

Grantee: Lancaster, CA

Grant: B-08-MN-06-0510

April 1, 2009 thru June 30, 2009 Performance Report

Grant Number:

B-08-MN-06-0510

Obligation Date:**Grantee Name:**

Lancaster, CA

Award Date:**Grant Amount:**

\$6,983,533.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Rejected - Await for Modification

Submitted By:

No Submitter Found

Disasters:**Declaration Number**

NSP

Plan Description:

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 Agencies. 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.

Recovery Needs:

The City of Lancaster will use NSP funds for five primary activities, which includes administration. The first activity consists of acquisition/rehabilitation and resale to income eligible homebuyers. 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 Downpayment Assistance Program 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.

Overall**Total Projected Budget from All Sources****Total CDBG Program Funds Budgeted****Program Funds Drawdown****This Report Period**

N/A

N/A

\$0.00

To Date

\$6,983,533.00

\$6,983,533.00

\$0.00

| | | |
|-------------------------|--------------|--------------|
| Obligated CDBG DR Funds | \$508,797.40 | \$508,797.40 |
| Expended CDBG DR Funds | \$508,797.40 | \$508,797.40 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Progress Toward Required Numeric Targets

| Requirement | Required | To Date |
|------------------------------------|----------------|------------|
| Minimum Overall Benefit Percentage | \$99.99 | \$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 | \$3,175.00 |
| Limit on State Admin | \$0.00 | \$0.00 |

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

The City of Lancaster has identified and acquired eight properties in accordance with NSP requirements. Approximately \$508,000 has been expended on foreclosed homes and administrative activities in NSP targeted areas. The City is currently identifying other properties, which meet NSP requirements, for acquisition and rehabilitation purposes. Scopes of work are being prepared and reviewed for the current batch of NSP acquired foreclosed homes for rehabilitation activities. The City expects to acquire the bulk of foreclosed homes in the next several quarters and then will pursue rehabilitation and disposition efforts.

Project Summary

| Project #, Project Title | This Report Period | | To Date | |
|-------------------------------------|------------------------|------------------------|------------------------|------------------------|
| | Project Funds Budgeted | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 9999, Restricted Balance | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| BCKT, Bucket Project | \$0.00 | \$0.00 | \$6,983,533.00 | \$0.00 |
| NSP-1, Acquisition & Rehabilitation | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NSP-2, Demolition | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NSP-3, Revelop Demolished or Vacant | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NSP-4, Financing Mechanisms | \$0.00 | \$0.00 | \$0.00 | \$0.00 |
| NSP-5, Administration | \$0.00 | \$0.00 | \$0.00 | \$0.00 |

Activities

| | |
|---------------------------------|---------------|
| Grantee Activity Number: | NSP-1a |
| Activity Title: | NSP-1a |

Activity Category:

Acquisition - general

Project Number:

NSP-1

Projected Start Date:

01/05/2009

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Acquisition & Rehabilitation

Projected End Date:

07/04/2010

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

| Overall | Apr 1 thru Jun 30, 2009 | To Date |
|---|-------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$3,709,297.00 |
| Total CDBG Program Funds Budgeted | N/A | \$3,709,297.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Obligated CDBG DR Funds | \$505,622.40 | \$505,622.40 |
| Expended CDBG DR Funds | \$505,622.40 | \$505,622.40 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income. For housing related activities, include: • tenure of beneficiaries--rental or homeownership; • duration or term of assistance; • a description of how the design of the activity will ensure continued affordability. For acquisition activities, include: • discount rate For financing activities, include: • range of interest rates This NSP eligible activity is for the acquiring, rehabilitating and selling to first time homebuyers. Qualified first time homebuyers that met the eligibility requirements of the NSP will have the opportunity to purchase a rehabilitated home that was once foreclosed upon or abandoned. The first time homebuyer may also be eligible to participate in the Downpayment Assistance program or use an eligible financing mechanism to assist with the purchase of the home. An affordability covenant will be recorded against the property for a period of 45 years. Affordability will be ensured through an annual monitoring process. Tenure of beneficiaries will be homeownership in accordance with the established affordability covenants of 45-years. The City will initially acquire the abandoned or foreclosed upon home at 5 to 15 percent below the current appraised value and ensure that an overall aggregate of 15 percent is achieved for all eligible activities. The sales price will be equal to the costs incurred by the City, and this includes acquisition, rehabilitation and program delivery costs.

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. • 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. • 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.

Activity Progress Narrative:

The City of Lancaster acquired eight foreclosed properties in targeted areas from 1/05/09 to 6/30.09. Rehabilitation scopes of work, which include drought tolerant landscaping for water conservation purposes, are currently being prepared for bid purposes. Rehabilitation activities for the acquired foreclosed homes will begin in the second quarter. These homes are being rehabilitated for the purpose of making the home available to LMMI persons. Foreclosed homes received an appraisal within the sixty-day requirement and at least a 1% discount was obtained on all acquired foreclosed homes.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|-----------------------------|--------------------|-----|-------|------------------------------------|------|-------|
| | Low | Mod | Total | Low | Mod | Total |
| # of Households benefitting | 0 | 0 | 0 | 0/8 | 0/10 | 0/18 |

Activity Locations

| Address | City | State | Zip |
|---------------------|-----------|-------|-------|
| 3701 W. Avenue K-11 | Lancaster | NA | 93534 |
| 45562 Rodin | Lancaster | NA | 93535 |
| 45549 Sancroft | Lancaster | NA | 93535 |
| 3640 Balmont | Lancaster | NA | 93534 |
| 1003 W. Avenue J-13 | Lancaster | NA | 93534 |
| 42836 Alep | Lancaster | NA | 93534 |
| 1062 W. Avenue J-12 | Lancaster | NA | 93534 |
| 631 West H-12 | 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-1b

Activity Title: NSP-1b

Activity Category:

Acquisition - general

Project Number:

NSP-1

Projected Start Date:

01/05/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Planned

Project Title:

Acquisition & Rehabilitation

Projected End Date:

07/04/2010

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall

Apr 1 thru Jun 30, 2009

To Date

| | | |
|--|--------|----------------|
| Total Projected Budget from All Sources | N/A | \$1,745,883.00 |
| Total CDBG Program Funds Budgeted | N/A | \$1,745,883.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Obligated CDBG DR Funds | \$0.00 | \$0.00 |
| Expended CDBG DR Funds | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This NSP eligible activity is for the acquiring, rehabilitating and selling to first time homebuyers. Qualified first time homebuyers that met the eligibility requirements of the NSP will have the opportunity to purchase a rehabilitated home that was once foreclosed upon or abandoned. The first time homebuyer may also be eligible to participate in the Downpayment Assistance program or use an eligible financing mechanism to assist with the purchase of the home. An affordability covenant will be recorded against the property for a period of 45 years. Affordability will be ensured through an annual monitoring process. Tenure of beneficiaries will be homeownership in accordance with the established affordability covenants of 45-years. The City will initially acquire the abandoned or foreclosed upon home at 5 to 15 percent below the current appraised value and ensure that an overall aggregate of 15 percent is achieved for all eligible activities. The sales price will be equal to the costs incurred by the City, and this includes acquisition, rehabilitation and program delivery costs.

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. • 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. • 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.

Activity Progress Narrative:

No activity to report for this quarter.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|-----------------------------|--------------------|-----|-------|------------------------------------|-----|-------|
| | Low | Mod | Total | Low | Mod | Total |
| # of Households benefitting | 0 | 0 | 0 | 0/8 | 0/0 | 0/8 |

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: | NSP-3 |
| Activity Title: | Redevelop Demolished or Vacant Properties |

Activity Category:

Construction of new housing

Activity Status:

Planned

Project Number:

NSP-3

Project Title:

Redevelop Demolished or Vacant

Projected Start Date:

01/05/2009

Projected End Date:

07/04/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

| Overall | Apr 1 thru Jun 30, 2009 | To Date |
|--|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$380,000.00 |
| Total CDBG Program Funds Budgeted | N/A | \$380,000.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Obligated CDBG DR Funds | \$0.00 | \$0.00 |
| Expended CDBG DR Funds | \$0.00 | \$0.00 |
| 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 redevelopment of demolished or vacant properties that were demolished or purchased with NSP funds in activity NSP-2. Demolished or vacant properties, which meet the definition of blighted structures as defined in Section "C" of this document, may be selected for redevelopment as an NSP eligible activity. The redeveloped infill housing would then be sold to an income eligible household and contain an affordability covenant recorded against the infill property for a period of 45 years at the time of sale. Affordability will be ensured through an annual monitoring process once the property is developed and sold to an income eligible household. Tenure of beneficiaries will be homeownership in accordance with the established affordability covenants of 45-years. This activity will benefit persons/households at or below 120 percent of the area median income by offering infill development to be sold to eligible and qualified first time homebuyers.

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. • 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. • 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.

Activity Progress Narrative:

Nothing to report for this activity for this quarter.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|-----------------------------|--------------------|-----|-------|------------------------------------|-----|-------|
| | Low | Mod | Total | Low | Mod | Total |
| # of housing units | 0 | 0 | 0 | 0/0 | 0/0 | 0/2 |
| # of Households benefitting | 0 | 0 | 0 | 0/0 | 0/2 | 0/2 |

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: NSP-4

Activity Title: Establish Financing Mechanisms

Activity Category:

Homeownership assistance to low- and moderate-income

Activity Status:

Planned

Project Number:

NSP-4

Project Title:

Financing Mechanisms

Projected Start Date:

01/05/2009

Projected End Date:

07/04/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall

Apr 1 thru Jun 30, 2009

To Date

| | | |
|--|--------|--------------|
| Total Projected Budget from All Sources | N/A | \$250,000.00 |
| Total CDBG Program Funds Budgeted | N/A | \$250,000.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Obligated CDBG DR Funds | \$0.00 | \$0.00 |
| Expended CDBG DR Funds | \$0.00 | \$0.00 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

The purpose of this activity is to provide financial assistance for income eligible households/persons to assist in the acquisition of foreclosed upon and abandoned homes. The form of assistance may include down payment assistance.

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. • 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. • 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.

Activity Progress Narrative:

Nothing to report for this activity for this quarter.

Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | |
|-----------------------------|--------------------|-----|-------|------------------------------------|-----|-------|
| | Low | Mod | Total | Low | Mod | Total |
| # of Households benefitting | 0 | 0 | 0 | 0/3 | 0/3 | 0/6 |

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

Activity Category:

Administration

Project Number:

NSP-5

Projected Start Date:

01/05/2009

National Objective:

N/A

Activity Status:

Planned

Project Title:

Administration

Projected End Date:

07/04/2010

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall

Apr 1 thru Jun 30, 2009

To Date

| | | |
|---|------------|--------------|
| Total Projected Budget from All Sources | N/A | \$698,353.00 |
| Total CDBG Program Funds Budgeted | N/A | \$698,353.00 |
| Program Funds Drawdown | \$0.00 | \$0.00 |
| Obligated CDBG DR Funds | \$3,175.00 | \$3,175.00 |
| Expended CDBG DR Funds | \$3,175.00 | \$3,175.00 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

Administration of the NSP Grant.

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:

Administrative expenses for the quarter include appraisal fees for acquired and unacquired properties.

Performance Measures

No Performance Measures found.

Activity Locations

| Address | City | State | Zip |
|------------------|-----------|-------|-------|
| 44933 North Fern | 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
