

Grantee: Modesto, CA

Grant: B-08-MN-06-0004

October 1, 2010 thru December 31, 2010 Performance Report

Grant Number:

B-08-MN-06-0004

Obligation Date:**Grantee Name:**

Modesto, CA

Award Date:**Grant Amount:**

\$8,109,274.00

Contract End Date:**Grant Status:**

Active

Review by HUD:

Rejected - Await for Modification

QPR Contact:

Mary J Christiansen

Disasters:**Declaration Number**

NSP

Narratives**Areas of Greatest Need:**

The City of Modesto is unique compared to most other cities hit by the foreclosure crisis. The crisis for Modesto is not centralized to a specific neighborhood; every socio-economic group has been affected by this crisis. The housing market exploded in 2004 with the migration of families from the San Francisco Bay Area with home prices peaking in December of 2005. Families saw an option for more affordable housing with many options for financing in the Modesto area. Standard national averages show that sub-prime loans are more frequent for minorities within low income neighborhoods. The City of Modesto minority, low income neighborhoods were severely affected by predatory lending. The predatory lending in Modesto had an impact throughout the city. The low income minority neighborhoods were hit the hardest, however no neighborhood escaped the problem. Hit significantly harder than other areas of the country, foreclosure problems throughout the City of Modesto continue to affect the families within our community. Foreclosure filings are continuing to rise and families are having difficulty finding alternatives to refinance out of sub-prime loans. With countries economic problems, the crisis only seems to worsen in Modesto. Due to the foreclosure problems the City of Modesto established the following thresholds in determining eligibility for the Neighborhood Stabilization Program. Census Tracts had to meet at least one of these factors to be considered for funding. 1. Foreclosures in excess of 10 percent 2. Sub-prime loans in excess of 20 percent

Distribution and and Uses of Funds:

The City of Modesto can not recover from the financial crisis and foreclosure problem without assistance. The census tracts that the City of Modesto would like to determine as greatest need areas are as follows: 000503 000504 000505 000506 000404 000403 000602 000801 000803 000805 000806 000807 000905 000906 000907 000908 000909 000910 000911 000912 001001 001002 001100 001200 001300 001400 001500 001601 001603 001604 001700 001800 001900 002003 002004 002100 002200 002301 002302 002400 002501 002803

Definitions and Descriptions:**Low Income Targeting:****Acquisition and Relocation:****Public Comment:**

| Overall | This Report Period | To Date |
|------------------------------------------------|---------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$8,109,274.00 |
| Total CDBG Program Funds Budgeted | N/A | \$8,109,274.00 |
| Program Funds Drawdown | \$543,684.14 | \$6,961,691.04 |
| Obligated CDBG DR Funds | \$0.00 | \$8,109,274.00 |
| Expended CDBG DR Funds | \$423,183.88 | \$7,114,999.56 |
| 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 | \$1,216,391.10 | \$0.00 |
| Limit on Admin/Planning | \$810,927.40 | \$174,985.53 |
| Limit on State Admin | \$0.00 | \$0.00 |

Progress Toward Activity Type Targets

Progress Toward National Objective Targets

| National Objective | Target | Actual |
|--------------------------------------|----------------|----------------|
| NSP Only - LH - 25% Set-Aside | \$2,027,318.50 | \$2,314,979.00 |

Overall Progress Narrative:

Overall Progress Narrative:

The City of Modesto received \$8.1 million in HERA funding in May 2009. Initially staff efforts were spent on developing the Neighborhood Stabilization Program (NSP) activities as outlined in the Substantial Amendment to the Annual Action Plan and preparing MOUs and other documents to facilitate the program. The City approved five non-profit agencies and five for-profit companies to participate in the activities related to the purchase and rehabilitation of foreclosed and abandoned properties located in scattered and targeted sites throughout the City. In total, these agencies (both for-profit and non-profit) have closed escrow on 33 properties (10 scattered/23 targeted). Funding for the Homebuyers Assistance Program provides gap financing to income-eligible citizens to purchase foreclosed properties in any of the established greatest need census tracts. Income-eligible homebuyer earnings cannot be greater than 120% area median income as defined by HUD. This activity complies with CDBG regulation 570.201 (n). This activity was initially funded for \$1,271,031 however due to poor applicant response, an amendment was approved to reallocate \$780,000 in funding to the targeted and scattered sites for acquisition and rehabilitation activities leaving \$491,031 in funds budgeted to this activity. The program guidelines for the Homebuyers Assistance Program were changed and approved by the City Council on March 23, 2010 through an Action Plan amendment. The new guidelines allow for a \$25,000 property rehabilitation grant instead of a loan. The loan amount decreased to a \$100,000 from the original \$125,000. This approved change funded two properties totaling \$183,668.53 . All remaining funds were then authorized to be moved to the targeted sites to be used for acquisition and rehabilitation of eligible properties. The increased amount in funding to both scattered and targeted

sites helped facilitate additional homes being purchased in those areas. An amendment to move all unspent funds from the Homebuyers Assistance Program and scattered site activities to the targeted site activities was approved by City Council during a public hearing held on June 22, 2010. The following activities are fully obligated:

- Targeted Site Activity - \$2,733,818.92
 - Scattered Site Activity - \$2,344,465.68
 - Incentive Transfer Program - \$2,027,319.00
 - Homebuyers Assistance Program - \$192,743.00
 - Program Administration - \$810,927.40
- Total: \$8,109,274.00

Staff has been working to finalize all budgets to reflect actual dollars spent on each activity as it relates to a specific property. Currently 100% of all properties have been purchased and 93% of all rehabilitation has been completed including the processing of final invoices which has allowed staff to complete its financial true-up process thus allowing staff to reflect actual dollars spent.

Below are the approved activities with the number of properties that have been purchased and have either already completed rehabilitation or currently in the processes of being completed.

- Targeted Site Activity &ndash 23
 - Scattered Site Activity - 10
 - Incentive Transfer Program - 12
 - Homebuyers Assistance Program &ndash 2
- Total: 47

Project Summary

| Project #, Project Title | This Report Period | To Date | |
|------------------------------------|------------------------|------------------------|------------------------|
| | Program Funds Drawdown | Project Funds Budgeted | Program Funds Drawdown |
| 01, Administration | \$19,818.79 | \$810,927.40 | \$174,985.53 |
| 02, Homebuyers' Assistance Program | \$136,590.22 | \$192,743.00 | \$136,590.22 |
| 03, Acquisition & Rehabilitation | \$387,275.13 | \$5,078,284.60 | \$4,759,506.59 |
| 9999, Restricted Balance | \$0.00 | \$0.00 | \$0.00 |
| HA-1, ITP - Housing Authority | \$0.00 | \$2,027,319.00 | \$1,890,608.70 |

Activities

Grantee Activity Number: B-08-MN-06-0004

Activity Title: Administration

Activity Category:

Administration

Activity Status:

Under Way

Project Number:

01

Project Title:

Administration

Projected Start Date:

03/20/2009

Projected End Date:

09/18/2011

Benefit Type:

N/A

Completed Activity Actual End Date:

National Objective:

N/A

Responsible Organization:

City of Modesto

Overall

Oct 1 thru Dec 31, 2010

To Date

| | | |
|------------------------------------------------|-------------|--------------|
| Total Projected Budget from All Sources | N/A | \$810,927.40 |
| Total CDBG Program Funds Budgeted | N/A | \$810,927.40 |
| Program Funds Drawdown | \$19,818.79 | \$174,985.53 |
| Obligated CDBG DR Funds | \$0.00 | \$810,927.40 |
| Expended CDBG DR Funds | \$28,579.89 | \$205,776.67 |
| City of Modesto | \$28,579.89 | \$205,776.67 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

Administrative oversight and planning of the Neighborhood Stabilization Program.

Location Description:

City Hall, 1010 Tenth Street, Suite 4300, Modesto, CA

Activity Progress Narrative:

The beginning budget amount for all administrative activities was \$810,927.40. In this quarter, \$33,344.10 in funds were drawn bringing the total administration funds spent to facilitate NSP 1 to \$205,776.57 all expenses are associated with support staff and project managers who continue to oversee the activities associated with the NSP 1 funding. Staff continued to work closely with non-profit and for-profit agencies seeking foreclosed properties to purchase and rehabilitate. In addition, expenses for staff time associated with the processing of loan documents, invoices and maintaining program records were also drawn.

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

Grantee Activity Number: INCENTIVE TRANSFER PROGRAM

Activity Title: INCENTIVE TRANSFER PROGRAM

Activity Category:

Acquisition - general

Project Number:

HA-1

Projected Start Date:

06/08/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

ITP - Housing Authority

Projected End Date:

09/07/2011

Completed Activity Actual End Date:

Responsible Organization:

Housing Authority of the County of Stanislaus

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|-------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$2,027,319.00 |
| Total CDBG Program Funds Budgeted | N/A | \$2,027,319.00 |
| Program Funds Drawdown | \$0.00 | \$1,890,608.70 |
| Obligated CDBG DR Funds | \$0.00 | \$2,027,319.00 |
| Expended CDBG DR Funds | \$65,873.29 | \$1,878,742.62 |
| Housing Authority of the County of Stanislaus | \$65,873.29 | \$1,878,742.62 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

Through a partnership with the Housing Authority of Stanislaus County and the City of Modesto the Housing Authority of Stanislaus County will purchase foreclosed and abandoned homes in any of the greatest need areas. Incentive Transfer is a nomination program that allows qualified residents, who are currently in good standing, to transfer into Housing Authority owned scattered-site homes. The goal of the Incentive Transfer program is to promote residents in family developments who are self-motivated and show willingness toward self-improvement, upward mobility and eventually to self-sufficiency

Location Description:

This activity can be carried out in any of the greatest need areas.

Activity Progress Narrative:

The Incentive Transfer Program provided the Housing Authority of Stanislaus County with \$2,027,319 in funds to purchase and rehabilitate properties with the goal of moving very low income families into home ownership in a way that is affordable and sustainable. A Memorandum of Understanding (MOU) with the Housing Authority and all template loan documents have been created and insurance certificates have been received from the Housing Authority. During this quarter all funds have been obligated and the purchase of twelve properties have been completed. The Housing Authority is currently 99% complete with the rehabilitation of all twelve properties. In the next quarter, staff anticipates the completion of all properties and will be processing final invoices. This will allow staff to complete the financial true-up process thus allowing staff to be able to reflect actual dollars spent on each property.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | -7 | 12/12 |

| | | |
|-----------------------------------|---|-----|
| # of buildings (non-residential) | 0 | 0/0 |
| # of Parcels acquired by | 0 | 0/0 |
| # of Parcels acquired by admin | 0 | 0/0 |
| # of Parcels acquired voluntarily | 0 | 0/0 |
| Total acquisition compensation to | 0 | 0/0 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | -7 | 12/12 |
| # of Singlefamily Units | 12 | 12/12 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Permanent Jobs Created | 0 | 0 | 0 | 0/0 | 0/0 | 0/0 | 0 |

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Total Households | 12 | 0 | 12 | 12/0 | 0/0 | 12/12 | 100.00 |
| # of Persons benefitting | 0 | 0 | 0 | 0/0 | 0/0 | 0/0 | 0 |
| # Renter Households | 12 | 0 | 12 | 12/0 | 0/0 | 12/12 | 100.00 |

Activity Locations

No Activity Locations found.

Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

| Other Funding Sources | Amount |
|--------------------------------|--------|
| No Other Funding Sources Found | |
| Total Other Funding Sources | |

Grantee Activity Number: NSP HOMEBUYERS ASSISTANCE PROGRAM
Activity Title: NSP - HOMEBUYERS ASSISTANCE PROGRAM

Activity Category:

Homeownership Assistance to low- and moderate-income

Project Number:

02

Projected Start Date:

06/08/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Homebuyers' Assistance Program

Projected End Date:

09/07/2011

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$192,743.00 |
| Total CDBG Program Funds Budgeted | N/A | \$192,743.00 |
| Program Funds Drawdown | \$136,590.22 | \$136,590.22 |
| Obligated CDBG DR Funds | \$0.00 | \$192,743.00 |
| Expended CDBG DR Funds | \$0.00 | \$148,783.36 |
| City of Modesto | \$0.00 | \$148,783.36 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This activity, originally called Down Payment Assistance Program, was changed to homebuyers Assistance through an Annual Action Plan Amendment. The announcement to make this name change and the change in funding began with a public notice posted in the local newspaper on October 23, 2009. A public hear was held on November 24, 2009 in the City Council Chambers located at 1010 Tenth Street, Modesto at 5:30 p.m. This public hearing concluded the public comment period. The activity initially was funded at \$1,271,031; an amendment to reallocated \$780,000 in funds out of the Homebuyers Assistance Program into the Acquisition and Rehabilitation Program due to poor response, financing difficulties, and NSP and bank regulations.

A public notice was posted in the local newspaper on June 7, 2010. A public hearing was held on June 22, 2010 in the City Council Chambers. This public hearing concluded the public comment period and approved the budget be adjusted to transfer out any remaining funds for this activity and all remaining funds be transferred to the Acquisition and Rehab activity for Targeted Sites.

Location Description:

Activity Progress Narrative:

This activity provided gap financing to income-eligible citizens to purchase foreclosed properties in any of the established greatest need census tracts. Income-eligible homebuyer earnings cannot be greater than 120% area median income as defined by HUD. This activity complied with CDBG regulations 570.201 (n). The activity was initially funded for \$1,271,031 however, do to poor applicant response, an amendment reallocated \$435,000 in funds to the targeted site activity and \$345,000 to the

scattered site activity for acquisition and rehabilitation. The program guidelines were changed and approved by the City Council on March 23, 2010 through an Action Plan amendment. The new guidelines allowed for a \$25,000 property rehabilitation grant instead of a loan, the loan amount would be decreased to a \$100,000 from the original \$125,000. This approved change has helped fund two properties totaling approximately \$183,668.53. The remaining amount from the revised budget of \$491,031 was reduced by \$298,288 through an amendment to the Action Plan. These funds were moved to the targeted sites activities to be used for acquisition and rehabilitation of eligible properties.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 2 | 2/1 |
| # of Singlefamily Units | 2 | 2/1 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Total Households | 1 | 1 | 2 | 1/0 | 1/1 | 2/1 | 100.00 |
| # Owner Households | 1 | 1 | 2 | 1/0 | 1/1 | 2/1 | 100.00 |

Activity Locations

| Address | City | State | Zip |
|------------------|---------|-------|-------|
| 3040 Dry Creek | Modesto | NA | 95354 |
| 4400 Bluff Creek | Modesto | NA | 95355 |

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: | SCATTERED SITE 08 |
| Activity Title: | SCATTERED SITE UNITS |

Activity Category:

Acquisition - general

Project Number:

03

Projected Start Date:

12/01/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

03/31/2010

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$141,701.40 |
| Total CDBG Program Funds Budgeted | N/A | \$141,701.40 |
| Program Funds Drawdown | \$21,640.00 | \$141,054.36 |
| Obligated CDBG DR Funds | \$0.00 | \$141,701.40 |
| Expended CDBG DR Funds | \$0.00 | \$141,701.40 |
| City of Modesto | \$0.00 | \$141,701.40 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This activity is a result of a transfer of approximately \$345,000 in funds to the Scattered Site Acquisition/Rehabilitation program from the Homebuyers Assistance Program. \$141,701.40 was allocated to this new activity to acquire/rehab multi-unit homes through the City's Annual Action Plan Amendment process. This activity will provide loans to developers who are interested in purchasing and rehabilitating foreclosed or abandoned homes. The developers can be either non-profit or for-profit groups. Funding will be provided for feasible projects within target areas in the City of Modesto with a high concentration of foreclosures. This program will be consistent with the City of Modesto current Rehabilitation Program. The program will not only provide funding it will also provide financial and technical assistance to repair homes including critical health and safety hazards, and to provide assistance for disabled persons in making their homes more accessible.

The announcement to make this change in funding began with a public notice posted in the local newspaper on October 23, 2009. A public hearing was held on November 24, 2009 in the City Council Chambers at 1010 Tenth Street, Modesto at 5:30 p.m. This public hearing concluded the public comment period.

Location Description:

The property located at 3004 Japonica Way is a duplex with a total of 4 bedrooms and 2 baths. The appraised value is \$90,000 with a negotiated purchase price of \$89,000. Borges Constructions intends to rehabilitate this property and then rent to NSP eligible tenants.

Activity Progress Narrative:

The City's NSP 1 Program initially budgeted \$2,000,000.00 million for property acquisition and rehabilitation in scattered sites. An amendment approved by City Council on November 24, 2009 approved \$345,000 to be moved from the Homebuyers Assistance program to scattered site activities. The revised budgeted amount for the scattered site activity is \$2,345,000. Borges Construction, a for-profit developer, purchased a duplex located at 3004-3006 Japonica Way for \$87,000. This property appraised for \$90,000 and has two bedrooms and one bathroom per unit. This property closed escrow and rehabilitation has been completed. The budgeted amount for CDBG funds for this project was \$141,701.40, which included the purchase price, closing cost and a portion of the rehabilitation of the property. The estimated budgeted amount for the developer contribution

was \$15,744.60. Staff has completed the financial true-up for this project and will be revising all loan documents to reflect a new loan amount for \$143,451.85. In addition to CDBG funds the developer contributed \$15,939.10 which meets the program requirement of a 10% total project contribution. This project experienced unforeseeable expenses such as tree roots that affected and cracked the main water line going to the property. This repair raised the expenses to a level that was beyond the projects built-in contingency thus staff increased the budgeted amount of CDBG funds for this project. Staff will be updating the financial information in HUD's reporting system to reflect actual dollars spent for this project.

Accomplishments Performance Measures

| | This Report Period | | Cumulative Actual Total / Expected | |
|-----------------|--------------------|--|------------------------------------|--|
| | Total | | Total | |
| # of Properties | 0 | | 1/1 | |

| | This Report Period | | Cumulative Actual Total / Expected | |
|-------------------------|--------------------|--|------------------------------------|--|
| | Total | | Total | |
| # of Housing Units | 2 | | 2/1 | |
| # of Singlefamily Units | 2 | | 2/1 | |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------|--------------------|-----|-------|------------------------------------|-----|----------------|--------|
| | Low | Mod | Total | Low | Mod | Total Low/Mod% | |
| # of Total Households | 0 | 0 | 0 | 2/0 | 0/2 | 2/2 | 100.00 |
| # Renter Households | 2 | 0 | 2 | 2/0 | 0/2 | 2/2 | 100.00 |

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: SCATTERED SITE 09

Activity Title: SCATTERED SITES

Activity Category:

Acquisition - general

Project Number:

03

Projected Start Date:

12/01/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

03/11/2011

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$266,634.28 |
| Total CDBG Program Funds Budgeted | N/A | \$266,634.28 |
| Program Funds Drawdown | \$0.00 | \$238,125.44 |
| Obligated CDBG DR Funds | \$0.00 | \$266,634.28 |
| Expended CDBG DR Funds | \$0.00 | \$266,634.28 |
| City of Modesto | \$0.00 | \$266,634.28 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This activity is a result of a transfer of approximately \$345,000 in funds to the Scattered Site Acquisition/Rehabilitation program from the Homebuyers Assistance Program. \$266,634.28 was allocated to this new activity to acquire/rehab single family homes through the City's Annual Action Plan Amendment process. This activity will provide loans to developers who are interested in purchasing and rehabilitating foreclosed or abandoned homes. The developers can be either non-profit or for-profit groups. Funding will be provided for feasible projects within target areas in the City of Modesto with a high concentration of foreclosures. This program will be consistent with the City of Modesto current Rehabilitation Program. The program will not only provide funding it will also provide financial and technical assistance to repair homes including critical health and safety hazards, and to provide assistance for disabled persons in making their homes more accessible.

The announcement to make this change in funding began with a public notice posted in the local newspaper on October 23, 2009. A public hearing was held on November 24, 2009 in the City Council Chambers at 1010 Tenth Street, Modesto at 5:30 p.m. This public hearing concluded the public comment period.

Location Description:

Single Family home properties located within the census tracts identified as Scattered Sites.

Activity Progress Narrative:

The City's NSP 1 Program initially budgeted \$2,000,000.00 million for property acquisition and rehabilitation in scattered sites.

An Action Plan Amendment approved by City Council on November 24, 2009 approved \$345,000 to be moved from the Homebuyers Assistance program to scattered site activities. The revised budgeted amount for the scattered site activity is \$2,345,000.

Borges Construction, a for-profit developer, purchased a single-family unit located at 1505 Claud Avenue for \$64,350. This property appraised for \$65,000 and has three bedrooms and one bathroom. This property has closed escrow and rehabilitation has been completed. The budgeted amount for this project was \$95,023.18, which included the purchase price, closing cost and a proportion of the rehabilitation of the property. The estimated budgeted amount for the developer contribution was \$10,558.13. Staff has completed the financial true-up for this project and will be revising all loan documents to reflect a new

loan amount utilizing CDBG funds for \$106,397. In addition to CDBG funds, the developer contributed \$11,821.93 meeting the program requirement of a 10% total project contribution. This project experienced unforeseeable expenses such as major electrical repairs found once walls were opened up. This repair raised the expenses to a level that was beyond the project's built-in contingency thus staff increased the budgeted amount of CDBG funds for this project. Applications are being processed to rent this property.

Trinity Ventures, a for-profit developer, purchased a single-family unit located at 1836 Encina Avenue for \$170,128. This property appraised for \$185,000 and has three bedrooms and two bathrooms. This property has closed escrow and rehabilitation has been completed. The budgeted amount for this project was \$171,611, which included the purchase price, closing cost and a proportion of the rehabilitation of the property. The estimated budgeted amount for the developer contribution was \$19,067.90. Staff has completed the financial true-up for this project and will be revising all loan documents to reflect a new loan amount utilizing CDBG funds for \$167,531. In addition to CDBG funds, the developer contributed \$18,614.55 meeting the program requirement of a 10% total project contribution. This property is currently being rented.

Staff will be updating the financial information in HUD's reporting system to reflect actual dollars spent for this project.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 0 | 1/1 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 1 | 2/1 |
| # of Singlefamily Units | 2 | 2/1 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Total Households | 0 | 0 | 1 | 0/0 | 0/1 | 2/1 | 0.00 |
| # Renter Households | 0 | 0 | 2 | 0/0 | 0/1 | 2/1 | 0.00 |

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: SCATTERED SITE SCAP01

Activity Title: 1113 Patty Way-SS

Activity Category:

Acquisition - general

Project Number:

03

Projected Start Date:

09/30/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

03/15/2010

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$307,350.00 |
| Total CDBG Program Funds Budgeted | N/A | \$307,350.00 |
| Program Funds Drawdown | \$21,988.61 | \$276,779.26 |
| Obligated CDBG DR Funds | \$0.00 | \$307,350.00 |
| Expended CDBG DR Funds | \$16,647.96 | \$295,793.89 |
| City of Modesto | \$16,647.96 | \$295,793.89 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

Stanislaus Community Assistance Project (SCAP) is funded through the City of Modesto to purchase 1113 Patty Way. The appraised value of the property on August 26, 2009 was \$192,000. SCAP negotiated a purchase price of \$189,900 which is below the appraised market value.

SCAP intends to rehabilitate the property, including roof repairs and landscaping. SCAP will also upgrade the interior through rehabilitation including new kitchen units and addressing all health and safety issues.

The three units will be rented out to Immi households. We anticipate this activity will be obligated for \$307,350.

Location Description:

1113 Patty Way is a tri-plex located in Modesto.

Activity Progress Narrative:

The City's NSP 1 Program initially budgeted \$2,000,000.00 million for property acquisition and rehabilitation in scattered sites.

An amendment approved by City Council on November 24, 2009 approved \$345,000 to be moved from the Homebuyers Assistance program to scattered site activities. The revised budgeted amount for the scattered site activity is \$2,345,000.

Stanislaus Community Assistance Project (SCAP), a non-profit developer, purchased a tri-plex located at 1113 Patty Way for \$189,900. This property appraised for \$192,000 and has six bedrooms and three bathrooms. This property has closed escrow and rehabilitation is 98% complete. The budget amount for this project is \$307,350, which included the purchase price, closing cost and rehabilitation of the property. Staff anticipates receiving a final invoice within the next quarter. The financial true-up process will be completed resulting in the actual dollars spent on this property to be determined.

Accomplishments Performance Measures

This Report Period
Total

Cumulative Actual Total / Expected
Total

| | | |
|----------------------------------|----|-----|
| # of Properties | -2 | 1/1 |
| # of buildings (non-residential) | 0 | 0/0 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | -4 | 3/3 |
| # of Singlefamily Units | 3 | 3/3 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------|--------------------|-----|-------|------------------------------------|-----|----------------|---|
| | Low | Mod | Total | Low | Mod | Total Low/Mod% | |
| # of Total Households | 0 | 0 | 0 | 0/0 | 0/3 | 0/3 | 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: SCATTERED SITE SCAP02

Activity Title: 3928 Weston Way-SS

Activity Category:

Acquisition - general

Project Number:

03

Projected Start Date:

09/30/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

03/15/2010

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$322,300.00 |
| Total CDBG Program Funds Budgeted | N/A | \$322,300.00 |
| Program Funds Drawdown | \$0.00 | \$318,116.96 |
| Obligated CDBG DR Funds | \$0.00 | \$322,300.00 |
| Expended CDBG DR Funds | \$0.00 | \$320,730.14 |
| City of Modesto | \$0.00 | \$320,730.14 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

3928 Weston Way was appraised for \$200,000 and an offer of \$192,650 was made 4% below current market value. SCAP intends to rehabilitate the property including landscape, new roof and remodel of bathrooms. The unit will be rented to a lmmi household.

Location Description:

3928 Weston Way is located in North Modesto.

Activity Progress Narrative:

The City's NSP 1 Program initially budgeted \$2,000,000.00 million for property acquisition and rehabilitation in scattered sites. An amendment approved by City Council on November 24, 2009 approved \$345,000 to be moved from the Homebuyers Assistance program to scattered site activities. The revised budgeted amount for the scattered site activity is \$2,345,000. Stanislaus Community Assistance Project (SCAP), a non-profit developer, purchased a single-family unit located at 3928 Weston Way for \$192,000. This property appraised for \$200,000 and has four bedrooms and three bathrooms. This property has closed escrow and rehabilitation is complete. The budgeted amount for this project was \$322,300, which included the purchase price, closing cost and rehabilitation of the property. Staff has completed the financial true-up for this project and will be revising all loan documents to reflect a new loan amount utilizing CDBG funds for \$320,730.14. Staff will be updating the financial information in HUD's reporting system to reflect actual dollars spent for this project. Any remaining funds have been moved to the Targeted Site Single Family activity
This property is currently being rented to a family of five.

Accomplishments Performance Measures

**This Report Period
Total**

**Cumulative Actual Total / Expected
Total**

| | | |
|----------------------------------|----|-----|
| # of Properties | 1 | 1/1 |
| # of buildings (non-residential) | -2 | 0/0 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 1 | 1/1 |
| # of Singlefamily Units | 1 | 1/1 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Total Households | 0 | 0 | 0 | 0/0 | 0/1 | 1/1 | 0.00 |
| # Renter Households | 0 | 0 | 1 | 0/0 | 0/1 | 1/1 | 0.00 |

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: SCATTERED SITE SCAP03

Activity Title: 2201 Manitoba-SS

Activity Category:

Acquisition - general

Project Number:

03

Projected Start Date:

09/30/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

03/15/2010

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$269,150.00 |
| Total CDBG Program Funds Budgeted | N/A | \$269,150.00 |
| Program Funds Drawdown | \$0.00 | \$264,161.05 |
| Obligated CDBG DR Funds | \$0.00 | \$269,150.00 |
| Expended CDBG DR Funds | \$0.00 | \$262,285.87 |
| City of Modesto | \$0.00 | \$262,285.87 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

2201 Manitoba Way has a current appraisal of \$169,000, SCAP offered \$164,00 which is 2.9% below the market value. This is a single family home which is 4 bedroom and 2.5 bathrooms. The unit needs a new roof and landscaping. The unit was built in 1988 and will require extensive energy efficient upgrades including new appliances such as HVAC and Electrical as well as dual pane windows.

Property to be obligated first of October.

Location Description:

2201 Manitoba Way is located in Modesto

Activity Progress Narrative:

The City's NSP 1 Program initially budgeted \$2,000,000.00 million for property acquisition and rehabilitation in scattered sites. An amendment approved by City Council on November 24, 2009 approved \$345,000 to be moved from the Homebuyers Assistance program to scattered site activities. The revised budgeted amount for the scattered site activity is \$2,345,000.

Stanislaus Community Assistance Project (SCAP), a non-profit developer, purchased a single-family unit located at 2201 Manitoba Court for \$164,000. This property appraised for \$169,000 and has five bedrooms and three bathrooms. This property has closed escrow and rehabilitation is complete. The budgeted amount for this project was \$269,150, which included the purchase price, closing cost and rehabilitation of the property. Staff has completed the financial true-up for this project and will be revising all loan documents to reflect a new loan amount utilizing CDBG funds for \$262,285.87. Staff will be updating the financial information in HUD's reporting system to reflect actual dollars spent for this project. Any remaining funds have been moved to the Targeted Site Single Family activity.

This property is currently being rented to a family of four

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 0 | 1/1 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 0 | 1/1 |
| # of Singlefamily Units | 1 | 1/1 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Total Households | 0 | 0 | 0 | 0/0 | 0/1 | 1/1 | 0.00 |

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: SCATTERED SITE SCAP04

Activity Title: 2020 Floral Court-SS

Activity Category:

Acquisition - general

Project Number:

03

Projected Start Date:

08/28/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

05/05/2010

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$214,500.00 |
| Total CDBG Program Funds Budgeted | N/A | \$214,500.00 |
| Program Funds Drawdown | \$0.00 | \$199,056.31 |
| Obligated CDBG DR Funds | \$0.00 | \$214,500.00 |
| Expended CDBG DR Funds | \$0.00 | \$199,056.31 |
| City of Modesto | \$0.00 | \$199,056.31 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

2020 Floral Court was appraised at \$170,000 and acquired at 1.6% below the appraised value at \$167,300. Rehabilitation of the unit will include minor cosmetic updates.

Location Description:

2020 Floral Court is located in North Modesto off of Pelandale Avenue.

Activity Progress Narrative:

The City's NSP 1 Program initially budgeted \$2,000,000.00 million for property acquisition and rehabilitation in scattered sites. An amendment approved by City Council on November 24, 2009 approved \$345,000 to be moved from the Homebuyers Assistance program to scattered site activities. The revised budgeted amount for the scattered site activity is \$2,345,000. Stanislaus Community Assistance Project (SCAP), a non-profit developer, purchased a single-family unit located at 2020 Floral Court for \$167,300. This property appraised for \$170,000 and has four bedrooms and two bathrooms. This property has closed escrow and rehabilitation is complete. The budgeted amount for this project was \$214,500, which included the purchase price, closing cost and rehabilitation of the property. Staff has completed the financial true-up for this project and will be revising all loan documents to reflect a new loan amount utilizing CDBG funds for \$199,056.31. Staff will be updating the financial information in HUD's reporting system to reflect actual dollars spent for this project. Any remaining funds have been moved to the Targeted Site Single Family activity. This property is currently being rented to a family of five.

Accomplishments Performance Measures

**This Report Period
Total**

**Cumulative Actual Total / Expected
Total**

| | | |
|-----------------|---|-----|
| # of Properties | 0 | 1/1 |
|-----------------|---|-----|

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 1 | 1/1 |
| # of Singlefamily Units | 1 | 1/1 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Total Households | 0 | 0 | 0 | 0/0 | 0/0 | 1/1 | 0.00 |
| # Renter Households | 0 | 0 | 1 | 0/0 | 0/0 | 1/1 | 0.00 |

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: SCATTERED SITE SCAP05

Activity Title: 2200-2202 Vera Cruz-SS

Activity Category:

Acquisition - general

Project Number:

03

Projected Start Date:

09/01/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

06/01/2010

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|--------------------------------|----------------|
| Total Projected Budget from All Sources | N/A | \$294,085.00 |
| Total CDBG Program Funds Budgeted | N/A | \$294,085.00 |
| Program Funds Drawdown | \$27,662.64 | \$291,228.84 |
| Obligated CDBG DR Funds | \$0.00 | \$294,085.00 |
| Expended CDBG DR Funds | \$0.00 | \$291,228.84 |
| City of Modesto | \$0.00 | \$291,228.84 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This property was valued at \$182,000 and will be purchased at 1.1% below market value at \$180,000. The rehabilitation will include a new roof, kitchen and bathroom updates as well as other cosmetic upgrades and addressing any health and safety issues.

Location Description:

2200 and 2202 Vera Cruz Drive is a duplex located in central Modesto off of Coffee Road.

Activity Progress Narrative:

The City's NSP 1 Program initially budgeted \$2,000,000.00 million for property acquisition and rehabilitation in scattered sites. An amendment approved by City Council on November 24, 2009 approved \$345,000 to be moved from the Homebuyers Assistance program to scattered site activities. The revised budgeted amount for the scattered site activity is \$2,345,000. Stanislaus Community Assistance Project (SCAP), a non-profit developer, purchased a single-family unit located at 2200-2202 Vera Cruz for \$180,000. This property appraised for \$182,000 and has two bedrooms and one bath per unit. This property has closed escrow and rehabilitation is complete. The budgeted for this project was \$294,085, which included the purchase price, closing cost and rehabilitation of the property. Staff has completed the financial true-up for this project and will be revising all loan documents to reflect a new loan amount utilizing CDBG funds for \$291,228.84. Staff will be updating the financial information in HUD's reporting system to reflect actual dollars spent for this project. Any remaining funds have been moved to the Targeted Site Single Family activity. One of the two units is currently being rented to a family of five the other property is being rented to a family of three.

Accomplishments Performance Measures

**This Report Period
Total**

**Cumulative Actual Total / Expected
Total**

| | | |
|----------------------------------|----|-----|
| # of Properties | 0 | 1/1 |
| # of buildings (non-residential) | -3 | 0/0 |

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

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Total Households | 0 | 0 | 0 | 2/0 | 0/0 | 2/2 | 100.00 |
| # Renter Households | 2 | 0 | 2 | 2/0 | 0/0 | 2/2 | 100.00 |

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: SCATTERED SITE SCAP06

Activity Title: 2809 Amir Drive

Activity Category:

Acquisition - general

Project Number:

03

Projected Start Date:

09/14/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LH - 25% Set-Aside

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

01/01/2010

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$287,660.00 |
| Total CDBG Program Funds Budgeted | N/A | \$287,660.00 |
| Program Funds Drawdown | \$30,455.38 | \$285,537.45 |
| Obligated CDBG DR Funds | \$0.00 | \$287,660.00 |
| Expended CDBG DR Funds | \$0.00 | \$285,537.45 |
| City of Modesto | \$0.00 | \$285,537.45 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

The property appraised at \$239,000 and was purchased at 1.7% below market value at \$235,000. All rehab work to be completed will be cosmetic repairs.

Location Description:

2809 Amir Drive is located in the Village One area off of Floyd Avenue in Modesto. The homes are relatively new construction and have been hard hit by foreclosures.

Activity Progress Narrative:

The City's NSP 1 Program initially budgeted \$2,000,000.00 million for property acquisition and rehabilitation in scattered sites. An amendment approved by City Council on November 24, 2009 approved \$345,000 to be moved from the Homebuyers Assistance program to scattered site activities.

>
>The revised budgeted amount for the scattered site activity is \$2,345,000. Stanislaus Community Assistance Project (SCAP), a non-profit developer, purchased a single-family unit located at 2809 Amir Drive for \$235,000. This property appraised for \$239,000 and has four bedrooms and two ½ bathrooms. This property has closed escrow and rehabilitation is complete. The budgeted amount for this project was \$287,660, which included the purchase price, closing cost and rehabilitation of the property. Staff has completed the financial true-up for this project and will be revising all loan documents to reflect a new loan amount utilizing CDBG funds for \$285,537.45. Staff will be updating the financial information in HUD's reporting system to reflect actual dollars spent for this project. Any remaining funds have been moved to the Targeted Site Single Family activity.

>
>This property is currently being rented to family of four.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 0 | 1/1 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 1 | 1/1 |
| # of Singlefamily Units | 1 | 1/1 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Total Households | 0 | -1 | -1 | 0/0 | 0/0 | 1/1 | 0.00 |
| # Renter Households | 0 | 0 | 1 | 0/0 | 0/0 | 1/1 | 0.00 |

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: SCATTERED SITE SCAP07
Activity Title: 529 531 Fort Sumpter Drive-SS

Activity Category:

Acquisition - general

Project Number:

03

Projected Start Date:

09/11/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

03/01/2010

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$241,085.00 |
| Total CDBG Program Funds Budgeted | N/A | \$241,085.00 |
| Program Funds Drawdown | \$21,959.52 | \$233,576.11 |
| Obligated CDBG DR Funds | \$0.00 | \$241,085.00 |
| Expended CDBG DR Funds | \$0.00 | \$233,576.11 |
| City of Modesto | \$0.00 | \$233,576.11 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

The property is appraised at \$130,000 and is purchased at 3.8% below market value for \$125,000. The rehabilitation will include a new roof as well as kitchen and bathroom remodels and other cosmetic upgrades including any health and safety issues.

Location Description:

529 and 531 Fourt Sumpter is a duplex located in East Modesto close to the Airport Neighborhood.

Activity Progress Narrative:

The City's NSP 1 Program initially budgeted \$2,000,000.00 million for property acquisition and rehabilitation in scattered sites. An amendment approved by City Council on November 24, 2009 approved \$345,000 to be moved from the Homebuyers Assistance program to scattered site activities. The revised budged amount for the scattered site activity is \$2,345,000.

Stanislaus Community Assistance Project (SCAP), a non-profit developer, purchased a single-family unit located at 529 & 531 Ft. Sumpter Drive for \$125,000. This property appraised for \$130,000 and has two bedrooms and one bathroom per unit. This property has closed escrow and rehabilitation is complete. The budgeted amount for this project was \$241,085, which included the purchase price, closing cost and rehabilitation of the property. Staff has completed the financial true-up for this project and will be revising all loan documents to reflect a new loan amount utilizing CDBG funds for \$233,576.11. Staff will be updating the financial information in HUD's reporting system to reflect actual dollars spent for this project. Any remaining funds have been moved to the Targeted Site Single Family activity. These properties are being rented to families of two.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 0 | 1/1 |

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

Beneficiaries Performance Measures

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

Grantee Activity Number: TARGET SITE 01

Activity Title: Acquisition/Rehab

Activity Category:

Acquisition - general

Project Number:

03

Projected Start Date:

06/08/2009

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

09/11/2011

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

Overall

Oct 1 thru Dec 31, 2010

To Date

| | | |
|------------------------------------------------|--------------|----------------|
| Total Projected Budget from All Sources | N/A | \$2,417,148.92 |
| Total CDBG Program Funds Budgeted | N/A | \$2,417,148.92 |
| Program Funds Drawdown | \$249,514.38 | \$2,195,200.81 |
| Obligated CDBG DR Funds | \$0.00 | \$2,417,148.92 |
| Expended CDBG DR Funds | \$311,585.61 | \$2,267,985.49 |
| City of Modesto | \$311,585.61 | \$2,267,985.49 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This activity will provide loans to developers who are interested in purchasing and rehabilitating foreclosed or abandoned homes. The developers can be either non-profit or for-profit groups. Funding will be provided for feasible projects within target areas in the City of Modesto with a high concentration of foreclosures. This program will be consistent with the City of Modesto current Rehabilitation Program. The program will not only provide funding it will also provide financial and technical assistance to repair homes including critical health and safety hazards, and to provide assistance for disabled persons in making their homes more accessible.

A transfer of funds from the Homebuyers Assistance Program resulted in new budget of \$2,417,148.92 for this activity to acquire/rehab single family homes through the City's Annual Action Plan Amendment process.

As outlined in the City of Modesto's Citizen's Participation Plan, all amendments to the budget began with a public notice posted in the local newspaper and concluded with a public hearing held in the City Council Chambers at 1010 Tenth Street, Modesto at 5:30 p.m. This public hearing concluded the public comment period.

Location Description:

Targeted sites single family homes based on identified census tracts

Activity Progress Narrative:

The City's NSP 1 Program initially funded \$2,000,000 million for property acquisition and rehabilitation to targeted site activities for both multi-family and single-family properties. An Action Plan Amendment approved by City Council on November 24, 2009 approved \$435,000 in funds be moved from the Homebuyers Assistance activity to targeted site activities. Another Action Plan Amendment approved an additional amount of \$298,288 to be moved from the Homebuyers Assistance activity to targeted site activities bringing the revised budgeted amount for all target site activities to \$2,733,288. Of this amount, \$316,670 was budgeted for targeted multi-family activities. As part of an amendment, Council approved that all remaining unspent funds be recycled and moved to targeted site activities. The revised budget amount for Target Site Single-Family activity is

\$2,417,148.92

The sub-committee reviewed 59 single-family properties of which twenty properties were denied, lost/pulled due to banks not willing to give a minimum of a 1% discount. 21 single-family properties closed escrow and all but two properties that were acquired late in this quarter have completed rehabilitation. Rehabilitation on the remaining four properties is approximately 80% complete.

Through all approved amendments and all remaining unspent funds, staff has obligated in loans a total \$2,241,821.92. Staff has completed the financial true up for all targeted site single-family units with the exception of the four properties still in the rehabilitation phase. Staff will be revising all loan documents to reflect the new loan amounts utilizing CDBG funds. The new loan amount is approximately \$2,333,402.53. This could possibly change once rehabilitation has been completed. In addition to CDBG funds, the developer's contribution totals \$244,333.83 meeting the program requirement of a 10% total project contribution. Staff will be updating the financial information in HUD's reporting system to reflect actual dollars spent for this project which will bring the CDBG budget amount to \$2,333,402.53.

Out of the 21 properties purchased thirteen are currently rented, three are accepting applications and four are under rehabilitation.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 5 | 19/26 |
| # of buildings (non-residential) | 0 | 0/0 |
| # of Parcels acquired by | 0 | 0/0 |
| # of Parcels acquired by admin | 0 | 0/0 |
| # of Parcels acquired voluntarily | 0 | 0/0 |
| Total acquisition compensation to | 0 | 0/0 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 5 | 19/26 |
| # of Singlefamily Units | 19 | 19/26 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Permanent Jobs Created | 0 | 0 | 0 | 0/0 | 0/0 | 0/0 | 0 |

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|--------------------------|--------------------|-----|-------|------------------------------------|------|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Total Households | 1 | 3 | 16 | 1/8 | 3/18 | 16/26 | 25.00 |
| # of Persons benefitting | 0 | 0 | 0 | 0/0 | 0/0 | 0/0 | 0 |
| # Renter Households | 1 | 3 | 16 | 1/8 | 3/18 | 16/26 | 25.00 |

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: TARGET SITE 02
Activity Title: TARGETED UNITS

Activity Category:

Acquisition - general

Project Number:

03

Projected Start Date:

01/10/2010

Benefit Type:

Direct Benefit (Households)

National Objective:

NSP Only - LMMI

Activity Status:

Under Way

Project Title:

Acquisition & Rehabilitation

Projected End Date:

03/01/2011

Completed Activity Actual End Date:

Responsible Organization:

City of Modesto

| Overall | Oct 1 thru Dec 31, 2010 | To Date |
|------------------------------------------------|-------------------------|--------------|
| Total Projected Budget from All Sources | N/A | \$316,670.00 |
| Total CDBG Program Funds Budgeted | N/A | \$316,670.00 |
| Program Funds Drawdown | \$14,054.60 | \$316,670.00 |
| Obligated CDBG DR Funds | \$0.00 | \$316,670.00 |
| Expended CDBG DR Funds | \$497.13 | \$317,167.13 |
| City of Modesto | \$497.13 | \$317,167.13 |
| Match Contributed | \$0.00 | \$0.00 |
| Program Income Received | \$0.00 | \$0.00 |
| Program Income Drawdown | \$0.00 | \$0.00 |

Activity Description:

This activity is a result of a transfer of approximately \$435,000 in additional funds to Acquisition/Rehabilitation program (Targeted Sites) from the Homebuyers Assistance Program. An additional \$316,670.00 was allocated to this new activity to acquire/rehab multi-unit homes through the City's Annual Action Plan Amendment process. Approximately 4 additional housing units to be made available through these additional funds. This activity will provide loans to developers who are interested in purchasing and rehabilitating foreclosed or abandoned homes. The developers can be either non-profit or for-profit groups. Funding will be provided for feasible projects within target areas in the City of Modesto with a high concentration of foreclosures. This program will be consistent with the City of Modesto current Rehabilitation Program. The program will not only provide funding it will also provide financial and technical assistance to repair homes including critical health and safety hazards, and to provide assistance for disabled persons in making their homes more accessible. Provide loans to developers who are interested in purchasing and rehabilitating foreclosed or abandoned homes. The developers can be either non-profit or for-profit groups. Funding will be provided for feasible projects within target areas in the City of Modesto with a high concentration of foreclosures.

The announcement to make this change in funding began with a public notice posted in the local newspaper on October 23, 2009. A public hearing was held on November 24, 2009 in the City Council Chambers at 1010 Tenth Street, Modesto at 5:30 p.m. This public hearing concluded the public comment period.

Location Description:

Identified census tracts in targeted areas for multi-unit homes

Activity Progress Narrative:

The City's NSP 1 Program initially funded \$2,000,000 million for property acquisition and rehabilitation to targeted site activities for both multi-family and single-family properties. An Action Plan Amendment approved by City Council on November 24, 2009 approved \$435,000 in funds be moved from the Homebuyers Assistance activity to targeted site activities. Another Action Plan Amendment approved an additional amount of \$298,288 to be moved from the Homebuyers Assistance activity to targeted site activities bringing the revised budgeted amount for all target site activities to \$2,733,288. Of this amount, \$316,670 was

budgeted for targeted multi-family activities.

Trinity Ventures, a for-profit developer, purchased a multi-family unit consisting of four separate units located at 2112 Palisade Avenue for \$205,920. This property appraised for \$208,000 and has two bedrooms and one bathroom in each unit. This property has closed escrow and rehabilitation has been completed. The budgeted amount for this project was \$199,715, which included the purchase price, closing cost and a proportion of the rehabilitation of the property. The estimated budgeted amount for the developer contribution was \$22,190.60. Staff has completed the financial true-up for this project and will be revising all loan documents to reflect a new loan amount utilizing CDBG funds for \$207,542. In addition to CDBG funds, the developer contributed \$23,060.24 meeting the program requirement of a 10% total project contribution. The developer under budgeted this project and with anticipation of this happening staff set-aside a reserve to account for overages. This property is currently being rented.

Verterex Investments, a for-profit developer, purchased a multi-family unit consisting of two units located at 808 Clementa Way for \$99,900. This property appraised for \$112,000 and has three bedrooms and one bathroom in each unit. This property has closed escrow and rehabilitation has been completed. The budgeted amount for this project was \$116,995, which included the purchase price, closing cost and a proportion of the rehabilitation of the property. The estimated budgeted amount for the developer contribution was \$12,955. Staff has completed the financial true-up for this project and will be revising all loan documents to reflect a new loan amount utilizing CDBG funds for \$119,617. In addition to CDBG funds, the developer contributed \$13,290 meeting the program requirement of a 10% total project contribution. The Developers are currently advertising for tenants for this property. Two properties have been rented as of this reporting.

Staff will be updating the financial information in HUD's reporting system to reflect the \$327,159.in actual dollars spent for this project.

Accomplishments Performance Measures

| | This Report Period | Cumulative Actual Total / Expected |
|-----------------|--------------------|------------------------------------|
| | Total | Total |
| # of Properties | 0 | 2/2 |

| | This Report Period | Cumulative Actual Total / Expected |
|-------------------------|--------------------|------------------------------------|
| | Total | Total |
| # of Housing Units | 3 | 7/4 |
| # of Singlefamily Units | 7 | 7/4 |

Beneficiaries Performance Measures

| | This Report Period | | | Cumulative Actual Total / Expected | | | |
|-----------------------|--------------------|-----|-------|------------------------------------|-----|-------|----------|
| | Low | Mod | Total | Low | Mod | Total | Low/Mod% |
| # of Total Households | 3 | 1 | 4 | 4/0 | 2/4 | 6/4 | 100.00 |
| # Renter Households | 4 | 2 | 6 | 4/0 | 2/4 | 6/4 | 100.00 |

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 | |