

Grantee: Palmdale, CA

Grant: B-08-MN-06-0515

October 1, 2009 thru December 31, 2009 Performance Report

Grant Number:

B-08-MN-06-0515

Obligation Date:**Grantee Name:**

Palmdale, CA

Award Date:**Grant Amount:**

\$7,434,301.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Submitted - Await for Review

Submitted By:

No Submitter Found

Disasters:**Declaration Number**

NSP

Plan Description:

The areas of greatest need are the urban neighborhoods and consist of 35 of the 70 block groups in the City of Palmdale. The eligible block groups have over 51% of the population has income of 120% or less of the area median income, and have a HUD assigned risk factor of 7 to 9. Block groups with a risk factor of 10 are rural areas and primarily vacant land.

Recovery Needs:

The funds will be used in eligible block groups identified with a HUD risk factor of 7 to 9 and a high concentration of homes financed by subprime mortgage related loans, high percentage of home foreclosures, and areas likely to face a significant rise in the rate of home foreclosures. The funds will be used for acquisition and rehabilitation of foreclosed residences, both multi-family and single family residences, demolition of blighted structures, and a land bank. Census tracts/block groups: 910201-1,2; 910206-1; 910402-1,2; 910403-1; 910404-1,2; 910501-1,2,3; 910502-1,2; 910503-1,2,4; 910601-1,2,3; 910602-1; 910603-1,2,3,4; 910604-2,3,4; 910703-1,2; 910705-1,2; 910706-1; 910707-1;; 910710-3,4.

Overall**This Report Period****To Date**

Total Projected Budget from All Sources	N/A	\$7,434,301.00
Total CDBG Program Funds Budgeted	N/A	\$7,434,301.00
Program Funds Drawdown	\$23,465.39	\$37,258.39
Obligated CDBG DR Funds	\$338,207.00	\$352,000.00
Expended CDBG DR Funds	\$12,204.20	\$50,272.27
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Progress Toward Required Numeric Targets

Requirement	Required	To Date
Minimum Overall Benefit Percentage	\$99.99	\$0.00
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$1,115,145.15	\$0.00
Limit on Admin/Planning	\$743,430.10	\$50,272.27
Limit on State Admin	\$0.00	\$0.00

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

Overall Progress Narrative:

During the quarter, the City has identified properties for consideration to acquire with NSP funding. The City has reviewed single family residences, multi-family residences, and commercial properties that are vacant and/or foreclosed upon. The City departments are working with contracted Consultants to conduct its due diligence as to whether these properties are eligible.

Six properties were identified for acquisition from Fannie Mae through the "First Look" program. These properties were under contract to private investors before the City was able to issue its offer. An additional three properties were in process of having offers written, approved and issued. The City was not able to issue offers prior to other commitments being accepted on the properties. The City's procedures are being adjusted to reduce the time required to submit an offer.

The City has acquired zero (0) properties under the Program for a total of \$0.00.

The City has closed escrow for the sale of properties to its development partner(s) on zero (0) properties. The overall total loan amount being carried by the City as a result of the sales(s) is \$0.00.

Project Summary

Project #, Project Title	This Report Period		To Date	
	Project Funds Budgeted	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
2008-0001, Rehabilitation	\$0.00	\$0.00	\$5,190,871.00	\$0.00
2008-0003, Clearance and Demolition	\$0.00	\$0.00	\$500,000.00	\$0.00
2008-0004, Land Banking - Acquisition	\$0.00	\$0.00	\$500,000.00	\$0.00
2008-0005, Administration	\$0.00	\$23,465.39	\$743,430.00	\$37,258.39
2008-006, Redevelop demolished or vacant properties	\$0.00	\$0.00	\$500,000.00	\$0.00
9999, Restricted Balance	\$0.00	\$0.00	\$0.00	\$0.00

Activities

Grantee Activity Number: 2008-001

Activity Title: Acquisition, Rehabilitation, Disp

Activity Category:

Acquisition - general

Activity Status:

Planned

Project Number:

2008-0001

Project Title:

Rehabilitation

Projected Start Date:

01/01/2009

Projected End Date:

12/31/2014

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Palmdale 38300 Sierra Highway Palmdale, CA

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources	N/A	\$3,332,291.00
Total CDBG Program Funds Budgeted	N/A	\$3,332,291.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Acquisition, rehabilitation, and disposition of vacant units. Residential property will be acquired at a minimum discount of 1%. The affordability period will be within the HOME Investment Partnership regulations of up to 20 years and will require covenants to be recorded on the properties. If other funding sources are utilized for rehabilitation or redevelopment covenants longer in duration may be recorded on the property. If multi-family residential units are acquired, they will remain rental units. If single-family residential units are acquired, they will remain owner occupied units. Beneficiaries of this activity will be households with up to 120% of area median income. The estimated time to acquire, rehabilitate, and dispose of an average property is two years. The City will monitor the properties for owner occupancy in a single family home or income qualification in a multi-family property and other requirements on an annual basis.

Location Description:

Eligible Census Tracts and Block Groups with Risk Factor of 7 to 9 as listed in "Recovery Need" section.

Activity Progress Narrative:

The City has released a Request for Qualifications for Development Partners, Notice of Funding Availability for the Acquisition, Rehabilitation and Resale (ARR) Program to identify eligible development partners and provide a method for the partners to bring properties to the City for consideration. November 2009, the City identified two (2) multi-family properties, 94 units, for acquisition and is in the process of doing its due diligence. After acquisition, the City will release an RFP to identify a developer partner to acquire the property from the City, rehabilitate and operate with a regulatory agreement for the NSP covenants. 25% would be required to be at 50% AMI and below. Six (6) properties were identified for acquisition from Fannie Mae through the "First Look" program were under contract to private investors before the City could get its offer out. Appraisals were secured on two (2) of the properties. As of 12/8/09, three (3) additional properties were in the process of having offers written, approved, and issued. The City was not able to issue offers prior to other commitments being accepted on the properties. The City's procedures are being adjusted to reduce the time required to submit an offer.

Performance Measures

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

# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/18
-----------------------------------	---	---	---	-----	-----	------

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: 2008-002

Activity Title: Acquisition, Rehab, Disp 25% S-A

Activity Category:

Acquisition - general

Activity Status:

Planned

Project Number:

2008-0001

Project Title:

Rehabilitation

Projected Start Date:

01/01/2009

Projected End Date:

12/31/2014

National Objective:

NSP Only - LH - 25% Set-Aside

Responsible Organization:

City of Palmdale 38300 Sierra Highway Palmdale, CA

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources	N/A	\$1,858,580.00
Total CDBG Program Funds Budgeted	N/A	\$1,858,580.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Acquisition, rehabilitation and disposition of vacant units for housing for those below 50% of area median income. The property will be acquired at a minimum discount of 1%. The land will be granted to a developer for multi family rental property. The affordability period will be within the HOME Investment Partnership Program regulations of up to 20 years and will require covenants to be recorded on the properties. If other funding sources are utilized for rehabilitation or redevelopment covenants longer in duration may be recorded on the property. The estimated time to acquire, rehabilitate, and dispose of an average property is two years. The City will monitor the properties for owner occupancy in a single family home or income qualification in a multi-family property and other requirements on an annual basis.

Location Description:

Eligible Census Tracts and Block Groups with HUD Risk Factor of 7 to 9 as listed in the "Recovery Need" section.

Activity Progress Narrative:

The City has released a Request for Qualification for Development Partners, Notice of Funding Availability for the Acquisition, Rehabilitation, and Resale (ARR) Program to identify eligible development partners and provide a method for the partners to bring properties to the City for consideration. In November 2009, the City has identified two (2) multi-family properties, 94 units, for acquisition and is in the process of doing its due diligence. After acquisition, an RFP will be released to identify a developer partner to acquire the property from the City, rehabilitate and operate with a regulatory agreement for the NSP covenants. At minimum 25% of the units will be required to be at 50% of AMI and below.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/1
# of housing units	0	0	0	0/0	0/0	0/12

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:	2008-003
Activity Title:	Demolition

Activity Category:

Clearance and Demolition

Project Number:

2008-0003

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Clearance and Demolition

Projected End Date:

12/31/2012

Responsible Organization:

City of Palmdale 38300 Sierra Highway, Palmdale, CA

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources	N/A	\$500,000.00
Total CDBG Program Funds Budgeted	N/A	\$500,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Identify substandard units that are a health and safety issue to surrounding residences and/or neighborhoods. The properties will be in eligible areas that do not exceed 120% of area median income. Properties acquired under NSP, demolished, and redeveloped will have affordability covenants recorded against the property. The affordability period will be within the HOME Investment Partnership regulations of up to 20 years and will require covenants to be recorded on the properties. If other funding sources are utilized for rehabilitation or redevelopment covenants longer in duration may be recorded on the property. It is estimated for a property determined to be eligible for this activity to require six months to complete the demolition process.

Location Description:

Eligible Census Tracts and Block Groups with a HUD risk factor of 7 to 9 as listed in the "Recovery Need" section.

Activity Progress Narrative:

No actions have been completed for this activity. This activity will be used in support of projects funded through the ARR, Land Banking, and Redevelopment. Two properties that are uninhabitable with fire damage (vacant and blighted) have been identified for proposed acquisition and demolition.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/4

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: 2008-004

Activity Title: Land Banking - Acq

Activity Category:

Land Banking - Acquisition (NSP Only)

Project Number:

2008-0004

Projected Start Date:

01/01/2009

National Objective:

NSP Only - LMMI

Activity Status:

Planned

Project Title:

Land Banking - Acquisition

Projected End Date:

12/31/2014

Responsible Organization:

City of Palmdale 38300 Sierra Highway Palmdale, CA

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources	N/A	\$500,000.00
Total CDBG Program Funds Budgeted	N/A	\$500,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Land Banking. The property will be acquired at a discount of 1%. The land will be held for an estimated period of up to 5 years for disposition to a developer for multi-family rental property. The affordability period will be within the HOME Investment Partnership Program regulations of up to 20 years and will require covenants to be recorded on the properties. If other funding sources are utilized for rehabilitation or redevelopment covenants longer in duration may be recorded on the property. The City will monitor the properties for owner occupancy in a single family home or income qualification in a multi-family property and other requirements on an annual basis.

Location Description:

Eligible census tracts and block groups with a HUD risk factor of 7 to 9 as listed in the "Recovery need" section.

Activity Progress Narrative:

No properties have been identified for this activity.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of housing units	0	0	0	0/0	0/0	0/4

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources**Amount**

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number: 2008-005**Activity Title: NSP Administration****Activity Category:**

Administration

Activity Status:

Under Way

Project Number:

2008-0005

Project Title:

Administration

Projected Start Date:

09/29/2008

Projected End Date:

12/31/2014

National Objective:

N/A

Responsible Organization:

City of Palmdale 38300 Sierra Highway Palmdale, CA

Overall**Oct 1 thru Dec 31, 2009****To Date****Total Projected Budget from All Sources**

N/A

\$743,430.00

Total CDBG Program Funds Budgeted

N/A

\$743,430.00

Program Funds Drawdown

\$23,465.39

\$37,258.39

Obligated CDBG DR Funds

\$338,207.00

\$352,000.00

Expended CDBG DR Funds

\$12,204.20

\$50,272.27

Match Contributed

\$0.00

\$0.00

Program Income Received

\$0.00

\$0.00

Program Income Drawdown

\$0.00

\$0.00

Activity Description:

Program Administration including but not limited to application preparation, NEPA Clearance, reporting, acquisition and disposition of units.

Location Description:

N/A

Activity Progress Narrative:

Quarterly Performance Report and SF 272 for period ending September 30, 2009 was submitted on time.

Written policies and procedures for the ARR Program were drafted (Activities 2008-001 and 2008-002) and submitted for Council consideration at January 6, 2010 meeting.

Issued an RFP for Title and Escrow services, evaluated responses, and contracted services.

Issued releases for Appraisal Services contract for properties under consideration for acquisition.

Issued releases for Negotiator/Acquisition Services for properties under consideration for acquisition.

Issued an RFP/NOFA for Developer Partners to assist with identifying properties for acquisition, rehabilitation and resale.

Identified potential properties for acquisition, and conducting due diligence. Staff performed curb view inspections of single family residences to determine if properties were vacant, had code violations, or special issues. Staff inspected three multi-family properties to determine issues, rehabilitation requirements, and tenancy issues.

Provided for the overall administration of the NSP Program including coordinating various Departments involved in the implementation of the program.

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: 2008-006

Activity Title: Acquisition - Redevelopment

Activity Category:

Acquisition - general

Activity Status:

Planned

Project Number:

2008-006

Project Title:

Redevelop demolished or vacant properties

Projected Start Date:

09/03/2009

Projected End Date:

12/31/2014

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Palmdale 38300 Sierra Highway Palmdale, CA

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources	N/A	\$290,000.00
Total CDBG Program Funds Budgeted	N/A	\$290,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Redevelop through acquisition, rehabilitation, including reconstruction, and disposition of vacant properties for housing. Blighted properties such as those that may have fire damage may be demolished under the Demolition project/activity. The affordability period will be within HOME Investment Partnership regulations of up to 20 years and will require covenants be recorded on the properties. If other funding sources are utilized for rehabilitation or redevelopment, covenants longer in duration may be recorded on the property. If multi-family residential units of 5 or more units are acquired they will remain rental units. Beneficiaries of this activity will be households of up to 120% of area median income. The estimated time to acquire, rehabilitate, and dispose of an average property is three years. The City will monitor the properties for owner occupancy in a single family residence or income qualification in a multi-family property and other requirements on an annual basis.

Location Description:

Eligible Census Tracts and Block Groups with Risk Factor of 7 to 9 as listed in "Recovery Need" section.

Activity Progress Narrative:

Staff has identified residential properties that would be eligible under the redevelopment activity and are contacting brokers and owners to ascertain the availability of the properties and the interest on the part of the current owners to sell. Staff is in discussions performing its due diligence on the properties and checking with City departments including Planning, Public Works, Code Enforcement and Building and Safety for any possible known issues with the targeted properties.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of Properties	0	0	0	0/0	0/0	0/2
# of Parcels acquired voluntarily	0	0	0	0/0	0/0	0/2

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

Grantee Activity Number:	2008-007
Activity Title:	Direct homeownership Assist & Housing Counseli

Activity Category:

Homeownership Assistance to low- and moderate-income

Activity Status:

Planned

Project Number:

2008-006

Project Title:

Redevelop demolished or vacant properties

Projected Start Date:

09/02/2009

Projected End Date:

12/31/2014

National Objective:

NSP Only - LMMI

Responsible Organization:

City of Palmdale 38300 Sierra Highway Palmdale, CA

Overall

Oct 1 thru Dec 31, 2009

To Date

	Oct 1 thru Dec 31, 2009	To Date
Total Projected Budget from All Sources	N/A	\$10,000.00
Total CDBG Program Funds Budgeted	N/A	\$10,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Provide Housing Counseling/Education for home ownership in the Antelope Valley area through HUD approved provider. NSP Regulations require 8 hours of home buyer education prior to purchasing a property that utilized NSP funding.

Location Description:

Communitywide

Activity Progress Narrative:

The City has identified the HUD approved organizations providing housing Counseling services in the Palmdale area. These organizations are not providing the required 8 hour training for potential future homebuyers of NSP properties. Palmdale residents must commute. Staff is planning the next steps to be undertaken to work with HUD approved organizations.

Performance Measures

	This Report Period		Total	Cumulative Actual Total / Expected		
	Low	Mod		Low	Mod	Total
# of Households benefitting	0	0	0	0/0	0/0	0/1

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: 2008-008

Activity Title: Acquisition, Rehab for public facility

Activity Category:

Acquisition - general

Activity Status:

Planned

Project Number:

2008-006

Project Title:

Redevelop demolished or vacant properties

Projected Start Date:

09/03/2009

Projected End Date:

12/31/2014

National Objective:

Low/Mod

Responsible Organization:

City of Palmdale 38300 Sierra Highway Palmdale, CA

Overall

Oct 1 thru Dec 31, 2009

To Date

Total Projected Budget from All Sources	N/A	\$200,000.00
Total CDBG Program Funds Budgeted	N/A	\$200,000.00
Program Funds Drawdown	\$0.00	\$0.00
Obligated CDBG DR Funds	\$0.00	\$0.00
Expended CDBG DR Funds	\$0.00	\$0.00
Match Contributed	\$0.00	\$0.00
Program Income Received	\$0.00	\$0.00
Program Income Drawdown	\$0.00	\$0.00

Activity Description:

Redevelop vacant properties through acquisition, rehabilitation and improvements for public facilities that will provide services for clientele in which 51% of those served are persons of low- and moderate-income. The estimated time to acquire, rehabilitate, provide improvements is one year. The City will monitor that persons served are 51% low-/moderate- clientele.

Location Description:

Eligible Census Tracts and Block Groups with risk factor of 7 to 9 as listed in "Recovery Need" Section.

Activity Progress Narrative:

Staff has identified commercial properties that would be eligible under the redevelopment activity and are contacting brokers and owners to ascertain the availability of the properties and the interest on the part of the current owners to sell. The Housing Division Staff is in discussions with Departmental and other City Staff on the various public facilities and improvements uses that may benefit LMMI persons. Housing Division Staff is checking with Code Enforcement and Building and Safety for any possible known issues with the targeted properties.

Performance Measures

	This Report Period			Cumulative Actual Total / Expected		
	Low	Mod	Total	Low	Mod	Total
# of buildings (non-residential)	0	0	0	0/0	0/0	0/1

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
