

Grantee: Lancaster, CA

Grant: B-08-MN-06-0510

October 1, 2009 thru December 31, 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:

Reviewed and Approved

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

\$786,438.21

Obligated CDBG DR Funds	\$402,690.50	\$1,189,598.21
Expended CDBG DR Funds	\$0.00	\$894,912.52
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	\$18,810.00
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 is currently reviewing NSP expenditures with the local HUD office regarding acquisitions, rehabilitation and environmental review. The City expects that NSP activities to include acquisition and rehabilitation will continue at a faster pace in early 2010. Eligible properties are currently being identified in order to move forward with NSP expenditures in the next quarter. Environmental reviews for the three identified neighborhoods have been posted for public review and comment and the City will then submit to HUD the authorization to release funds on January 27, 2010. The City expects that NSP activities will continue in earnest in mid-February.

In addition, the City of Lancaster revised the NSP Substantial Amendment in order to expand NSP efforts in qualifying neighborhoods within the community. Public comment for the revised Substantial Amendment will occur for 15-days starting on January 26, 2010 to February 9, 2010. Once the revised plan has satisfied the public comment period, the City will then perform an environmental review and publish a request for release of funds for the rehabilitation environmental review for public comment. The City anticipates that the revised Substantial Amendment will allow the expenditure of NSP funds to occur in five additional neighborhoods that have been impacted by a high rate of foreclosures.

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
NSP-1, Acquisition & Rehabilitation	\$0.00	\$0.00	\$5,455,180.00	\$768,378.21
NSP-2, Demolition	\$0.00	\$0.00	\$200,000.00	\$0.00
NSP-3, Revelop Demolished or Vacant	\$0.00	\$0.00	\$380,000.00	\$0.00

NSP-4, Financing Mechanisms	\$0.00	\$0.00	\$250,000.00	\$0.00
NSP-5, Administration	\$0.00	\$0.00	\$698,353.00	\$18,060.00

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:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

07/04/2010

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall

	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$1,909,297.00
Total CDBG Program Funds Budgeted	N/A	\$1,909,297.00
Program Funds Drawdown	\$0.00	\$768,378.21
Obligated CDBG DR Funds	\$389,530.50	\$1,158,378.21
Expended CDBG DR Funds	\$0.00	\$876,102.52
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 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.

- 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 is currently reviewing program activities in regards to acquisition, rehabilitation and environmental processes to ensure that expenditures are eligible and comply with NSP regulations. At this time, the City of Lancaster submitted a refund for activity expenditures for acquisition and rehabilitation activities in order to ensure that expenditures are carried out in accordance with regulations and substantial amendment defined areas.

The City did not acquire any properties during this quarter in order to ensure compliance with program and environmental review processes. The City, however, continued to identify eligible vacant and foreclosed properties in the defined areas as matters are reviewed and approved with the local HUD office.

Acquisitions of foreclosed or vacant properties are planned to resume by mid-February in the identified eligible neighborhoods. In addition, a revised Substantial Amendment will include additional neighborhoods within the City of Lancaster. The expected timeframe for acquisitions to occur in the five added areas is March of 2010. The expanded area for NSP acquisitions will allow the City to accelerate acquisition activities and address additional areas of greatest need.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/18
# of buildings (non-residential)	0	0	0	0/0	0/0	0/0
# of Households benefitting	0	0	0	0/8	0/10	0/18
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/18

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-1A 120-50

Activity Title: NSP-1A LMMI

Activity Category:

Acquisition - general

Project Number:

NSP-1

Projected Start Date:

01/05/2009

National Objective:

NSP Only - LMMI

Activity Status:

Cancelled

Project Title:

Acquisition & Rehabilitation

Projected End Date:

07/04/2010

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall

	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
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 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.

Location 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.

Activity Progress Narrative:

Activity cancelled.

Performance Measures

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

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-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

Oct 1 thru Dec 31, 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 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.

• 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 did not acquire any properties for this reporting period for this activity. The City is currently reviewing program activities in regards to acquisition, rehabilitation and environmental processes to ensure that expenditures are eligible and comply with NSP regulations. The City, however, continued to identify eligible vacant and foreclosed properties in the defined areas as matters are reviewed and approved with the local HUD office.

Acquisitions of foreclosed or vacant properties are planned to resume by mid-February in the identified eligible neighborhoods for this activity. In addition, a revised Substantial Amendment will include additional neighborhoods within the City of Lancaster. The expected timeframe for acquisitions to occur in the five added areas is March of 2010. The expanded area for NSP acquisitions will allow the City to accelerate acquisition activities and address additional areas of greatest need.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/8
# of buildings (non-residential)	0	0	0	0/0	0/0	0/0
# of Households benefitting	0	0	0	0/8	0/0	0/8
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	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-1B 50

Activity Title: NSP-1B 50

Activity Category:

Acquisition - general

Project Number:

NSP-1

Projected Start Date:

01/05/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Cancelled

Project Title:

Acquisition & Rehabilitation

Projected End Date:

07/04/2010

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall

	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$0.00
Total CDBG Program Funds Budgeted	N/A	\$0.00
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 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.

Location 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.

Activity Progress Narrative:

Activity cancelled.

Performance Measures

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

Activity Title: NSP-2

Activity Category:

Clearance and Demolition

Activity Status:

Planned

Project Number:

NSP-2

Project Title:

Demolition

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

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources

N/A

\$200,000.00

Total CDBG Program Funds Budgeted

N/A

\$200,000.00

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 acquisition and demolition of foreclosed upon and abandoned homes that would exceed the cost to acquire and rehabilitate the foreclosed upon or abandoned property and meets the definition of blighted structure as defined in Section "C" of this document. The City will initially acquire the abandoned, foreclosed upon or vacant home at a 5 to 15 percent discount rate below the current appraised value and ensure that an overall aggregate of 15 percent is achieved for all eligible activities. The property would then be demolished pursuant to the NSP eligible use allowing for demolishing blighted structures. The property may then be redeveloped as described in the following NSP-3 activity pertaining to redevelopment. This activity will benefit persons/household at or below 120 percent of the area median income through activities carried out in activity NSP-3.

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 has not identified any vacant or foreclosed properties for demolition. In addition, the City does not foresee any acquisitions of foreclosed or vacant properties requiring demolition. Therefore, the City is in the process of cancelling this

activity and reallocating the funding to the Homeowner Assistance activity through a revision of the Substantial Amendment. Upon approval of the revised Substantial Amendment, the City will reallocate the \$200,000 to the Homeowner Assistance activity and cancel the Demolition activity.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/4
# of housing units	0	0	0	0/0	0/0	0/4
# of buildings (non-residential)	0	0	0	0/0	0/0	0/0
# of Public Facilities	0	0	0	0/0	0/0	0/0
# of Businesses	0	0	0	0/0	0/0	0/0
# of Non-business Organizations	0	0	0	0/0	0/0	0/0
# of Households benefitting	0	0	0	0/4	0/0	0/4

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:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

NSP-3

Project Title:

Revevelop 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	Oct 1 thru Dec 31, 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 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:

The City has not acquired any vacant or foreclosed properties for demolition; therefore, no activity was undertaken this quarter for the Rehabilitation/Reconstruction of demolished structures. In addition, the City is in the process of cancelling this activity by revising the Substantial Amendment.

Rehabilitation/Reconstruction of demolished properties will not be an applicable activity, as the City is also cancelling the Demolition activity. Once the Substantial Amendment is approved, the City will cancel this activity and reallocate the \$380,000 to the Homeowner Assistance activity.

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	Oct 1 thru Dec 31, 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 City of Lancaster will expend up to ten percent of its NSP funds, to include any generated program income, under the category of "establish mechanisms for purchase and redevelopment of foreclosed-upon homes and residential properties, including such mechanisms as soft-second, loan loss reserves, and shared equity loans for low and moderate income homeownerships." This NSP eligible use permits the City to expend NSP funds on activity delivery costs associated with CDBG-eligible activities as defined in 24 CFR 570.206.

Direct homeownership assistance and other financing mechanisms are permissible uses of the NSP funds (as modified under 24 CFR 570.202 eligible rehabilitation and preservation for homes and other residential properties). The City anticipates that many of the units that are acquired, rehabilitated and sold to qualified homeownerships will require some form of financing assistance to ensure affordability; and, this is due to the recent economic downturn and current condition of the housing market in the City of Lancaster. In an ideal situation, the home or unit will be acquired, rehabilitated and then sold to a qualified homeownership in an amount equal to or less than the cost to acquire and rehabilitate the property up to a decent, safe and habitable condition. However, in the event that an affordability gap exists, the Direct Homeownership Assistance Program will provide assistance to low income households to purchase a home in the City of Lancaster. The amount of the assistance will be the lesser of 5 percent of the home price or \$10,000. The City will provide participants with funds for direct homeownership and/or closing costs. In addition, program income received from the NSP may be used to fund additional direct homeownership 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:

The City did not have any activity to report for this quarter, as the City does not own have any NSP vacant or foreclosed homes available for resale at this time. The City of Lancaster is currently reviewing program activities in regards to acquisition, rehabilitation and environmental processes to ensure that expenditures are eligible and comply with NSP

regulations. Homeowner Assistance activities will not take place until all program requirements have been reviewed and approved.

In addition, the City revised the Substantial Amendment, which is currently in the public comment period, in order to include additional neighborhoods within the City of Lancaster. The revisions to the Substantial Amendment will reallocate \$580,000 to the Homeowner Assistance activity due to the proposed cancellation of the Demolition and Rehabilitation and Reconstruction activities.

Once the revised Substantial amendment has been approved and the environmental process completed. The City will reallocate funds to this activity and move forward with Homeowner Assistance for NSP properties that are acquired and rehabilitated. The City anticipates Homeowner Assistance activities to occur within the latter half of the next quarter and the following 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

Activity Status:

Under Way

Project Number:

NSP-5

Project Title:

Administration

Projected Start Date:

01/05/2009

Projected End Date:

07/04/2010

National Objective:

N/A

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall	Oct 1 thru Dec 31, 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	\$18,060.00
Obligated CDBG DR Funds	\$13,160.00	\$31,220.00
Expended CDBG DR Funds	\$0.00	\$18,810.00
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.

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 is currently reviewing program activities in regards to acquisition, rehabilitation and environmental processes to ensure that expenditures are eligible and comply with NSP regulations. Therefore, the City of Lancaster did not have any administrative expenditure to report for this quarter, as no activity occurred with acquisitions, rehabilitation and homeownership assistance. In addition, the City submitted a refund of administrative expenses to HUD until all environmental review processes have been approved.

The City anticipates administrative expenditures for the forthcoming quarter in regards to publishing and environmental reviews for revised activities and expanded areas of greatest need. Administrative expenses for the next quarter will also include activities related to the acquisition and rehabilitation of foreclosed home, such as appraisal fees and lead and asbestos testing.

Performance Measures

No 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 Acquired NSP Properties

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Planned

Project Number:

NSP-1

Project Title:

Acquisition & Rehabilitation

Projected Start Date:

03/09/2009

Projected End Date:

08/09/2009

National Objective:

NSP Only - LMMI

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall

Oct 1 thru Dec 31, 2009

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

\$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 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.
- 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 did not undertake any rehabilitation activities due to a review of program activities in regards to acquisition, rehabilitation and environmental processes to ensure that expenditures are eligible and comply with NSP regulations. The City did not rehabilitate any properties during this quarter in order to ensure compliance with program and environmental review processes. The City, however, is in the process of identifying eligible vacant and foreclosed properties that will be rehabilitated once acquired.

Rehabilitation of foreclosed or vacant properties are planned to occur by March in the identified eligible neighborhoods. In addition, a revised Substantial Amendment will include additional neighborhoods within the City of Lancaster. The expected timeframe for rehabilitations to occur in the five added areas is April of 2010. The expanded area for NSP acquisitions will allow the City to accelerate rehabilitation activities and address additional areas of greatest need.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/18
# of housing units	0	0	0	0/0	0/0	0/18
# of Households benefitting	0	0	0	0/8	0/10	0/18

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	
