

Grantee: Lancaster, CA

Grant: B-08-MN-06-0510

April 1, 2010 thru June 30, 2010 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

QPR Contact:

Christopher Shaver

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 Agency. 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****This Report Period**

N/A

To Date

\$6,983,533.00

Total CDBG Program Funds Budgeted

N/A

\$6,983,533.00

Program Funds Drawdown

\$677,234.15

\$677,234.15

Obligated CDBG DR Funds	\$1,308,656.00	\$4,995,006.00
Expended CDBG DR Funds	\$793,712.10	\$1,688,624.62
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%	50.00%
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	\$49,775.80
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	\$1,779,048.52

Overall Progress Narrative:

The City of Lancaster continues to aggressively pursue all possible acquisitions of eligible vacant and foreclosed homes. Once the property has been acquired pursuant to the regulations, rehabilitation efforts comprised of bidding, awarding and rehabilitating are taking place at a rapid pace. During this reporting period, the City expended \$793,712.10 and obligated \$4,995,006 in NSP funds. The City expects to obligate the entire amount of the NSP grant prior to the statutory deadline of September 9, 2010. Drawing of funds will continue to take place as expenditures are incurred, such as escrow fees and rehabilitations costs.

The City is strategically and intelligently making offers and has made 109 offers to acquire NSP eligible properties since May 1, 2010. NSP eligible properties are located through TRUST, MLS, brokers and staff, which also includes code enforcement officers.

The City has obligated all LH 25% funds for all acquired and soon to be rehabilitated properties in order to meet the 25% and 18-month statutory requirements. The City has closed escrow on 7 of the 12 LH 25% and the remaining 5 properties are scheduled to close escrow by the end of June and early July.

Rehabilitation of the LH 25% properties has begun on 5 of the 12 properties. The remaining 7 properties are scheduled for rehabilitation in the month of July and the City expects to have the homes complete and ready for sale by the end of August. Currently, 2 of the rehabilitation projects are 75% complete, 2 others are 50% complete and 1 property is 25% complete.

LMMI acquisitions and financing activities will continue take place at an accelerated pace in order to insure that the City obligates NSP funds for eligible activities. To date, the City has eighteen foreclosed/vacant homes with accepted offers; however, only one home has closed escrow and the remaining are expected to close escrow at the end of June and during the month of July.

Rehabilitation is currently underway and 75% complete on one of the eighteen LMMI properties. All other properties are expected to undergo rehabilitation in the latter half of July and early August.

The activity regarding financing mechanism is currently underway, as the City expects the rehabilitated homes to be available for purchase to income qualified persons by mid-August. No funds have been expended or obligated; however, the City expects to obligate these funds during the month of July and August. Wait lists and pre-

qualification will be forming and underway in the month July in the anticipation of having homes available for sale in August. As soon as properties are available, the homes will be listed on a webpage dedicated for the sale of NSP homes.

NSP funds for administration of the grant have been obligated in full and \$30,965 has been expended and drawn down for this quarter. The City has dedicated staff to focus on acquisitions, rehabilitation and sales of the vacant and foreclosed homes in order to insure that timely obligations and expenditure of NSP funds.

Staff will continue to focus on identifying and making intelligent offers on eligible vacant and foreclosed properties in order to insure that remaining LMMI funds are obligated for acquisition and rehabilitation activities by the statutory deadline. The City expects to acquire and rehabilitate and additional 12 to 14 LMMI properties by September in order to obligate approved budgeted amounts. All activities will continue to receive priority in terms of staffing and resources to insure that NSP funds are obligated and expended pursuant to NSP regulations.

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	\$646,268.35	\$5,455,180.00	\$646,268.35
NSP-2, Demolition	\$0.00	\$0.00	\$0.00
NSP-3, Revealop Demolished or Vacant	\$0.00	\$0.00	\$0.00
NSP-4, Financing Mechanisms	\$0.00	\$830,000.00	\$0.00
NSP-5, Administration	\$30,965.80	\$698,353.00	\$30,965.80

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

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

09/09/2010

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall	Apr 1 thru Jun 30, 2010	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	\$78,636.04	\$78,636.04
Obligated CDBG DR Funds	(\$438,527.00)	\$1,470,770.00
Expended CDBG DR Funds	\$82,161.04	\$958,263.56
The Lancaster Redevelopment Agency, 44933 North Fern	\$82,161.04	\$958,263.56
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.
- 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.
- The Joshua neighborhood in Census Tract 9005.01 bounded by Ave J to Ave K and from Division to Challenger.
- 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.
- 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 has made offers on 109 vacant/foreclosed residential properties during this reporting period. To date, 18 properties have or are being acquired as LMMI. The City has obligated \$1,470,770 and expended \$82, 161 in NSP funds during this quarter. In addition, the City updated its public website and notified real estate agents and brokers about eligible short sale acquisitions, as part of expanded marketing and outreach effort.

The City of Lancaster closed escrow on 1 foreclosed/vacant LMMI property within approved areas of greatest need. An additional 17 are expected to close escrow by late June and during the month of July. The City expects to acquire an additional 12 to 14 LMMI properties by September in order to obligate approved budgeted amounts. LMMI activities, as LH 25% activities have been met, will continue to receive priority in terms of staffing and resources to insure that NSP funds are obligated and expended pursuant to NSP regulations.

The LMMI homes were acquired in the following census tracts: 900501 -- 3 homes; 900602 -- 1 home; 900607 -- 2 homes; 900703 -- 7 homes; 900803 -- 2 homes; 900804 -- 1 home; 900806 -- 1 home; 901006 -- 1 home

Performance Measures

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

Address	City	State	Zip
43819 Rinvale	Lancaster	NA	93534
1120 W H-4	Lancaster	NA	93534
43041 36th Street West	Lancaster	NA	93536
45503 Foxton	Lancaster	NA	93535
1144 W Avenue J-7	Lancaster	NA	93534
44745 6th Street East	Lancaster	NA	93535
1124 West J-11	Lancaster	NA	93534
44651 Foxton	Lancaster	NA	93535
44035 Rodin	Lancaster	NA	93535
1103 West J-15	Lancaster	NA	93534
44406 Fern	Lancaster	NA	93534
1144 W Avenue J-9	Lancaster	NA	93534
4401 Glenraven	Lancaster	NA	93535
45503 Newtree	Lancaster	NA	93534
45760 Fig	Lancaster	NA	93534
1243 West J-11	Lancaster	NA	93534
44033 Andale	Lancaster	NA	93535
1020 West J-6	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-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	Apr 1 thru Jun 30, 2010	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
The Lancaster Redevelopment Agency, 44933 North Fern	\$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:

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:	Acquisition/ Rehab LH- 25%

Activity Category:

Acquisition - general

Project Number:

NSP-1

Projected Start Date:

01/05/2009

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

09/09/2010

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall	Apr 1 thru Jun 30, 2010	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	\$567,632.31	\$567,632.31
Obligated CDBG DR Funds	(\$725,833.00)	\$1,020,000.00
Expended CDBG DR Funds	\$670,000.26	\$670,000.26
The Lancaster Redevelopment Agency, 44933 North Fern	\$670,000.26	\$670,000.26
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.
- 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.
- The Joshua neighborhood in Census Tract 9005.01 bounded by Ave J to Ave K and from Division to Challenger.
- 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.
- 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 has acquired or is in the process of acquiring 12 LH 25% properties. During this quarter, the City closed escrow on 7 of the 12 LH 25% properties and anticipates that the remaining 5 properties will close by the end of June or first half of

July. The entire LH 25% acquisition activity budget has been obligated in the amount of \$1,020,000.

The 12 homes were acquired 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 expended \$670,000 and drew down \$567,632 in NSP funds during this reporting period. Staff will continue insure that the remaining LH 25% properties close escrow in the month of July. Funds will be drawn down as soon as escrows close in order to ensure that the City expends obligated funds in a timely manner.

The City anticipates closing the activity out during the month of July or by early August, as all funds have been obligated and will also be expended by that time frame.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	12	0/0	0/0	12/12
# of buildings (non-residential)	0	0	0	0/0	0/0	0/0
# of Households benefitting	12	0	12	12/12	0/0	12/12
# of Parcels acquired by	0	0	0	0/0	0/0	0/0
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/12

Activity Locations

Address	City	State	Zip
45542 Andale	Lancaster	NA	93535
1202 West Avenue H-11	Lancaster	NA	93534
45451 Foxton	Lancaster	NA	93535
44220 4th Street East	Lancaster	NA	93535
44505 Watford	Lancaster	NA	93535
43016 Guyman	Lancaster	NA	93536
717 E. Oldfield St.	Lancaster	NA	93535
45309 Genoa Avenue	Lancaster	NA	93534
44302 3rd St. East	Lancaster	NA	93535
45542 6th Street East	Lancaster	NA	93535
44733 Andale	Lancaster	NA	93535
45425 Date Avenue	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-4a

Activity Title: Homeownership Assistance Resale LMMI

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, 2010

To Date

Total Projected Budget from All Sources	N/A	\$830,000.00
Total CDBG Program Funds Budgeted	N/A	\$830,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
The Lancaster Redevelopment Agency, 44933 North Fern	\$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.
- 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.
- The Joshua neighborhood in Census Tract 9005.01 bounded by Ave J to Ave K and from Division to Challenger.
- 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.

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 activity regarding financing mechanism will be underway in August, as the City expects the rehabilitated homes to be completed and available for purchase to income qualified persons. No funds have been expended or obligated; however, the City expects to obligate the \$830,000 during the months of July and August.

Wait lists of pre-qualified applicants will be forming and underway in the month of July with the anticipation of having homes available for sale in August. As soon as properties are available, the homes will be listed on a dedicated webpage for the sale of NSP homes. Realtors will then sell the homes pursuant to NSP requirements to income qualified persons who have attended the required home-owner counseling.

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	0/26
# of Households benefitting	0	0	0	0/8	0/18	0/26

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-4b
Activity Title:	Homeownership Assistance Resale LH 25%

Activity Category:

Homeownership Assistance to low- and moderate-income

Activity Status:

Cancelled

Project Number:

NSP-4

Project Title:

Financing Mechanisms

Projected Start Date:

01/05/2009

Projected End Date:

09/01/2010

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall	Apr 1 thru Jun 30, 2010	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
The Lancaster Redevelopment Agency, 44933 North Fern	\$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 at or below 50% of the area median income 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.

- 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.

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

- 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.

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 activity regarding financing mechanism will be underway in August, as the City expects the rehabilitated homes to be completed and available for purchase to income qualified persons at or below 50% of the median area income. No funds have been expended or obligated; however, the City expects to obligate the activity funds during the months of July and August. Wait lists of pre-qualified applicants will be forming and underway in the month of July with the anticipation of having homes available for sale in August. As soon as properties are available, the homes will be listed on a dedicated webpage for the sale of NSP homes. Realtors will then sell the homes pursuant to NSP requirements to income qualified persons who have attended the required home-owner counseling.

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	0/8
# 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-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

National Objective:

N/A

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$665,187.48
Total CDBG Program Funds Budgeted	N/A	\$665,187.48
Program Funds Drawdown	\$30,965.80	\$30,965.80
Obligated CDBG DR Funds	\$667,133.00	\$698,353.00
Expended CDBG DR Funds	\$30,965.80	\$49,775.80
The Lancaster Redevelopment Agency, 44933 North Fern	\$30,965.80	\$49,775.80
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 insure the timely obligation and expenditure of NSP funds. Administrative expenses during this quarter were incurred and drawn down in the amount of \$30,965. The City obligated one-hundred percent of this activity and expects to expend the entire budget by the end of the grant cycle.

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. Those expenditures include legal notices, preparation of reports, financial activities, DRGR data collection and input, program delivery and other eligible costs pursuant to 24 CFR 570.205 and 206.

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 Vacant/Foreclosed Homes

Activity Category:

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:

NSP-1

Project Title:

Acquisition & Rehabilitation

Projected Start Date:

03/09/2009

Projected End Date:

09/09/2010

National Objective:

NSP Only - LMMI

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall	Apr 1 thru Jun 30, 2010	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	\$1,080,000.00	\$1,080,000.00
Expended CDBG DR Funds	\$1,200.00	\$1,200.00
The Lancaster Redevelopment Agency, 44933 North Fern	\$1,200.00	\$1,200.00
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.
- 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.
- The Joshua neighborhood in Census Tract 9005.01 bounded by Ave J to Ave K and from Division to Challenger.
- 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.
- 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:

To date, the City has eighteen foreclosed/vacant homes with accepted offers; however, only one home has closed escrow and the remaining are expected to close escrow at the end of June and during the month of July. Rehabilitation is currently

underway on one LMMI home and is 75% complete. All other properties are expected to undergo rehabilitation in the latter half of July and early August.

Staff will continue to focus efforts and resources on insuring that rehabilitation work is carried out in an expedient and professional manner. The City has obligated \$1,080,000 of NSP funds for this activity and expects to obligate the remainder of the funds as 12 to 14 additional acquisitions are planned. Expenditures and draw downs for this quarter equaled \$1,200. Additional expenditures are expected to occur during the next quarter as the number of rehabilitations increase.

Performance Measures

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

Activity Locations

Address	City	State	Zip
44033 Andale	Lancaster	NA	93535
4401 Glenraven	Lancaster	NA	93535
1103 West J-15	Lancaster	NA	93534
44406 Fern	Lancaster	NA	93534
1144 W J-9	Lancaster	NA	93534
1243 W J-11	Lancaster	NA	93534
44651 Foxton	Lancaster	NA	93535
1120 W H-4	Lancaster	NA	93534
1020 West Avenue J-6	Lancaster	NA	93534
43041 36th Street W	Lancaster	NA	93536
1124 West J-11	Lancaster	NA	93534
45503 Newtree	Lancaster	NA	93534
45760 Fig	Lancaster	NA	93534
43819 Rinvale	Lancaster	NA	93534
45503 Foxton	Lancaster	NA	93535
1144 W J-7	Lancaster	NA	93534
44745 6th Street East	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:	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

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

09/09/2010

Responsible Organization:

The Lancaster Redevelopment Agency, 44933 North Fern

Overall	Apr 1 thru Jun 30, 2010	To Date
Total Projected Budget from All Sources	N/A	\$725,883.00
Total CDBG Program Funds Budgeted	N/A	\$725,883.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$725,883.00	\$725,883.00
Expended CDBG DR Funds	\$9,385.00	\$9,385.00
The Lancaster Redevelopment Agency, 44933 North Fern	\$9,385.00	\$9,385.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity 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.
- 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.
- The Joshua neighborhood in Census Tract 9005.01 bounded by Ave J to Ave K and from Division to Challenger.
- 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.
- The South Downtown neighborhood in Census Tract 9008.06 bounded by 10th to Sierra Hwy and from Lancaster Blvd. to Avenue J.

Location 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.

Activity Progress Narrative:

Rehabilitation of the LH 25% properties has begun on 5 of the 12 properties. The remaining 7 properties are scheduled for rehabilitation in the month of July and the City expects to have the homes complete and ready for sale by the end of

August. Currently, 2 of the rehabilitation projects are 75% complete, 2 others are 50% complete and 1 property is 25% complete.
 LH 25% NSP funds in the amount of \$725,883 have been obligated during this reporting period. No additional funds are expected to be obligated towards this activity, as the City has acquired all planned purchases under the LH 25% requirement. Staff will continue to insure that LH 25% rehabilitation activities are carried out in a professional and expedient manner. Currently, the City has expended and drawn \$9,385 for this quarter and expects to substantially increase expenditures during the next reporting period.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	12	0/0	0/0	12/8
# of Households benefitting	12	0	12	12/8	0/0	12/8

Activity Locations

Address	City	State	Zip
44733 Andale	Lancaster	NA	93535
45451 Foxton	Lancaster	NA	93535
45425 Date Avenue	Lancaster	NA	93534
45542 Andale	Lancaster	NA	93535
45309 Genoa Avenue	Lancaster	NA	93534
44302 3rd St. East	Lancaster	NA	93535
45542 6th Street East	Lancaster	NA	93535
717 E. Oldfield St.	Lancaster	NA	93535
1202 W. Avenue H-11	Lancaster	NA	93534
43016 Guyman	Lancaster	NA	93536
44505 Watford	Lancaster	NA	93535
44220 4th Street East	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	
