

**Grantee: Modesto, CA**

**Grant: B-11-MN-06-0004**

**July 1, 2011 thru September 30, 2011 Performance Report**

**Grant Number:**

B-11-MN-06-0004

**Obligation Date:****Grantee Name:**

Modesto, CA

**Award Date:****Grant Amount:**

\$2,951,549.00

**Contract End Date:**

03/09/2014

**Grant Status:**

Active

**Review by HUD:**

Original - In Progress

**QPR Contact:**

No QPR Contact Found

**Disasters:****Declaration Number**

NSP

**Narratives****Summary of Distribution and Uses of NSP Funds:**

Land banking, acquisition and rehabilitation, redevelopment, and demolition activities will be integrated into a comprehensive revitalization strategy to reverse key indicators of persistent and extremely high: 1) unemployment and underemployment; 2) vacancy and abandonment; and 3) blight.

City of Modesto (City) will partner with the Housing Authority of the County of Stanislaus (Housing Authority) in the Neighborhood Revitalization Strategy Area (NRSA) NSP3 Project (Project). Stanislaus County (County) will also partner with the Housing Authority to carry out its NSP3 project in the NRSA. This City-County collaboration will bring the NRSA comprehensive plan to scale and will position the NRSA to more effectively secure other federal, state, and private foundation funds for a more robust public-private partnership.

All properties will be purchased at a minimum discount of 1% from the current market-appraised value of the property. The current market-appraised value means the value of a property that is established through an appraisal made in conformity with the appraisal requirements of the Uniform Relocation Act (URA) at 49 CFR 24.103 and completed within 60 days prior to an offer made for the property.

**Activities**

- Acquisition of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities;
- Rehabilitation of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities;
- Land banking operations will include: maintenance of land-banked properties, property management of rental units (note: City is required by statute to establish procedures to create preferences for the development of affordable rental housing with NSP3 funds); maintenance of its geographic and market information systems; and carrying out ongoing community engagement activities (e.g., outreach, education, consultation, etc.);
- Demolition of eligible properties under land banking, acquisition and rehabilitation, demolition, and redevelopment activities;
- Development of eligible properties under land banking, acquisition and rehabilitation, and redevelopment activities for eligible end uses
  - o Create affordable rental opportunities
  - o Create affordable homeownership opportunities
  - o Stimulate community and economic development opportunities consistent with larger NRSA Plan through potential mixed-use development (NSP3 funds are only for residential development activities but may be combined with other funds that allow for non-residential development activities)
  - o Reverse the physical decline of properties

The City's efforts in the Airport Neighborhood have helped foster a critical mass of leadership and commitment around community and economic development in the neighborhood. The City has been working diligently since the HUD approved its proposal to designate the Airport Neighborhood a Neighborhood Revitalization Strategy Area (NRSA) on January 27, 2009.

The Airport Neighborhood is uniquely located near the vibrant downtown; to the west, neighbors the world's largest family-owned winery and largest exporter of California wine, E & J Gallo Winery and Gallo Glass Company headquarters and large-scale facilities, respectively; to the north, neighbors one of Modesto's oldest and most affluent neighborhoods, La Loma Neighborhood; to the east neighbors the local airport; and to the south, neighbors the Tuolumne River and the Tuolumne River Regional Park system. The NRSA created an opportunity for these neighbors to partner with the residents of the Airport Neighborhood for the revitalization of their neighborhood.

An engaged community is critical to the success of a land banking and redevelopment project. The City's approach involves building relationships with and among residents to build a sense of community and cultivate effective and sustainable leadership. A community is only as strong as its members' capacities to care for one another. Community capacity-building is place-based and empowers residents to build a sense of community, identify issues that matter most to them, and develop and implement strategies for addressing these issues.

As part of the larger NRSA plan, the Project will further foster a sense of ownership of the neighborhood among its residents. Community input will inform the development of project policies, goals, outreach procedures, evaluation, etc. The Project will promote openness, transparency, and dialogue among residents and between residents and their government. Project will also solicit input from other key stakeholders (e.g., people who work in the area, businesses that operate in the area, faith- or community-based organizations that serve the area, property owners that do not live in the area, etc.) in evaluating properties for land banking and redevelopment activities.

Furthermore, the Project will to the maximum extent feasible create term employment opportunities for residents of the neighborhood through vicinity hiring.

At least \$725,000 will be used for housing individuals and families whose incomes do not exceed 50% of Area Median Income (AMI). Low-income targeting goals will be met primarily through housing development primarily for the creation of affordable rental opportunities (due to persistently and extremely high unemployment and underemployment), as well as affordable homeownership opportunities to the maximum extent feasible.

While the creation of affordable rental opportunities will be highest priority, the City of Modesto also plans to design an innovative and comprehensive homeownership program similar to a lease-to-own program that will provide low-income households with asset-building tools necessary to sustain homeownership.

Given the economy of scale of its production capacity and its extensive experience in affordable housing development and program management, the Housing Authority of the County of Stanislaus will develop, own, operate, and maintain NSP3 properties. As subrecipient, the Housing Authority of the County of Stanislaus engages contractors and, in consultation with the City of Modesto, may engage developers, particularly City of Modesto-designated Community Housing Development Organizations (CHDOs).

### **How Fund Use Addresses Market Conditions:**

The Airport Neighborhood located in (and composing most of) census tract 21.00, one of the City of Modesto's 14 low-income census tracts (i.e., census tracts with median household incomes that do not exceed 50% of broader Area Median Income [AMI]), scored the highest possible NSP3 Need Score of 20. While 13 of the City of Modesto's 14 low-income census tracts scored 20, the Airport Neighborhood demonstrated to have the highest in the following risk indicators:

- A) Percentage of residential addresses vacant 90 or more days (13.7%);
- B) Combined percentage of residential addresses vacant 90 or more days and residential addresses classified as no-stat (16.7%); and
- C) Estimated percentage of delinquent mortgages (25.7%).

NSP3:

- 1) Has been designed to address the unique needs of the Airport Neighborhood through NSP activities that go beyond acquisition and rehabilitation;
- 2) Will leverage substantial resources through unprecedented collaboration with Stanislaus County and its NSP3 and Redevelopment Agency activities;
- 3) Will expand the production capacities of the three major development partners: City of Modesto, Stanislaus County, and the Housing Authority of the County of Stanislaus; and
- 4) Will create extraordinary opportunity for public-private partnership for the benefit of the residents of the Airport Neighborhood, including vicinity hiring to the maximum extent feasible.

### **Ensuring Continued Affordability:**

Continued affordability will be ensured through a restrictive affordability period and will be in effect for a period based on the level of assistance consistent with the HOME Investment Partnerships Program regulations of up to 20 years (24 CFR 92.252(a), (c), (e) and (f), and 92.254) and will require covenants to be recorded on the properties with housing end uses. If other sources of funds are used for housing development, covenants longer in duration may be recorded on these properties. Properties for sale will at all times be occupied as the principal residence of the owner and will not be rented, leased, or sold. The covenants and restrictions will run with the land and will be binding on future owners of the property. The City will monitor the properties for owner occupancy, income qualification, and other requirements as applicable on an annual basis.

Note: This affordability relates to individuals or families whose incomes do not exceed 120% of Area Median Income (AMI) or, for units originally assisted with funds under the requirements of section 2301(f)(3)(A)(ii) of the original statute of NSP (Housing and Economic Recovery Act of 2008), to remain affordable to individuals and families whose incomes do not exceed 50% of AMI.

### **Definition of Blighted Structure:**

A structure is blighted when it exhibits objectively determinable signs of deterioration or abandonment to constitute a threat to human health, safety, and/or public welfare; and/or its appearance is inconsistent with the surrounding landscape.

### **Definition of Affordable Rents:**

Consistent with the U.S. Department of Housing and Urban Development (HUD) definition of affordable housing, the City defines affordable rents (including utilities) as costing no more than 30% of a household's gross monthly income.

### **Housing Rehabilitation/New Construction Standards:**

The City will apply HUD's Housing Quality Standards (HQS) to all rehabilitation activities. HQS consists of the following 13 performance requirements: 1) sanitary facilities; 2) food preparation and refuse disposal; 3) space and security; 4) thermal environment; 5) illumination and electricity; 6) structure and materials; 7) interior air quality; 8) water supply; 9) lead-based paint; 10) access; 11) site and neighborhood; 12) sanitary conditions; and 13) smoke detectors.

Additionally, the City will rely on its highly experienced building inspection unit to ensure compliance with rigorous state and local building codes. Note: California Building Code (California Code of Regulations, Title 24, Part 2), effective January 1, 2011, exceeds federal green standards.

### **Vicinity Hiring:**

City of Modesto will update its Section 3 certification process to require contractors make good faith efforts to provide to the maximum extent feasible, opportunities to local residents and business concerns and, specifically, promote NSP3 vicinity hiring in the Airport Neighborhood.

**Procedures for Preferences for Affordable Rental Dev.:**

City of Modesto will establish procedures to create preferences for the development of affordable rental housing with NSP3 funds. This will be achieved through partnership with the Housing Authority of the County of Stanislaus (subrecipient).

**Grantee Contact Information:**

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Overall	This Report Period	To Date
Total Projected Budget from All Sources	N/A	\$2,951,549.00
Total CDBG Program Funds Budgeted	N/A	\$2,951,549.00
Program Funds Drawdown	\$0.00	\$0.00
Program Funds Obligated	\$295,154.00	\$295,154.00
Program Funds Expended	\$15,208.69	\$15,208.69
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
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$442,732.35	\$0.00
Limit on Admin/Planning	\$295,154.90	\$0.00
Limit on State Admin	\$0.00	\$0.00

**Progress Toward Activity Type Targets**

Activity Type	Target	Actual
Administration	\$295,154.90	\$295,154.00

**Progress Toward National Objective Targets**

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$737,887.25	\$738,000.00

**Overall Progress Narrative:**

The City of Modesto received notice of Neighborhood Stabilization Program 3 (NSP3) funding in February, 2011. Resolution 2011-41 approved the NSP3 Substantial Amendment to the Annual Action Plan to receive \$2,951,549 from the U.S. Department of Housing and Urban Development (HUD) as authorized under the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 for the purpose of stabilizing communities significantly impacted by property foreclosure and abandonment. The City’s NSP3 Plan is designed to address the unique needs of the Airport Neighborhood, the NSP3 area of greatest need. The following activities will be integrated into a comprehensive revitalization strategy to reverse key indicators of persistently high: 1) unemployment and underemployment; 2) vacancy and abandonment; and 3) blight. The Airport Neighborhood demonstrates the highest following indicators among the City’s 14-low income census tracts:

- Percentage of residential addresses vacant 90 or more days (13.7 percent)
- Combined percentage of residential addresses vacant 90 or more days and residential addresses classified as no-stat (16.7 percent);
- Estimated percentage of delinquent mortgages (25.7 percent).

In addition to these key indicators, the degree of blight and abandonment in the Airport Neighborhood is extremely high.

The first activity (NSP Eligible Use C – Land Bank: \$936,395) will land bank homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. Operations include maintenance of land banked properties.

The Housing Authority of the County of Stanislaus as subrecipient will carry out most all NSP3 activities, including the operation of the land bank. The City’s NSP3 strategy will be to acquire, demolish, and redevelop eleven (11) eligible properties in the Airport Neighborhood to ultimately transform the housing environment by creating physical conditions necessary for higher quality affordable housing and more productive end-uses. The Housing Authority will engage non-profit developer, Habitat for Humanity, Stanislaus County, to redevelop ten (10) land banked properties within the ten-year redevelopment term (March 9, 2011 – March 9, 2021) as Habitat secures non-NSP3 funding for redevelopment of these land banked properties. Other land banked properties will be redeveloped by the Housing Authority. The City is drafting a MOU and other necessary legal documents with the Housing Authority in order to begin implementation.

The second activity (NSP Eligible Use E – Redevelopment: \$675,000) will redevelop five (5) demolished or vacant properties. This activity allows the City to address the broadest range of property types, as it allows for the acquisition and redevelopment of any property type (i.e., properties that were once developed or are surrounded by existing development; undeveloped or greenfield sites are not permitted). This includes commercial or industrial property in addition to all types of residential properties (need not be abandoned or foreclosed upon). However, it must be vacant. Housing rehabilitation is a permitted activity as is new housing construction, which is only permitted under this activity. The City is drafting a MOU and other necessary legal documents with the Housing Authority in order to begin implementation.

Under the third activity (NSP Eligible Use B – Acquisition and Rehabilitation: \$945,000), a budget of \$207,000 has been approved for the Housing Authority to acquire and rehabilitate two (2) homes and residential properties that have been abandoned or foreclosed upon, in order to sell or rent such homes and properties. The City is drafting a MOU and other necessary legal documents with the Housing Authority in order to begin implementation.

An approved budget of \$738,000 (approximately five [5] units of housing) will be used for the fourth activity to house households at or below 50 percent of area median income. The City is drafting a MOU and other necessary legal documents with the Housing Authority in order to begin implementation.

The fifth activity (NSP Eligible Use D – Demolition: \$100,000) will demolish ten (10) blighted properties. These stand-alone demolitions are separate and distinct from demolition activities carried out as part of redevelopment activities (i.e., NSP Eligible Uses B, C, and E). The City of Modesto will carry out these stand-alone demolitions. City of Modesto will carry out the administration (\$295,154) of NSP3. Administrative activities include program planning, management, and oversight, such as: development of legal documents and program guidelines (including underwriting requirements, marketing and application materials, construction and rehabilitation standards, etc.); monitoring and evaluation; financial management; and reporting. During this quarter staff began preparing MOUs and other documents to facilitate the program. Funds drawn during this quarter for administrative activities totaled \$9,917.

## 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
NSP3 - 001, NSP3	\$0.00	\$2,951,549.00	\$0.00

## Activities

<b>Grantee Activity Number:</b>	<b>NSP3 Acquisition Rehab</b>
<b>Activity Title:</b>	<b>Acquisition and Rehabilitation (NSP Eligible Use B</b>

**Activity Category:**

Acquisition - general

**Project Number:**

NSP3 - 001

**Projected Start Date:**

03/09/2011

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

NSP3

**Projected End Date:**

03/09/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

Housing Authority of the County of Stanislaus

<b>Overall</b>	<b>Jul 1 thru Sep 30, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$207,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$207,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Obligated</b>	\$0.00	\$0.00
<b>Program Funds Expended</b>	\$0.00	\$0.00
Housing Authority of the County of Stanislaus	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

**Location Description:**

NSP3 activities will be targeted in the Neighborhood Revitalization Strategy Area (see map).

Northern boundary: Yosemite Boulevard

Eastern boundary: Empire Avenue / Tioga Drive

Southern boundary: Hillside Drive / Tuolumne River

Western boundary: South Santa Rosa Avenue / South Santa Cruz Avenue

Note: The boundaries of the project (i.e., census tract 21.00) extend slightly beyond the above-indicated boundaries.

**Activity Progress Narrative:**

A budget of \$207,000 has been approved for the Housing Authority to acquire and rehabilitate two (2) homes and residential properties that have been abandoned or foreclosed upon, in order to sell or rent such homes and properties. During this quarter staff began drafting a MOU and other necessary legal documents with the Housing

**Accomplishments Performance Measures**

	<b>This Report Period</b>	<b>Cumulative Actual Total / Expected</b>
	<b>Total</b>	<b>Total</b>
<b># of Properties</b>	0	0/2

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/2
# of Singlefamily Units	0	0/2

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total Low/Mod%	
# of Households	0	0	0	0/0	0/2	0/2	0
# Renter Households	0	0	0	0/0	0/2	0/2	0

## 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	

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**Grantee Activity Number:** NSP3 Acquisition Rehab 25% Set-Aside

**Activity Title:** Acquisition Rehab 25% Set-Aside

**Activity Category:**

Acquisition - general

**Project Number:**

NSP3 - 001

**Projected Start Date:**

03/09/2011

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

NSP3

**Projected End Date:**

03/09/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

Housing Authority of the County of Stanislaus

**Overall**

**Jul 1 thru Sep 30, 2011**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$738,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$738,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Obligated</b>	\$0.00	\$0.00
<b>Program Funds Expended</b>	\$0.00	\$0.00
Housing Authority of the County of Stanislaus	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

These units will house income-eligible households (50 percent of Area Median Income or below) either through a Housing Authority of the County of Stanislaus rental program, such as the Family Self-Sufficiency Program; or an asset- and skill-building lease-purchase program.

**Location Description:**

NSP3 activities will be targeted in the Neighborhood Revitalization Strategy Area (see map).

Northern boundary: Yosemite Boulevard

Eastern boundary: Empire Avenue / Tioga Drive

Southern boundary: Hillside Drive / Tuolumne River

Western boundary: South Santa Rosa Avenue / South Santa Cruz Avenue

Note: The boundaries of the project (i.e., census tract 21.00) extend slightly beyond the above-indicated boundaries.

**Activity Progress Narrative:**

A budget of \$738,000 has been approved for the Housing Authority to acquire and rehabilitate five (5) homes and residential properties that have been abandoned or foreclosed upon, in order to sell or rent such homes and properties.

These units will house income-eligible households (50 percent of Area Median Income or below) either through a Housing Authority of the County of Stanislaus rental program, such as the Family Self-Sufficiency Program; or an asset- and skill-building lease-purchase program. . During this quarter staff began drafting a MOU and other necessary legal documents with the Housing Authority in order to begin implementation.

## Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/5

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/5
# of Singlefamily Units	0	0/5

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/5	0/0	0/5	0
# Renter Households	0	0	0	0/5	0/0	0/5	0

## 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:** NSP3 Administration

**Activity Title:** Administration

**Activity Category:**

Administration

**Activity Status:**

Under Way

**Project Number:**

NSP3 - 001

**Project Title:**

NSP3

**Projected Start Date:**

03/09/2011

**Projected End Date:**

03/09/2014

**Benefit Type:**

N/A

**Completed Activity Actual End Date:**

**National Objective:**

N/A

**Responsible Organization:**

City of Modesto

**Overall**

**Jul 1 thru Sep 30, 2011**

**To Date**

<b>Total Projected Budget from All Sources</b>	N/A	\$295,154.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$295,154.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Obligated</b>	\$295,154.00	\$295,154.00
<b>Program Funds Expended</b>	\$15,208.69	\$15,208.69
City of Modesto	\$15,208.69	\$15,208.69
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Administrative oversight, planning, monitoring and reporting of NSP3 activities.

**Location Description:**

1010 10th Street Modesto

**Activity Progress Narrative:**

City of Modesto will carry out the administration of NSP3. Administrative activities during this quarter included program planning, development of legal documents and program guidelines (including underwriting requirements, marketing and application materials, construction and rehabilitation standards, etc.) and reporting. Funds drawn during this quarter for administrative activities totaled \$15,208.69

**Accomplishments Performance Measures**

No Accomplishments Performance Measures found.

**Beneficiaries Performance Measures**

No Beneficiaries 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

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<b>Grantee Activity Number:</b>	<b>NSP3 Demolition</b>
<b>Activity Title:</b>	<b>Demolition (NSP Eligible Use D)</b>

**Activity Category:**

Clearance and Demolition

**Activity Status:**

Under Way

**Project Number:**

NSP3 - 001

**Project Title:**

NSP3

**Projected Start Date:**

03/09/2011

**Projected End Date:**

03/09/2014

**Benefit Type:**

Area Benefit (Census)

**Completed Activity Actual End Date:**

**National Objective:**

NSP Only - LMMI

**Responsible Organization:**

Housing Authority of the County of Stanislaus

<b>Overall</b>	<b>Jul 1 thru Sep 30, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$100,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$100,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Obligated</b>	\$0.00	\$0.00
<b>Program Funds Expended</b>	\$0.00	\$0.00
Housing Authority of the County of Stanislaus	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Demolish eligible properties under land banking, acquisition and rehabilitation, demolition and redevelopment activities for eligible end use.

Anticipate 10 Stand-Alone Demolitions (\$100,000)

**Location Description:**

NSP3 activities will be targeted in the Neighborhood Revitalization Strategy Area (see map).

Northern boundary: Yosemite Boulevard

Eastern boundary: Empire Avenue / Tioga Drive

Southern boundary: Hillside Drive / Tuolumne River

Western boundary: South Santa Rosa Avenue / South Santa Cruz Avenue

Note: The boundaries of the project (i.e., census tract 21.00) extend slightly beyond the above-indicated boundaries.

**Activity Progress Narrative:**

The City of Modesto will demolish ten (10) blighted properties. These stand-alone demolitions are separate and distinct from demolition activities carried out as part of redevelopment activities (i.e., NSP Eligible Uses B, C, and E). The City of Modesto will carry out these stand-alone demolitions. Staff is in the process of developing policies and procedures for this activity.

**Accomplishments Performance Measures**

	<b>This Report Period</b>	<b>Cumulative Actual Total / Expected</b>
	<b>Total</b>	<b>Total</b>
<b># of Properties</b>	0	0/10

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/0

### Beneficiaries Performance Measures

No Beneficiaries 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	

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<b>Grantee Activity Number:</b>	<b>NSP3 Land Bank</b>
<b>Activity Title:</b>	<b>Land Bank (NSP Eligible Use C)</b>

<b>Activity Category:</b> Land Banking - Acquisition (NSP Only)	<b>Activity Status:</b> Under Way
<b>Project Number:</b> NSP3 - 001	<b>Project Title:</b> NSP3
<b>Projected Start Date:</b> 03/09/2011	<b>Projected End Date:</b> 03/09/2014
<b>Benefit Type:</b> Area Benefit (Census)	<b>Completed Activity Actual End Date:</b>
<b>National Objective:</b> NSP Only - LMMI	<b>Responsible Organization:</b> Housing Authority of the County of Stanislaus

Overall	Jul 1 thru Sep 30, 2011	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$936,395.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$936,395.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Obligated</b>	\$0.00	\$0.00
<b>Program Funds Expended</b>	\$0.00	\$0.00
Housing Authority of the County of Stanislaus	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Establish and operate land banks for homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. Operations of a land bank include maintenance expenses, such as project delivery costs eligible under disposition and interim uses that comply with an eligible activity. Land banked property and demolished property are just interim uses for which end uses must be planned (e.g., housing [redeveloped on the property], sale [or donation] of the property as side lots to low-, moderate-, and middle-income [LMMI] neighbors, etc.)

Note: Any type of structure (commercial, industrial, and other types in addition to homes and residential structures) that is blighted may be demolished with NSP funds. In general, demolition must have an end use that benefits low-, moderate-, and middle-income (LMMI) persons.

Also, if the land bank is a governmental entity, it may also maintain abandoned or foreclosed property that it does not own, provided it charges the owner of the property the full cost of the service or places a lien on the property for the full cost of the service.

The Housing Authority of the County of Stanislaus will serve as subrecipient and land bank operator. The City's NSP3 strategy will be to acquire, demolish, and redevelop eligible properties in the Airport Neighborhood to ultimately transform the housing environment by creating physical conditions necessary for higher quality affordable housing and more productive end-uses. This housing transformation demonstrating meeting National Objective will be described in the City's NSP3 10-year reuse plan, which will be developed before the tenth year of the City's NSP3 strategy. At that time, the City and Housing Authority will assess its remaining NSP3 inventory and work with the City Planning Division to develop an extensive 10-year reuse plan. Many properties in the Airport Neighborhood are abandoned, blighted; structures dilapidated; and lot lines in need of adjustment. Note: Consistent with May 31, 2011 HUD CPD webinar entitled, NSP Demolition, which cites 24 CFR 570.505, part of the City's NSP3 strategy will consist of carrying out individual projects that do not exceed \$25,000 in total NSP expenditure so as to provide flexibility in end-uses that may be more transformative than residential end-uses, as these particular projects are no longer subject to requirements on subsequent uses. The City's NSP3 strategy will use its capacity built by effective NSP1 and NSP2 implementation to develop systems that will allow for rapid review, underwriting, and approval of projects. The City's NSP3 strategy will constantly conduct analyses of critical market conditions to determine level of investment required, ability to sell/lease, level of return, sales volume, sales price, cost and availability of credit, public and private investment opportunity, market demand, and average length of property listings.

Community liaison will interface regularly with the City, the Housing Authority, residents of the Airport Neighborhood, and other key stakeholders to inform the development of project policies, goals, outreach procedures, evaluation, etc.

10 non-demolition projects (\$322,000) 11 demolition projects (\$464,200) Community Liasion (\$150,194) TOTAL: \$936.394

### Location Description:

NSP3 activities will be targeted in the Neighborhood Revitalization Strategy Area (see map).

Northern boundary: Yosemite Boulevard

Eastern boundary: Empire Avenue / Tioga Drive

Southern boundary: Hillside Drive / Tuolumne River

Western boundary: South Santa Rosa Avenue / South Santa Cruz Avenue

Note: The boundaries of the project (i.e., census tract 21.00) extend slightly beyond the above-indicated boundaries.

### Activity Progress Narrative:

This activity will land bank homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties. Operations include maintenance of land banked properties.

The Housing Authority of the County of Stanislaus as sub-recipient will carry out the majority of the NSP3 activities, including the operation of the land bank. The City's NSP3 strategy will be to acquire, demolish, and redevelop eleven (11) eligible properties in the Airport Neighborhood to ultimately transform the housing environment by creating physical conditions necessary for higher quality affordable housing and more productive end-uses. The Housing Authority will engage non-profit developer, Habitat for Humanity, Stanislaus County, to redevelop ten (10) land banked properties within the ten-year redevelopment term (March 9, 2011 &ndash; March 9, 2021) as Habitat secures non-NSP3 funding for redevelopment of these land banked properties. Other land banked properties will be redeveloped by the Housing Authority. The City is drafting a MOU and other necessary legal documents with the Housing Authority in order to begin implementation

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/21

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	0/21

### Beneficiaries Performance Measures

No Beneficiaries 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	

<b>Grantee Activity Number:</b>	<b>NSP3 Redevelopment</b>
<b>Activity Title:</b>	<b>Redevelopment (NSP Eligible Use E)</b>

**Activity Category:**

Acquisition - general

**Project Number:**

NSP3 - 001

**Projected Start Date:**

03/09/2011

**Benefit Type:**

Area Benefit (Census)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

NSP3

**Projected End Date:**

03/09/2014

**Completed Activity Actual End Date:**

**Responsible Organization:**

Housing Authority of the County of Stanislaus

<b>Overall</b>	<b>Jul 1 thru Sep 30, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$675,000.00
<b>Total CDBG Program Funds Budgeted</b>	N/A	\$675,000.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Obligated</b>	\$0.00	\$0.00
<b>Program Funds Expended</b>	\$0.00	\$0.00
Housing Authority of the County of Stanislaus	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00

**Activity Description:**

Redevelop demolished or vacant properties. This activity allows communities to address the broadest range of property types, as it allows for the acquisition and development of any property type (i.e., properties that were once developed or are surrounded by existing development & undeveloped or greenfield sites are not permitted). This includes commercial or industrial property in addition to all types of residential properties (need not be abandoned or foreclosed upon). However, it must be vacant. New housing construction is only permitted under this activity. Housing rehabilitation is also permitted. When new construction is either more feasible or cost-effective, the City's NSP3 strategy will construct single-family homes and/or smaller multi-family complexes (e.g. duplex, triplex, fourplex, etc.) The Housing Authority of the County of Stanislaus will serve as subrecipient and carry out NSP3 Redevelopment. Since this eligible use allows the City's NSP3 strategy to address the broadest range of property types, the NSP3 Plan will either acquire and rehabilitate eligible properties or build new construction.

**Location Description:**

NSP3 activities will be targeted in the Neighborhood Revitalization Strategy Area (see map).  
 Northern boundary: Yosemite Boulevard  
 Eastern boundary: Empire Avenue / Tioga Drive  
 Southern boundary: Hillside Drive / Tuolumne River  
 Western boundary: South Santa Rosa Avenue / South Santa Cruz Avenue  
 Note: The boundaries of the project (i.e., census tract 21.00) extend slightly beyond the above-indicated boundaries.

**Activity Progress Narrative:**

This activity will redevelop five (5) demolished or vacant properties. This activity allows the City to address the broadest range of property types, as it allows for the acquisition and redevelopment of any property type (i.e., properties that were once developed or are surrounded by existing development; undeveloped or greenfield sites are not permitted). This includes

commercial or industrial property in addition to all types of residential properties (need not be abandoned or foreclosed upon). However, it must be vacant. New housing construction is only permitted under this activity. Housing rehabilitation is also permitted. The City is drafting a MOU and other necessary legal documents with the Housing Authority in order to begin implementation.

### Accomplishments Performance Measures

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Properties	0	0/5

	This Report Period Total	Cumulative Actual Total / Expected Total
# of Housing Units	0	0/5
# of Singlefamily Units	0	0/5

### Beneficiaries Performance Measures

No Beneficiaries 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	