



CITY OF LANCASTER

February 2011

NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP 3)

CITY OF LANCASTER
NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP 3)
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CITY OF LANCASTER

Proposed NSP3 Substantial Amendment

I. NSP3 Grantee Information

NSP3 Program Administrator

Name: Shaver, Christopher
Email Address: cshaver@colra.org
Phone Number: 661-723-6197
Mailing Address: 44933 North Fern Avenue, Lancaster, CA

II. Areas of Greatest Need

Map Submission

The map generated at the HUD NSP3 Mapping Tool for Preparing the NSP3 Action Plan Substantial Amendment is included as Exhibit “A”. The areas of greatest need have been identified as Linda Verde, El Dorado and Joshua neighborhoods.

III. Data Sources Used to Determine Areas of Greatest Need

The City of Lancaster utilized several data sources to determine the areas of greatest need. Prior to completing the Substantial Amendment, City staff performed windshield surveys of the proposed neighborhoods in order to verify data sources. Data sources used in determining the areas of greatest need included United States Department of Housing and Urban Development – NSP3 Neighborhood Score and various area foreclosure, vacancy, and housing market data, Foreclosure Radar, RealtyTrac, MLS databases, and National Community Stabilization Trust (NCST).

IV. Determination of Areas of Greatest Need and Applicable Tiers

Lancaster is a city of approximately 145,000 people and is located 60 miles northeast of the City of Los Angeles. The median household income for 2010 was \$65,810 for the average household and the 2010 median home price was \$116,750. Recent reductions in housing prices, a weak economy and the mortgage fiasco contributed to the deteriorating conditions of the neighborhoods, as loans reset and the number of foreclosed properties increased. Due to the sustained foreclosure crisis, the City of Lancaster expects to receive \$2,364,566 from the U.S. Department of Housing and Urban Development’s Neighborhood Stabilization Program III Grant pursuant to the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act).

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. The City then received NSP1 funds in the amount of \$6.9 million in 2008. These programs targeted specific, established neighborhoods in decline with a disproportionate number of foreclosed upon

homes. To date, the Lancaster Redevelopment Agency and the City of Lancaster have purchased over one-hundred and twenty foreclosed homes at a total cost of \$6.9 million in NSP1 funds and \$7million in Redevelopment funds. These homes are rehabilitated and then made available to income qualified, first-time home buyers.

Despite these efforts, Lancaster, month after month, has a consistently high foreclosure rate. In the Metropolitan Service Area of Los Angeles/Long Beach, the City of Lancaster is among the top four cities with the highest number of foreclosures. In December of 2010, RealtyTrac reported that 1 in every 91 homes located in the City received a foreclosure filing. Lancaster ranked number four with 576 foreclosures reported for the month of December, Los Angeles took the number one spot followed by Palmdale and Long Beach.

The number of affordable and decent homes available to qualified buyers in the targeted neighborhoods decreased as foreclosed and vacant properties increased. Although the City has made a small dent in reducing the number of foreclosures in the current market, the target neighborhoods contain an estimated 104 vacant or foreclosed properties combined. The number of available foreclosures in the three identified neighborhoods will allow the City to make strategic acquisitions of foreclosures and make a significant impact by acquiring and rehabilitating properties to stabilize the neighborhoods in decline.

While there is a community-wide foreclosure issue, which has a negative impact on property values, there is also continued housing cost burden for those residents at the lowest end of the income spectrum. This is particularly so in the City's Target Area census tracts selected for this grant application. Therefore, the 2010-2015 City of Lancaster Consolidated Plan identified affordable housing opportunities as the main goal.

Foreclosure Radar, an on-line listing of for-sale bank-owned foreclosed properties, properties sold at auction, and "pre-foreclosure" properties, show distressed properties scattered throughout the City. However, the identified areas of greatest need are located within targeted areas where the City continues to expend resources and funds to stabilize its neighborhoods. Home sale prices recorded in Lancaster for the 2010 GAVEA report indicate that property values declined by 38% as compared to the prior year.

Another negative factor contributing to the foreclosure crisis is based on unemployment and the correlation between joblessness and foreclosures. The unemployment rate in Los Angeles County is approaching 12.7% as compared to 6.8% reported at this same time two years ago. The City of Lancaster is experiencing an even higher unemployment rate that is hovering around 17%. The subprime mortgage issues continue to have a dramatic impact on the ability for a great number of potential home buyers to access credit. This is adversely affecting targeted neighborhoods as investors continue to beat out potential home owners for available foreclosed properties. The properties are then either rented or left vacant, which reduces the ability of the City to encourage homeownership and also taxes code enforcement efforts to enforce local codes and ordinances relating to property maintenance.

Focusing NSP3 funding on the three adjacent neighborhoods will allow the City to better address the foreclosure crisis and have the greatest impact of stabilizing a specific area. NSP1 funds were used to acquire and rehabilitate homes in the Joshua and El Dorado neighborhoods. However, the City focused NSP1 and Redevelopment funding in eight neighborhoods in greatest need. Six of those eight neighborhoods show signs of improvement and have fewer foreclosures. Nevertheless, the remaining two neighborhoods, Joshua and El Dorado, are still in distress. Linda

Verde is directly north of El Dorado and has not received any Federal or local funding to address the foreclosure crisis.

The neighborhoods to the west and north of the target areas received the bulk of NSP1 and Redevelopment funds, as the City invested heavily in those neighborhoods to halt the declining effects that vacant and foreclosed properties have on neighborhoods and communities. The priority is to stabilize the three identified neighborhoods to the east as depicted in exhibit "A". Each of the three identified neighborhoods has a neighborhood NSP3 score of 20, contain persons primarily in the low to moderate income category, a high vacancy rate, suffer from high unemployment, and are likely to have a high number of continued foreclosures. Linda Verde also has a high percentage of home foreclosures reported at 22.9% and a 39.1% figure for homes financed by subprime mortgage related loans. El Dorado has a home foreclosure percentage of 22.7% and a 40.7% figure for homes financed by subprime mortgage related loans. Joshua, in addition, has a home foreclosure percentage of 22.1% and a 39.4% figure for homes financed by subprime mortgage related loans

NSP3 funds are limited and the City will utilize the grant funds to specifically target the three identified neighborhoods through acquisition and rehabilitation of vacant and fore closed homes. Linda Verde will be the primary neighborhood followed by El Dorado and then Joshua, as funds are limited and must have the greatest possible impact. The Linda Verde neighborhood, according to the NSP3 mapping tool, would require the acquisition of 14 properties to make an impact in the identified targeted area. El Dorado is the secondary neighborhood, which would require the acquisition and rehabilitation of 20 properties. Joshua, on the other hand, would require a significant investment and the acquisition of 47 properties.

Based upon past costs associated with NSP1 stabilization and Agency preservation programs, each acquired foreclosed property will cost, on average, \$160,000 to acquire, rehabilitate, and maintain. Therefore, NSP3 funding in the amount of \$2,364,566 will allow the City to acquire 13 to 14 properties in accordance with Federal regulations. Fourteen acquired and rehabilitated homes will also allow the City to make a significant impact in addressing the foreclosure crisis in the primary target area.

Changing market conditions will allow the City to focus on El Dorado or Joshua if the foreclosed and vacant properties in Linda Verde become scarce or difficult to acquire. In addition, NSP3 funding will remain targeted in a specific area of greatest need, as each neighborhood is adjacent to one another. Improving conditions in one neighborhood should carry over on into the next and have a stabilizing effect for the whole area.

The City does not anticipate utilizing any NSP3 funds to address multi-family units, as most of those units have quickly been acquired and rehabilitated by private entities. Single-family homes, however, are the primary focus, as these contribute to crime, blight and depressed property values in the identified established neighborhoods.

V. Definitions and Descriptions

Blighted Structure

The City of Lancaster defines a "Blighted Structures" in accordance with Section 33031(a) of the California Health and Safety Code: 33031(a). This subdivision describes physical conditions that cause blight:

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

Affordable Rents

The City of Lancaster will define affordable rents pursuant to the requirements of the federal HOME Program for very low income rents: "A rent that does not exceed 30 percent of the adjusted monthly income of a family whose annual income equals 50 percent of the median income for the area as determined by the U.S. Department of Housing and Urban Development, with adjustments for household size and numbers of bedrooms in the unit." These maximum rents will be in accordance with HUD regulations at 24 CFR 92.252.

Descriptions

Long-Term Affordability

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

The City of Lancaster, in order to ensure continued affordability to the maximum extent practicable and for the longest term feasible for the properties it assists with NSP3 funds, will record affordability covenants that will run for a period of 45 years. The City, in addition, will obtain promissory notes and record trust deeds to secure the NSP3 funds it invests in these properties. Affordability covenants and restrictions will have a 45 year term, and will require payment in full if the owner fails to comply with the terms of the covenants.

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

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

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

Housing Rehabilitation Standards

The City of Lancaster will ensure that all rehabilitation of residential properties utilizing NSP3 funds comply with applicable laws, codes and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties. The City is prepared to install Energy Star appliances in homes requiring modest rehabilitation. In addition, all homes requiring substantial rehabilitation will meet or exceed the Energy Star for new homes standard.

Transit Accessibility

The City strives to promote smart development by encouraging residential development near transit nodes. The Antelope Valley Transit Authority (AVTA) and Metro-Link rail service supply public transportation to the residents of Lancaster and the Greater Antelope Valley. Homes purchased under the NSP3 program are located within Census Tracts that are within a 2-mile radius of AVTA service and within a 5-mile radius of Metro-Link service. The City will make every effort to develop homes that are located near transit service areas in order to promote public transportation and more responsible commuting habits.

Green Building Standards

The City of Lancaster has taken great strides to preserve and develop affordable housing that provides for a sustainable environment for our families, residents and future. All homes developed through the NSP3 program will be rehabilitated with a focus on reducing the overall cost of ownership while creating a healthier environment, more energy efficient and healthier homes for our residents.

In turn, the City recently adopted new codes and standards that became mandatory throughout the State of California on January 1, 2011. The new codes and standards include the 2010 California Building Codes, 2010 California Residential Code and the 2010 California Green Building Standards Code. In addition, the City adopted the 2008 Building Energy Efficiency Standards, which have been in effect as of January 1, 2010. The City of Lancaster, moreover, adopted water efficient landscape requirements and will install drought tolerant and water efficient landscaping for acquired NSP3 properties.

The City is prepared to install, to the extent possible and practical, Energy Star appliances in homes requiring modest rehabilitation. All gut rehabilitation or new construction (i.e., general replacement of the interior of a building that may or may not include changes to

structural elements such as flooring systems, columns or load bearing interior or exterior walls) of residential buildings up to three stories must be designed to meet the HUD standard for Energy Star Qualified New Homes.

Rehabilitated NSP3 properties, to the extent possible and practical, will have aging or obsolete products and appliances, to include windows, doors, lighting, hot water heaters, furnaces, boilers, air conditioning units, stoves, and dishwashers, with Energy Star products/appliances. In addition, all homes requiring substantial rehabilitation will meet or exceed the Energy Star for new homes standards.

Gut rehabilitation or new construction of residential buildings up to three stories will be designed to meet the standard for Energy Star Qualified New Homes. Gut rehabilitation or new construction of mid or high rise multi-family housing must be designed to meet the American Society of heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Standard 90.1-2004, Appendix G plus 20 percent.

Deconstruction

The City of Lancaster does not anticipate demolishing any homes to be acquired with NSP3 funds. Nevertheless, the City encourages program partners to reclaim and recycle construction materials in order to minimize the use of natural resources and reduce landfill waste.

Other Sustainable Development Practices

Promoting sustainable development is a stated City goal and standards have been developed to meet this goal. The City will implement feasible green building practices for all homes rehabilitated under the NSP3 program. In the rehabilitation of homes, the City will install Energy Star appliances, dual pane windows, tank-less water heaters and low-flow toilets and controls. In addition, because Lancaster is located in a desert climate, homes are landscaped with native, drought-tolerant plants and water saving ground covering.

Lead Based Paint

All housing built before 1978 must comply with 24 CFR Part 35 Subpart J and HUD's Lead Safe Housing Rule regarding the evaluation and control of lead-based paint hazards. HUD's guidelines are available at <http://www.hud.gov/offices/lead/lbp/hudguidelines/index.cfm>.

VI. Low-Income Targeting

Low-Income Set-Aside Amount

The estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income is not less than 25% of the total overall NSP3 grant amount. The City has set aside \$591,141.50, or 25% of the grant amount, for low-income individuals.

Meeting Low-Income Target

The City will appropriate no less than \$591,141.50 of NSP3 funds for the purchase and/or rehabilitation of abandoned or foreclosed upon residential units for housing individuals or families whose incomes do not exceed 50% of the area median income (AMI). The City is proposing acquire, rehabilitate, and sell residential units to eligible low-income persons. Participation in the City's NSP3 program will be restricted to households who meet NSP income requirements. In addition, at least 25% of the City's grant allocation will be used to purchase, rehabilitate, and sell homes to households with incomes at or below 50 percent of the area median. All applicants interested in purchasing NSP3 homes will undergo income qualification to ensure that the families/households meet income requirements.

VII. Acquisition and Relocation

Demolition or Conversion of LMI Units

The City of Lancaster does not anticipate demolishing any homes or properties to be acquired with NSP3 funds. Nevertheless, the City encourages program partners to reclaim and recycle construction materials in order to minimize the use of natural resources and reduce landfill waste.

VIII. Public Comment

Citizen Participation Plan

The fifteen (15) day public review period began on February 10, 2011 and ended on February 24, 2011, Exhibit B. The City's Substantial Amendment to the 2010-11 Consolidated Annual Action Plan was made available for public review for 15-days by means of notification published on the City's website, both in English and Spanish, as well as notices published in a newspaper of general circulation. The Substantial Amendment was made available on the City's website and at locations provided for in the City's Citizen Participation Plan.

Summary of Public Comments Received

The City of Lancaster posted the NSP3 application for citizen comments on its website: www.cityoflanasterca.org. At the completion of the public comment period, the City did not receive any comments received from February 10, 2011 to February 24, 2011.

IX. NSP Information by Activity

Activity NSP 3.1: Acquisition/Rehabilitation/Resale of Foreclosed Single Family Homes for persons at or below 120% of the area median income

Eligible Use A: Financing Mechanisms

CDBG Activity or Activities: Acquisition, Rehabilitation, and Disposition of Homes, and Direct Home Ownership Assistance

National Objective: Low Moderate Middle Income Housing (LMMH)

Activity Description

The City of Lancaster will acquire and rehabilitate abandoned or foreclosed upon homes and residential properties and provide direct homeownership assistance in identified eligible areas in order to sell such homes and properties to income qualified persons who are at or below 120 percent of the area median income. This eligible activity permits the City to expend NSP funds on the CDBG-eligible activities under 24 CFR 570.201(a) Acquisition, (b) Disposition, and (n) Direct Homeownership Assistance. The acquisition, rehabilitation, and disposition of these homes will address the declining effects that vacant and foreclosed properties have in established neighborhoods. Strategically allocated NSP3 funds in the identified target areas will allow the City to arrest the decline and negative influences within the neighborhoods.

The City will rehabilitate the abandoned or foreclosed upon homes in accordance with rehabilitation standards. In addition, each rehabilitated home will receive energy efficient materials and components.

The sale of the homes will be made to income qualified persons who are at or below 120% of the area median income. Affordability restrictions will be placed upon all NSP3 homes for a period of 45-years. In order to facilitate the sale of NSP3 homes to income qualified persons, the City may enter into agreements with the selected persons in order to provide assistance in the acquisition of rehabilitated homes. These agreements will be structured so as to enable the participant to save the funds required to qualify for first mortgage loans should an affordability gap exist. The program may provide zero percent interest 30-year deferred payment silent seconds in an amount not to exceed \$20,000 to qualified homebuyers in order to assist qualified persons/households in acquiring NSP3 eligible properties. The loans would include recapture provisions if the home is sold prior to the expiration of the affordability covenants.

The City will carry out this activity through staff, who will oversee the acquisition, rehabilitation, and disposition of NSP3 properties.

The City of Lancaster will also ensure compliance with NSP3 regulations for Section 3 and “vicinity” hiring and to make efforts to market new jobs associated with the project to individuals or companies within the “vicinity” of the project as described in NSP3.

A 1% discount rate for property acquisition will be received for all NSP3 acquired properties.

The Linda Verde neighborhood is located in Census Tract 9006.06 and is bounded by Division Street to Challenger Way and from Avenue I to Lancaster Boulevard. The El Dorado Neighborhood is located in Census Tract 9006.07 and is bounded by Division Street to Challenger Way and from Lancaster Boulevard to Avenue J. The Joshua Neighborhood is located in Census Tract 9005.01 and is bounded by Division Street to Challenger Way and from Avenue J to Avenue K. (Exhibit A)

Project Budget: \$1,536,967.90 in NSP3 funds

Total Budget for Activity \$1,536,967.90

Performance Measures: Acquisition, rehabilitation, and resale of 10 housing units to households whose annual income does not exceed 120% of the area median income. 51% - 80% of AMI is 2± units; 81%-120% of AMI is 8± units.

Projected Start Date May 1, 2011

Projected End Date May 1, 2014

Responsible Organization

City of Lancaster
44933 North Fern Avenue
Lancaster, CA 93534
Christopher Shaver, NSP3 Administrator
661-723-6197

Activity NSP 3.2: Acquisition/Rehabilitation/Resale of Foreclosed Single Family Homes for persons at or below 50% of the area median income

Eligible Use A: Financing Mechanisms

CDBG Activity or Activities: Acquisition, Rehabilitation, and Disposition of Homes, and Direct Home Ownership Assistance

National Objective: Low-Income Housing to Meet 25% Set-Aside (LH25)

Activity Description

The City of Lancaster will acquire and rehabilitate abandoned or foreclosed upon homes and residential properties and provide direct homeownership assistance in identified eligible areas in order to sell such homes and properties to income qualified persons who are at or below 120 percent of the area median income. This eligible activity permits the City to expend NSP funds on the CDBG-eligible activities under 24 CFR 570.201(a) Acquisition, (b) Disposition, and (n) Direct Homeownership Assistance. The acquisition, rehabilitation, and disposition of these homes will address the declining effects that vacant and foreclosed properties have in established neighborhoods. Strategically allocated NSP3 funds in the identified target areas will allow the City to arrest the decline and negative influences within the neighborhoods.

The City will rehabilitate the abandoned or foreclosed upon homes in accordance with rehabilitation standards. In addition, each rehabilitated home will receive energy efficient materials and components.

The sale of the homes will be made to income qualified persons who are at or below 50% of the area median income. Affordability restrictions will be placed upon all NSP3 homes for a period of 45-years. In order to facilitate the sale of NSP3 homes to income qualified persons, the City may enter into agreements with the selected persons/households if an affordability gap exists. Should an affordability gap exist, a portion of the City's original investment of acquisition and rehabilitation funds will remain in the property as a silent second with no monthly payments due, and a proportionate equity-share mechanism in lieu of interest to be repaid upon change in title or status as owner-occupied housing pursuant to the CC&R's. These agreements will be structured so as to enable the participant to save the funds required to qualify for first mortgage loans. The loans would include recapture provisions if the home is sold prior to the expiration of the affordability covenants.

The City will carry out this activity through staff, who will oversee the acquisition, rehabilitation, and disposition of NSP3 properties.

The City of Lancaster will also ensure compliance with NSP3 regulations for Section 3 and "vicinity" hiring and to make efforts to market new jobs associated with the project to individuals or companies within the "vicinity" of the project as described in NSP3.

A 1% discount rate for property acquisition will be received for all NSP3 acquired properties.

The Linda Verde neighborhood is located in Census Tract 9006.06 and is bounded by Division Street to Challenger Way and from Avenue I to Lancaster Boulevard. The El Dorado Neighborhood is located in Census Tract 9006.07 and is bounded by Division Street to Challenger Way and from Lancaster Boulevard to Avenue J. The Joshua Neighborhood is located in Census Tract 9005.01 and is bounded by Division Street to Challenger Way and from Avenue J to Avenue K. (Exhibit A)

Project Budget: \$591,141.50 in NSP3 funds

Total Budget for Activity \$591,141.50

Performance Measures: Acquisition, rehabilitation, and resale of 4 housing units to households whose annual income does not exceed 50% of the area median income. 50% of AMI is 4± units.

Projected Start Date May 1, 2011

Projected End Date May 1, 2014

Responsible Organization

City of Lancaster
44933 North Fern Avenue
Lancaster, CA 93534
Christopher Shaver, NSP3 Administrator
661-723-6197

Activity NSP 3.3: Administration and Planning Costs

CDBG Activity or Activities: Administration and Planning Costs 24 CFR 570.205 and 206

National Objective: Administration is exempt from meeting a national objective

Activity Description

This activity will provide funding needed for planning, administration and staff direct delivery activity costs for the City to operate its NSP3 program.

The Linda Verde neighborhood is located in Census Tract 9006.06 and is bounded by Division Street to Challenger Way and from Avenue I to Lancaster Boulevard. The El Dorado Neighborhood is located in Census Tract 9006.07 and is bounded by Division Street to Challenger Way and from Lancaster Boulevard to Avenue J. The Joshua Neighborhood is located in Census Tract 9005.01 and is bounded by Division Street to Challenger Way and from Avenue J to Avenue K. (Exhibit A)

Project Budget: \$236,456.60 in NSP3 funds

Total Budget for Activity \$236,456.60

Performance Measures: N/A

Projected Start Date May 1, 2011

Projected End Date May 1, 2014

Responsible Organization

City of Lancaster
44933 North Fern Avenue
Lancaster, CA 93534
Christopher Shaver, NSP3 Administrator
661-723-6197

X. Certifications

Certifications for State and Entitlement Communities

- (1) Affirmatively furthering fair housing. The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
- (2) Anti-displacement and relocation plan. The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
- (3) Anti-lobbying. The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
- (4) Authority of jurisdiction. The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
- (5) Consistency with plan. The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.
- (6) Acquisition and relocation. The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.
- (7) Section 3. The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
- (8) Citizen participation. The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.
- (9) Following a plan. The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]
- (10) Use of funds. The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.
- (11) The jurisdiction certifies: a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by

assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks

NSP or CDBG funds to cover the assessment.

- (12) Excessive force. The jurisdiction certifies that it has adopted and is enforcing:
- a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
 - b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
- (13) Compliance with anti-discrimination laws. The jurisdiction certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.
- (14) Compliance with lead-based paint procedures. The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.
- (15) Compliance with laws. The jurisdiction certifies that it will comply with applicable laws.
- (16) Vicinity hiring. The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.
- (17) Development of affordable rental housing. The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.



Signature/Authorized Official

2/25/2011
Date

City Manager
Title

XI. SF424

APPLICATION FOR FEDERAL ASSISTANCE

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application		2. DATE SUBMITTED 02/25/2011	Applicant Identifier B-11-MN-06-0510	
<input type="checkbox"/> Construction	<input type="checkbox"/> Pre-application	3. DATE RECEIVED BY STATE	State Application Identifier	
<input checked="" type="checkbox"/> Non-Construction	<input type="checkbox"/> Construction	4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier	
<input type="checkbox"/> Non-Construction	<input type="checkbox"/> Pre-application			
5. APPLICANT INFORMATION				
Legal Name: City of Lancaster		Organizational Unit: Department: Redevelopment Agency		
Organizational DUNS: 15-132-4167		Division: Housing & Neighborhood Revitalization		
Address: Street: 44933 North Fern Avenue		Name and telephone number of person to be contacted on matters involving this application (give area code)		
City: Lancaster		Prefix: Mr.	First Name: Christopher	
County: Los Angeles		Middle Name: David		
State: California		Last Name: Shaver		
Zip Code: 93534	Suffix:			
Country: United States		Email: cshaver@colra.org		
6. EMPLOYER IDENTIFICATION NUMBER (EIN): 9 5 - 3 2 1 3 0 0 4		Phone Number (give area code) (661) 723-6197	Fax Number (give area code) (661) 723-6210	
8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.)		7. TYPE OF APPLICANT: (See back of form for Application Types) C. Municipal Other (specify)		
Other (specify)		9. NAME OF FEDERAL AGENCY: U.S. Department of Housing and Urban Development		
10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Labor Management Cooperation Program Neighborhood Stabilization NSP3		11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Neighborhood Stabilization Program 3		
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): City of Lancaster, California				
13. PROPOSED PROJECT Start Date: 05/1/2011 Ending Date: 05/01/2014		14. CONGRESSIONAL DISTRICTS OF: a. Applicant 22 & 25 b. Project 22 & 25		
15. ESTIMATED FUNDING:		16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?		
a. Federal	\$ 2,364,566.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:		
b. Applicant	\$.00	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372		
c. State	\$.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW		
d. Local	\$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?		
e. Other	\$.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No		
f. Program Income	\$.00			
g. TOTAL	\$ 2,364,566.00			
18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.				
a. Authorized Representative				
Prefix: Mr.	First Name: Mark	Middle Name: V.		
Last Name: Bozigian	Suffix:		c. Telephone Number (give area code) (661) 723-6000	
b. Title: City Manager	e. Date Signed: 2/25/2011			
d. Signature of Authorized Representative				

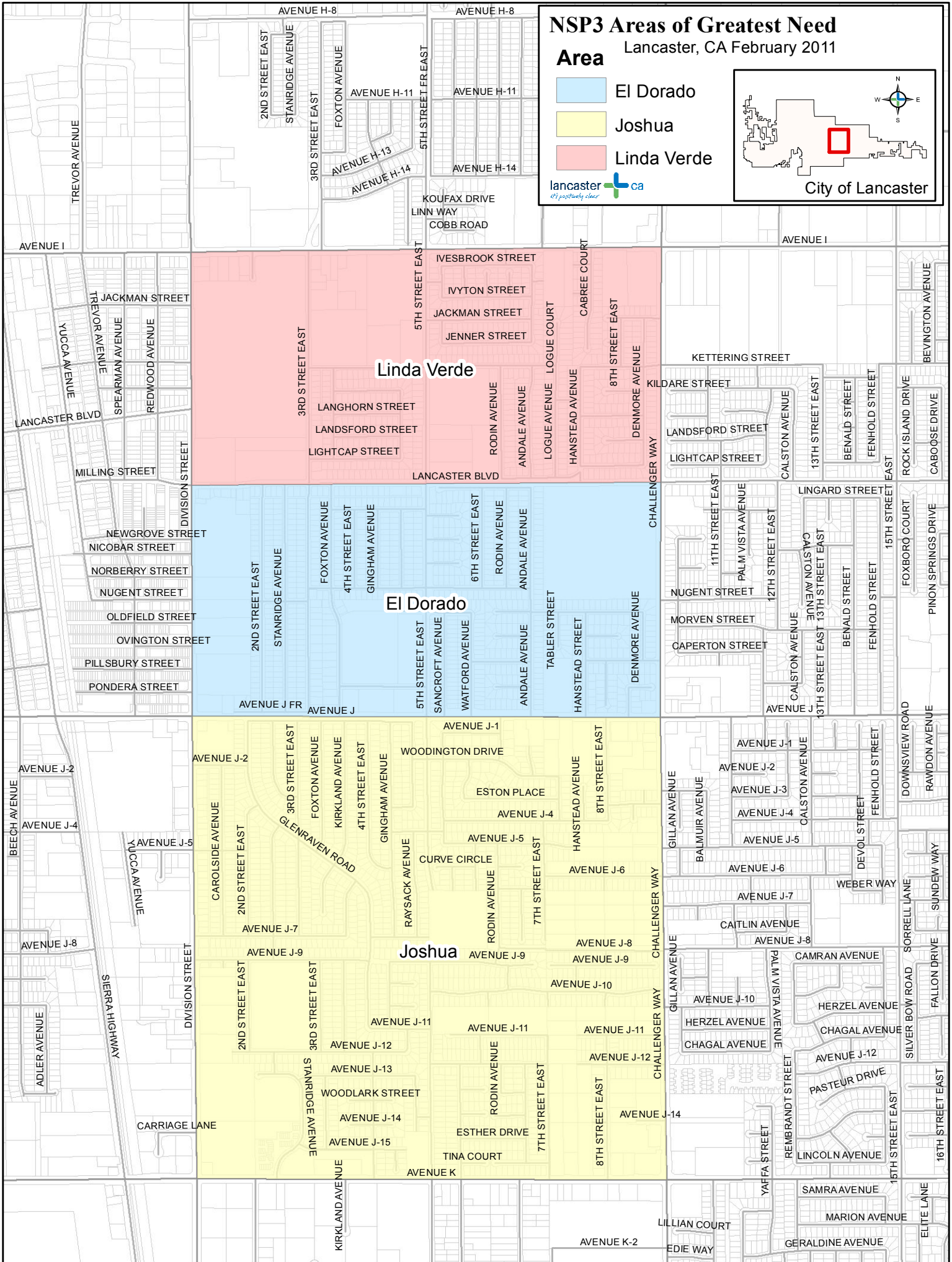
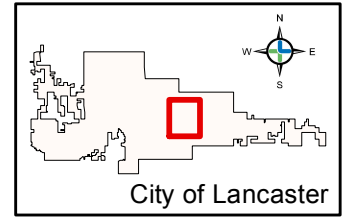
EB

NSP3 Areas of Greatest Need

Lancaster, CA February 2011

Area

- El Dorado
- Joshua
- Linda Verde



XII. Exhibits

Linda Verde

Neighborhood ID: 9649536
Grantee ID: 0619140E
Grantee State: CA
Grantee Name: LANCASTER
Grantee Address:
Grantee Email: cshaver@colra.org

Neighborhood Name: Linda Verde
Date: 2011-01-24 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 20
State Minimum Threshold NSP3 Score: 17
Total Housing Units in Neighborhood: 813

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 65.4
Percent Persons Less than 80% AMI: 42.5

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 835
Residential Addresses Vacant 90 or more days (USPS, March 2010): 20
Residential Addresses NoStat (USPS, March 2010): 9

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 620
Percent of Housing Units with a high cost mortgage between 2004 and 2007: 39.1
Percent of Housing Units 90 or more days delinquent or in foreclosure: 22.9
Number of Foreclosure Starts in past year: 68
Number of Housing Units Real Estate Owned July 2009 to June 2010: 39

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 14

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal

Housing Finance Agency Home Price Index through June 2010): -29.2
Place (if place over 20,000) or county unemployment rate June 2005*: 7.6
Place (if place over 20,000) or county unemployment rate June 2010*: 17
*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.

4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.
5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-118.130322 34.704082 -118.130493 34.696743 -118.112640 34.696743 -118.112812 34.703941 -
118.112812 34.703941

Blocks Comprising Target Neighborhood

060379006061000, 060379006061007, 060379006061016, 060379006061015, 060379006061014,
060379006061013, 060379006061012, 060379006061011, 060379006061010, 060379006061009,
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060379006061022, 060379006061021, 060379006061020, 060379006061019, 060379006061018,
060379006061017, 060379006061006, 060379006061001, 060379006061003, 060379006061004,
060379006061005, 060379006061002, 060379006062000,

El Dorado

Neighborhood ID: 3356567
Grantee ID: 0619140E
Grantee State: CA
Grantee Name: LANCASTER
Grantee Address:
Grantee Email: cshaver@colra.org

Neighborhood Name: El Dorado
Date: 2011-01-24 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 20
State Minimum Threshold NSP3 Score: 17
Total Housing Units in Neighborhood: 1209

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 72.27
Percent Persons Less than 80% AMI: 51.94

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

The USPS "NoStat" indicator can mean different things. In rural areas, it is an indicator of vacancy. However, it can also be an address that has been issued but not ever used, it can indicate units under development, and it can be a very distressed property (most of the still flood damaged properties in New Orleans are NoStat). When using this variable, users need to understand the target area identified.

In addition, the housing unit counts HUD gets from the US Census indicated above are usually close to the residential address counts from the USPS below. However, if the Census and USPS counts are substantially different for your identified target area, users are advised to use the information below with caution. For example if there are many NoStats in an area for units never built, the USPS residential address count may be larger than the Census number; if the area is a rural area largely served by PO boxes it may have fewer addresses than housing units.

USPS Residential Addresses in Neighborhood: 1206
Residential Addresses Vacant 90 or more days (USPS, March 2010): 29

Residential Addresses NoStat (USPS, March 2010): 9

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 944

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 40.7

Percent of Housing Units 90 or more days delinquent or in foreclosure: 22.7

Number of Foreclosure Starts in past year: 103

Number of Housing Units Real Estate Owned July 2009 to June 2010: 58

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 20

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal

Housing Finance Agency Home Price Index through June 2010): -29.2

Place (if place over 20,000) or county unemployment rate June 2005*: 7.6

Place (if place over 20,000) or county unemployment rate June 2010*: 17

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
2. Home Value Change and Vacancy. Is this an area where foreclosures are largely due to a combination of falling home values, a recent spike in unemployment, and a relatively low vacancy rate? A down payment assistance program may be an effective strategy.
3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.

5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-118.130322 34.696743 -118.130493 34.689475 -118.112640 34.689404 -118.112726 34.696814

Blocks Comprising Target Neighborhood

060379006071000, 060379006071033, 060379006071032, 060379006071031, 060379006071030,
060379006071029, 060379006071028, 060379006071027, 060379006071026, 060379006071036,
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060379006072008, 060379006072006, 060379006072001, 060379006072003, 060379006072004,
060379006072005, 060379006072002,

Joshua

Neighborhood ID: 2814941
Grantee ID: 0619140E
Grantee State: CA
Grantee Name: LANCASTER
Grantee Address:
Grantee Email: cshaver@colra.org

Neighborhood Name: Joshua
Date: 2011-01-24 00:00:00

NSP3 Score

The neighborhoods identified by the NSP3 grantee as being the areas of greatest need must have an individual or average combined index score for the grantee's identified target geography that is not less than the lesser of 17 or the twentieth percentile most needy score in an individual state. For example, if a state's twentieth percentile most needy census tract is 18, the requirement will be a minimum need of 17. If, however, a state's twentieth percentile most needy census tract is 15, the requirement will be a minimum need of 15. If more than one neighborhood is identified in the Action Plan, HUD will average the Neighborhood Scores, weighting the scores by the estimated number of housing units in each identified neighborhood.

Neighborhood NSP3 Score: 20
State Minimum Threshold NSP3 Score: 17
Total Housing Units in Neighborhood: 2058

Area Benefit Eligibility

Percent Persons Less than 120% AMI: 68.78
Percent Persons Less than 80% AMI: 42.42

Neighborhood Attributes (Estimates)

Vacancy Estimate

USPS data on addresses not receiving mail in the last 90 days or "NoStat" can be a useful measure of whether or not a target area has a serious vacancy problem. For urban neighborhoods, HUD has found that neighborhoods with a very high number vacant addresses relative to the total addresses in an area to be a very good indicator of a current for potentially serious blight problem.

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USPS Residential Addresses in Neighborhood: 2131
Residential Addresses Vacant 90 or more days (USPS, March 2010): 55

Residential Addresses NoStat (USPS, March 2010): 16

Foreclosure Estimates

HUD has developed a model for predicting where foreclosures are likely. That model estimates serious delinquency rates using data on the leading causes of foreclosures - subprime loans (HMDA Census Tract data on high cost and highly leveraged loans), increasing unemployment (BLS data on unemployment rate change), and fall in home values (FHFA data on house price change). The predicted serious delinquency rate is then used to apportion the state total counts of foreclosure starts (from the Mortgage Bankers Association) and REOs (from RealtyTrac) to individual block groups.

Total Housing Units to receive a mortgage between 2004 and 2007: 2181

Percent of Housing Units with a high cost mortgage between 2004 and 2007: 39.4

Percent of Housing Units 90 or more days delinquent or in foreclosure: 22.1

Number of Foreclosure Starts in past year: 232

Number of Housing Units Real Estate Owned July 2009 to June 2010: 131

HUD is encouraging grantees to have small enough target areas for NSP 3 such that their dollars will have a visible impact on the neighborhood. Nationwide there have been over 1.9 million foreclosure completions in the past two years. NSP 1, 2, and 3 combined are estimated to only be able to address 100,000 to 120,000 foreclosures. To stabilize a neighborhood requires focused investment.

Estimated number of properties needed to make an impact in identified target area (20% of REO in past year): 47

Supporting Data

Metropolitan Area (or non-metropolitan area balance) percent fall in home value since peak value (Federal

Housing Finance Agency Home Price Index through June 2010): -29.2

Place (if place over 20,000) or county unemployment rate June 2005*: 7.6

Place (if place over 20,000) or county unemployment rate June 2010*: 17

*Bureau of Labor Statistics Local Area Unemployment Statistics

Market Analysis:

HUD is providing the data above as a tool for both neighborhood targeting and to help inform the strategy development. Some things to consider:

1. Persistent Unemployment. Is this an area with persistently high unemployment? Serious consideration should be given to a rental strategy rather than a homeownership strategy.
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3. Persistently High Vacancy. Are there a high number of substandard vacant addresses in the target area of a community with persistently high unemployment? A demolition/land bank strategy with selected acquisition rehab for rental or lease-purchase might be considered.
4. Historically low vacancy that is now rising. A targeted strategy of acquisition for homeownership and rental to retain or regain neighborhood stability might be considered.

5. Historically high cost rental market. Does this market historically have very high rents with low vacancies? A strategy of acquiring properties and developing them as long-term affordable rental might be considered.

Latitude and Longitude of corner points

-118.130407 34.689404 -118.130322 34.674935 -118.112211 34.674935 -118.112726 34.689333

Blocks Comprising Target Neighborhood

060379005011000, 060379005011002, 060379005011004, 060379005011006, 060379005011008,
060379005011010, 060379005011012, 060379005011020, 060379005011019, 060379005011018,
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060379005013003, 060379005013004, 060379005013005, 060379005013002,

PROOF OF PUBLICATION

(2015.5 C.C.P.)

The space above for filing stamp only

STATE OF CALIFORNIA

County of Los Angeles

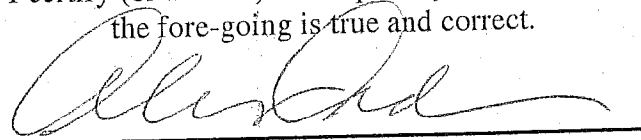
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NSP RD 3 NOTICE OF PUBLIC COMMENT/REVIEW PERIOD

I am a citizen of the United States and a resident of the County aforesaid; I am over the age of eighteen years, and not a party to or interested in the above entitled matter. I am the principal clerk of the printer of the Antelope Valley Press, a newspaper of general circulation, printed and published daily in the City of Palmdale, County of Los Angeles, and which newspaper has been adjudged a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California, under date of October 24, 1931, Case Number 328601; Modified Case Number 657770 April 11, 1956; also operating as the Ledger-Gazette, adjudicated a legal newspaper June 15, 1927, by Superior Court decree No. 224545; also operating as the Desert Mailer News, formerly known as the South Antelope Valley Foothill News, adjudicated a newspaper of general circulation by the Superior Court of the County of Los Angeles, State of California on May 29, 1967, Case Number NOC564 and adjudicated a newspaper of general circulation for the City of Lancaster, State of California on January 26, 1990, Case Number NOC10714, Modified October 22, 1990; that the notice, of which the annexed is a printed copy (set in type not smaller than nonpareil), has been published in each regular and entire issue of said newspaper and not in any supplement thereof on the following dates, to-wit:

February 10, 2011

I certify (or declare) under penalty of perjury that
the fore-going is true and correct.



Signature

Dated: February 10, 2011
Executed at Palmdale, California

LEGAL NOTICE
CITY OF LANCASTER
NOTICE OF PUBLIC COMMENT/REVIEW PERIOD
PROPOSED USE OF FUNDS
CONSOLIDATED PLAN ANNUAL ACTION PLAN AMENDMENT
FOR THE NEIGHBORHOOD STABILIZATION PROGRAM ROUND
THREE
2010 PROGRAM YEAR

The City of Lancaster is soliciting public review and comment on the proposed use of Neighborhood Stabilization Program (NSP-3) Round Three Grant funds as well as the Draft of the Substantial Amendment for the Consolidated Annual Action Plan for the 2010 Program Year, in compliance with the U. S. Department of Housing and Urban Development Neighborhood Stabilization Program funding requirements.

The public review period is 15 days, which begins February 10, 2011. The City of Lancaster must receive all comments on these documents by February 24, 2011.

The Neighborhood Stabilization Program Plan is a requirement of the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), which is submitted to the Department of Housing and Urban Development (HUD) to enable the City of Lancaster to administer \$2,364,566 million in federal NSP-3 grant funds to address the effects of abandoned and foreclosed properties.

The NSP-3 Plan has been prepared, as a substantial amendment, to address priority areas of greatest need pursuant to the Wall Street Reform and Consumer Protection Act of 2010 (Frank Dodd Act) §2301(c)(2).

The City of Lancaster proposes the following Neighborhood Stabilization Program projects incorporating the following funding source: NSP entitlement funds: \$2,364,566 Total Budget: \$2,364,566

- 1. Project NSP-3.1:** Purchase, rehabilitate homes and residential properties and provide direct homeownership assistance in identified eligible areas that have been abandoned or foreclosed upon in order to sell such homes and properties to income qualified persons who are at or below 120 percent of the area median income. This eligible activity permits the City to expend NSP funds on the CDBG-eligible activities under 24 CFR 570.201(a) Acquisition, (b) Disposition, and (n) Direct Homeownership Assistance. Project Budget: \$1,536,967.90.
- 2. Project NSP-3.2:** Purchase, rehabilitate homes and residential properties and provide direct homeownership assistance in identified eligible areas that have been abandoned or foreclosed upon in order to sell such homes and properties to income qualified persons who are at or below 50 percent of the area median income. Pursuant to NSP allocation requirements, at least 25 percent of the City's NSP funding must benefit persons at or below 50 percent of the median area income. This eligible activity permits the City to expend NSP funds on the CDBG-eligible activities under 24 CFR 570.201(a) Acquisition, (b) Disposition, and (n) Direct Homeownership Assistance. Project Budget: \$591,141.50.
- 3. Project NSP-3.3:** 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. Project Budget: \$236,456.60.

The Neighborhood Stabilization Program Round Three Substantial Amendment Draft to the 2010 Program Year Action Plan is available as of February 10, 2011, for public review on the City of Lancaster's web site (www.city.lancaster.ca.us); at the Los Angeles County Public Library; the Lancaster Senior Center; United States Post Office; and at Lancaster City Hall, Department of Housing and Neighborhood Revitalization, 44933 Fern Avenue. Copies are also available to entities or individuals unable to access one of the above sources and may be obtained from the Department of Housing and Neighborhood Revitalization. Written comments may be submitted via facsimile (661-723-6210), or mailed to Lancaster City Hall, 44933 Fern Avenue, Lancaster, CA 93534, attention Mr. Christopher Shaver.

Dated: February 10, 2011
GERI K. BRYAN, CMC, City Clerk
City of Lancaster
Published: Thursday, February 10, 2011- Antelope Valley Press

Valley Press

37404 SIERRA HWY., PALMDALE CA 93550
Telephone (661)267-4112/Fax (661)947-4870

Exhibit B

LEGAL NOTICE
CITY OF LANCASTER
NOTICE OF PUBLIC COMMENT/REVIEW PERIOD
PROPOSED USE OF FUNDS
CONSOLIDATED PLAN ANNUAL ACTION PLAN AMENDMENT
FOR THE NEIGHBORHOOD STABILIZATION PROGRAM ROUND THREE
2010 PROGRAM YEAR

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The NSP-3 Plan has been prepared, as a substantial amendment, to address priority areas of greatest need pursuant to the Wall Street Reform and Consumer Protection Act of 2010 (Frank Dodd Act) §2301(c)(2). The City of Lancaster proposes the following Neighborhood Stabilization Program projects incorporating the following funding source: NSP entitlement funds: \$2,364,566 Total Budget: \$2,364,566

1. **Project NSP-3.1:** Purchase, rehabilitate homes and residential properties and provide direct homeownership assistance in identified eligible areas that have been abandoned or foreclosed upon in order to sell such homes and properties to income qualified persons who are at or below 120 percent of the area median income. This eligible activity permits the City to expend NSP funds on the CDBG-eligible activities under 24 CFR 570.201(a) Acquisition, (b) Disposition, and (n) Direct Homeownership Assistance. Project Budget: \$ 1,536,967.90.
2. **Project NSP-3.2:** Purchase, rehabilitate homes and residential properties and provide direct homeownership assistance in identified eligible areas that have been abandoned or foreclosed upon in order to sell such homes and properties to income qualified persons who are at or below 50 percent of the area median income. Pursuant to NSP allocation requirements, at least 25 percent or of the City's NSP funding must benefit persons at or below 50 percent of the median area income. This eligible activity permits the City to expend NSP funds on the CDBG-eligible activities under 24 CFR 570.201(a) Acquisition, (b) Disposition, and (n) Direct Homeownership Assistance. Project Budget: \$591,141.50.
3. **Project NSP-3.3:** 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. Project Budget: \$236,456.60.

The Neighborhood Stabilization Program Round Three Substantial Amendment Draft to the 2010 Program Year Action Plan is available as of February 10, 2011, for public review on the City of Lancaster's web site (www.cityoflanasterca.org); at the Los Angeles County Public Library; the Lancaster Senior Center; United States Post Office; and at Lancaster City Hall, Department of Housing and Neighborhood Revitalization, 44933 Fern Avenue. Copies are also available to entities or individuals unable to access one of the above sources and may be obtained from the Department of Housing and Neighborhood Revitalization. Written comments may be submitted via facsimile (661-723-6210), or mailed to Lancaster City Hall, 44933 Fern Avenue, Lancaster, CA 93534, attention Mr. Christopher Shaver.

GERI K. BRYAN, CMC

City Clerk

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