Piute neighborhood located in Census Tract 900602, Block Groups 1, 2,3 and 4, which is bounded by 3rd Street East to 10th Street East and from Avenue H to Avenue I.

45503 Foxtan

45539 Foxtan

44445 Foxtan

45310 Rodin

The Mariposa neighborhood located in Census Tract 900804, Block Groups 1 and 2, which is bounded by Beech Avenue to 10th Street West and from Avenue H to Avenue I.

611 H-12

45430 Elm

813 H-5

701 H-13

The Desert View neighborhood located in Census Tract 900803, Block Groups 1, 2, 3 and 4, which is bounded by 10th Street west to 15th Street West and from Avenue H to Avenue I.

1022 West H-8

1035 H-2

1120 West H-4

The Lowtree neighborhood in Census Tract 9007.03 bounded by Ave J to K and 10th West to 15th West.

1103 West Ave. J-15

1124 West J-11

1020 West J-6

1157 West J-15

1008 West J-14

1144 West J-9

1051 west J-10

1243 West J-11

1156 West J14

1114 West J-7

1144 West J-7

The El Dorado neighborhood in Census Tract 9006.07 bounded by Lancaster Blvd to Ave J and from Division to Challenger.

639 East Pilsbury

44745 6th Street East

44651 Foxton

The Joshua neighborhood in Census Tract 9005.01 bounded by Ave J to Ave K and from Division to Challenger.

44033 Andale

43640 Foxton

44035 Rodin

616 Eston Place

44041 Glenraven

The Trend neighborhood in Census Tract 9010.06 Block Group 6 bounded by 35th Street West to 40th Street West and from Avenue K-10 to Avenue L.

43041 36th Street West

3801 West K-10

The South Downtown neighborhood in Census Tract 9008.06 bounded by 10th to Sierra Hwy and from Lancaster Blvd. to Avenue J.

44406 Fern

940 West Norberry

Activity Progress Narrative:

The City acquired thirty-two foreclosed/vacant homes requiring rehabilitation. Thirty-one of the homes have been substantially rehabilitated; and the remaining LMMI home is 95% complete.

Rehabilitation is currently underway on one home. Staff continues to focus efforts and resources on insuring that rehabilitation work is carried out in an expedient and professional manner. NSP1a2 expenditures in the amount of \$37,921.20 were drawn down during this reporting period.

The completed LMMI homes are listed on the website and are available for purchase. Staff will continue to market and maintain the completed homes. Aggressive marketing and well maintained homes is generating interest. The City expects to close escrow on an additional LMMI home in July or August of 2011.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 3 | 53/32 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 3 | 35/32 |
| # of Singlefamily Units | 3 | 35/32 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|------|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Households | 0 | 3 | 3 | 0/10 | 3/22 | 3/32 | 100.00 |
| # Owner Households | 0 | 3 | 3 | 0/10 | 3/22 | 3/32 | 100.00 |

Activity Locations

| Address | City | State | Zip |
|--------------|-----------|-------|-------|
| 717 Oldfield | Lancaster | NA | 93535 |
| 44035 Rodin | Lancaster | NA | 93535 |
| 1156 J-14 | Lancaster | NA | 93534 |

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: | NSP1b2 |
| Activity Title: | Rehabilitation of Vacant/Foreclosed Homes LH-25% |

Activity Category:

Rehabilitation/reconstruction of residential structures

Project Number:

NSP-1

Projected Start Date:

03/09/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

09/09/2010

Completed Activity Actual End Date:

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

| Overall | Apr 1 thru Jun 30, 2011 | To Date |
|--|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$730,883.00 |
| Total CDBG Program Funds Budgeted | N/A | \$730,883.00 |
| Program Funds Drawdown | \$0.00 | \$729,694.06 |
| Program Funds Obligated | \$0.00 | \$730,883.00 |
| Program Funds Expended | \$0.00 | \$729,694.06 |
| The Lancaster Redevelopment Agency, 44933 North Fern | \$0.00 | \$729,694.06 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This activity is for the rehabilitation of NSP acquired vacant or foreclosed residential properties that were purchased with NSP funds. The City will rehabilitate the NSP acquired home/unit to ensure that all health and safety and code violations are addressed prior to making any general property improvements. The rehabilitation will bring the home/unit into compliance by addressing any preexisting code violations and making the needed repairs to abate existing health and safety issues. Code violations also pertain to unpermitted construction, which will either be brought to code or removed to achieve compliance. The City will then determine the feasibility of making general property improvements, which include energy saving materials and devices related to water conservation and green building improvements that will increase long-term sustainability and affordability.

Location Description:

The rehabilitation of NSP acquired properties will take place in the following neighborhoods:

The Piute neighborhood located in Census Tract 900602, Block Groups 1, 2,3 and 4, which is bounded by 3rd Street East to 10th Street East and from Avenue H to Avenue I.

45542 6th Street East

45542 Andale

The Mariposa neighborhood located in Census Tract 900804, Block Groups 1 and 2, which is bounded by Beech Avenue to 10th Street West and from Avenue H to Avenue I.

45309 Genoa Avenue

45425 Date Avenue

The Desert View neighborhood located in Census Tract 900803, Block Groups 1, 2, 3 and 4, which is bounded by 10th Street west to 15th Street West and from Avenue H to Avenue I.

1202 West Avenue H-11

45503 Newtown

The Lowtree neighborhood in Census Tract 9007.03 bounded by Ave J to K and 10th West to 15th West.

The El Dorado neighborhood in Census Tract 9006.07 bounded by Lancaster Blvd to Ave J and from Division to Challenger.

717 East Oldfield

44505 Watford

44733 Andale

The Joshua neighborhood in Census Tract 9005.01 bounded by Ave J to Ave K and from Division to Challenger.

44302 3rd Street East

44220 4th Street East

The Trend neighborhood in Census Tract 9010.06 Block Group 6 bounded by 35th Street West to 40th Street West and from Avenue K-10 to Avenue L.

43016 Guyman

The South Downtown neighborhood in Census Tract 9008.06 bounded by 10th to Sierra Hwy and from Lancaster Blvd. to Avenue J.

Activity Progress Narrative:

Rehabilitation efforts for the twelve LH25% homes have been completed and no funds were drawn down for this reporting period. The LH25% homes are 100% complete and available for purchase. These homes must be sold to persons who are at or below 50% of the area median income. The City acquired all planned purchases under the LH 25% requirement during the prior reporting periods. The homes are listed on the website and are available for purchase. Staff will continue to market and maintain the homes. The City is aggressively marketing these homes and closed escrow on three LH25% homes during this reporting period. The City will continue to market LH25% homes to qualified buyers.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 3 | 39/12 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 3 | 3/12 |
| # of Singlefamily Units | 3 | 3/12 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Households | 3 | 0 | 3 | 3/12 | 0/0 | 3/12 | 100.00 |
| # Owner Households | 3 | 0 | 3 | 3/12 | 0/0 | 3/12 | 100.00 |

Activity Locations

| Address | City | State | Zip |
|--------------|-----------|-------|-------|
| 1124 J-11 | Lancaster | NA | 93534 |
| 43041 36th W | Lancaster | NA | 93536 |
| 1008 J-14 | Lancaster | NA | 93534 |

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

