

THE BOARD OF SUPERVISORS OF THE COUNTY OF STANISLAUS
ACTION AGENDA SUMMARY

DEPT: Planning and Community Development

BOARD AGENDA # 6:35 p.m.

Urgent

Routine

AGENDA DATE February 15, 2011

CEO Concur with Recommendation YES NO
(Information Attached)

4/5 Vote Required YES NO

SUBJECT:

Public Hearing to Close the 30-day Public Comment Period and to Consider: Approval of Amendments to the Fiscal Year 2007-2012 Consolidated Plan and Fiscal Year 2010-2011 Annual Action Plan to Incorporate the Neighborhood Stabilization Program 3 (NSP3) with Funding of \$4,175,947 and Associated Program Income

STAFF RECOMMENDATIONS:

1. Close the 30-day public comment period and conduct a public hearing.
 2. Approve the Amendment to the Fiscal Year 2007-2012 Consolidated Plan and Fiscal Year 2010-2011 Annual Action Plan to incorporate the Neighborhood Stabilization Program 3 (NSP3) with funding of \$4,175,947 and associated Program Income.
 3. Authorize the Chief Executive Officer to sign the Application for Federal Assistance (SF-424), grant certifications, and agreements.
 4. Authorize the Director of the Planning and Community Development Department to execute contracts with any related program agreements, contracts, or other documentation required for implementation of NSP3. This authorization includes the use of any program income in accordance with applicable program guidelines.
- (Continued on Page 2)

FISCAL IMPACT:

General administration costs for the preparation and distribution of the Fiscal Year 2010-2011 Annual Action Plan are included in the Community Development Block Grant Budget. Increase appropriations and estimated revenues for the implementation of the Neighborhood Stabilization Program 3 (NSP3) in the amount of \$4,175,947. These funds and Program Income are derived entirely from the Federal Department of Housing and Urban Development. There is no fiscal impact to the General Fund.

BOARD ACTION AS FOLLOWS:

No. 2011-111

On motion of Supervisor O'Brien, Seconded by Supervisor DeMartini
 and approved by the following vote,
 Ayes: Supervisors: O'Brien, Chiesa, Withrow, DeMartini, and Chairman Monteith
 Noes: Supervisors: None
 Excused or Absent: Supervisors: None
 Abstaining: Supervisor: None

- 1) Approved as recommended
- 2) Denied
- 3) Approved as amended
- 4) Other:

MOTION:



ATTEST: CHRISTINE FERRARO TALLMAN, Clerk

File No.

STAFF RECOMMENDATIONS: (Continued)

5. Authorize the Auditor-Controller to increase appropriations and estimated revenues per the legal budget journal to incorporate the Neighborhood Stabilization Program 3 (NSP3) with funding in the amount of \$4,175,947 and the associated Program Income.

DISCUSSION:

This is a request to close 30-day public comment period and consider approval of amendments to the Fiscal Year 2007-2012 Consolidated Plan (CP) and the Fiscal Year 2010-2011 Annual Action Plan (AAP) to incorporate the Neighborhood Stabilization Program 3 (NSP3) with funding of \$4,175,947 and associated Program Income (PI).

Federal regulations require a minimum 15-day public comment period prior to local approval of an amendment to the CP and AAP to incorporate NSP3 funding. The required amendments to the CP and AAP are referred to as “substantial amendments”. Attachment “1” consists of the proposed amendments to the Fiscal Year 2007-2012 CP and Fiscal Year 2010-2011 AAP as a single “stand alone” document. The entire original CP, approved in 2007, and AAP, approved in 2010, along with previous approved amendments to the CP, are available for viewing at:

<http://www.stancounty.com/planning/cdbg/cdbg.shtm>

Both the Fiscal Year 2007-2012 CP and Fiscal Year 2010-2011 AAP were prepared on behalf of the Stanislaus County Community Development Block Grant (CDBG) Consortium (Federally defined and hereinafter referred to as the “Urban County”). At the time both plans were approved, the Urban County included the cities of Ceres, Newman, Oakdale, Patterson, and Waterford and the unincorporated areas of Stanislaus County. On the same day this item will be considered for approval, an item to incorporate the City of Hughson into the Urban County, effective Fiscal Year 2011-2012, will also be considered for approval. Since the plans being amended pre-date the City of Hughson’s effective date of incorporation into the Urban County, the City of Hughson will not be eligible to participate in the NSP3 activities.

The following discussion provides an overview of the Neighborhood Stabilization Program (NSP) and of the actions to be considered at the February 15, 2011 public hearing:

Neighborhood Stabilization Program (NSP)

The NSP is an entitlement grant fund awarded by the United States Department of Housing and Urban Development (HUD) under the CDBG Program. There are three specific goals of the CDBG programs. They are:

1. Provide decent housing;
2. Provide a suitable living environment; and
3. Expand economic opportunities.

In 2008, the United States Congress appropriated funds for neighborhood stabilization under the Housing and Economic Recovery Act (HERA). The NSP was created and funded to stabilize neighborhoods whose viability has been, and continues to be, damaged by the economic effects of properties that have been foreclosed upon and abandoned.

In 2008, the Urban County was awarded \$9,744,482 under the Neighborhood Stabilization Program 1 (NSP1). With the creation and use of program income, the Urban County has spent \$10,409,158 in NSP1 target areas to date, inclusive of program income. The funds have been used to purchase 70 foreclosed properties and provide over 30 different local contractors and material suppliers with work to rehabilitate the properties. Of those properties purchased, 29 have been purchased by First Time Home Buyers (FTHB) with down-payment assistance for the purchases provided by NSP1 and other local FTHB funding sources. The remaining properties are either in the process of being rehabilitated or are being used as long-term low-income affordable rental units.

In 2010, HUD awarded the Urban County \$4,175,947 in NSP3 funding under the Dodd-Frank Wall Street Reform and Consumer Protection Act. As proposed, NSP3 eligible activities will include acquisition and rehabilitation/reconstruction of foreclosed housing units and FTHB down-payment assistance for the purchase of NSP3 eligible homes; the same eligible activities as NSP1.

NSP3 Substantial Amendments to Fiscal Year 2007-2012 Consolidated Plan (CP) and Fiscal Year 2010-2011 Annual Action Plan (AAP)

HUD designated NSP3 funds to the Urban County in Fiscal Year 2010-2011. Therefore, the Urban County must incorporate NSP3 into its Fiscal Year 2007-2012 CP and its Fiscal Year 2010-2011 AAP, through an amendment process, in order to receive funding. Based on HUD estimates, the Urban County's NSP3 combined allocation for Fiscal Year 2010-2011 is:

• 25% Set-Aside Acquisition & Rehabilitation	\$ 934,787
• 25% Set-Aside Down Payment Assistance (DPA)	\$ 60,000*
• Administration (Including all Urban County Members)	\$ 417,594
• Sub-recipient Activity Delivery Costs	\$ 174,739

Public Hearing to Close the 30-day Public Comment Period and to Consider: Approval of Amendments to the Fiscal Year 2007-2012 Consolidated Plan and Fiscal Year 2010-2011 Annual Action Plan to Incorporate the Neighborhood Stabilization Program 3 (NSP3) with Funding of \$4,175,947 and Associated Program Income

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**\$60,000 of DPA has been set-aside to directly serve those at or below 50% of the Area Median Income (AMI).*

As currently adopted, NSP1 target areas include the neighborhoods within the unincorporated communities/areas of Airport Neighborhood, Empire, Keyes, Salida, South Modesto, West Modesto, Denair and the incorporated areas within the jurisdictions of the participating Urban County members (Ceres, Newman, Oakdale, Patterson, and Waterford). With the proposed amendments, the Urban County seeks to utilize NSP3 funding within specific project areas located within the NSP1 target areas listed above and to include the following new target areas: Hickman, Crows Landing, Grayson, and Westley. Area maps illustrating the areas where NSP3 funding will be used are provided as Appendix "B" of Attachment "1".

NSP3 program funds are designed to serve those at or below 120% of the Area Median Income (AMI). The current 120% AMI in Stanislaus County for one person is \$50,000 and a family of four is \$71,400. Program regulations require that 25% of the total grant amount be "set-aside" to be used to benefit households with incomes at or below 50% of AMI. Specific criteria for the use of NSP3 funds are outlined in the Substantial Amendment (Attachment "1"). The Substantial Amendment reflects potential local match funds, such as local redevelopment housing-set aside funds and FTHB DownPayment Assistance (DPA) grants, available to the Urban County participants. These potential funding sources are merely being identified and are not being committed for use in conjunction with the NSP3 program as part the substantial amendment approval process.

Since the release of the Substantial Amendment for public comment on January 11, 2011, the amount of funds budgeted for DPA was lowered as a result of clarification of program regulations provided by HUD in January.

POLICY ISSUES:

The Board should determine if the item being considered furthers the goals of: A Safe Community, A Healthy Community, Effective Partnerships, A Well Planned Infrastructure System, and Efficient Delivery of Public Services.

The programs and projects represented in the CP and AAP are consistent with the goals and objectives of the Stanislaus County General Plan, specifically the Housing Element, the Stanislaus County Redevelopment Agency Plan, and the comparable plans of the cities of Ceres, Newman, Oakdale, Patterson, and Waterford.

Public Hearing to Close the 30-day Public Comment Period and to Consider: Approval of Amendments to the Fiscal Year 2007-2012 Consolidated Plan and Fiscal Year 2010-2011 Annual Action Plan to Incorporate the Neighborhood Stabilization Program 3 (NSP3) with Funding of \$4,175,947 and Associated Program Income
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STAFFING IMPACT:

The Stanislaus County Planning and Community Development Department is ultimately responsible for the administration of all NSP funds allocated to the Urban County. Planning staff is responsible for monitoring the program files of each participating Urban County members and any other organization(s)/agency(s) receiving funds. Existing staff will perform the necessary tasks and no additional staff is required.

CONTACT PERSON:

Kirk Ford, Director of Planning & Community Development. Telephone: 209-525-6330

ATTACHMENTS:

1. Neighborhood Stabilization Program 3 Substantial Amendment to Fiscal Year 2007-2012 Consolidated Plan and Fiscal Year 2010-2011 Annual Action Plan
2. Application for Federal Assistance SF-424
3. Form 2880
4. Legal Budget Journal

STANISLAUS COUNTY CDBG URBAN COUNTY

NEIGHBORHOOD STABILIZATION PROGRAM 3

SUBSTANTIAL AMENDMENT TO:
FISCAL YEAR 2007-2012 CONSOLIDATED PLAN
FISCAL Year 2010-2011 Annual Action Plan

NSP3

February 15, 2011
Reference FY 2007-2012 Consolidated Plan &
FY 2010-2011 Annual Action Plan at:
<http://www.stancounty.com/planning/cdbg/cdbg.shtm>

For More Information Contact:
Stanislaus County Planning & Community Development Department
1010 10th Street, Suite 3400 Modesto, CA 95354
Phone: (209) 525-6330
Fax: (209) 525-5911
E-mail: planning@stancounty.com

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THE NSP 3 SUBSTANTIAL AMENDMENT

Jurisdiction(s): Stanislaus County, CA Stanislaus County Planning & Community Development	Contact Person: Aaron Farnon Address: 1010 10 th Street, Suite 3400, Modesto CA 95354 Telephone: (209) 525-5923 Fax: (209) 525-5911 Email: farnona@stancounty.com
Jurisdiction Web Address: http://www.stancounty.com/planning/cdbg/cdbg.shtm	

EXECUTIVE SUMMARY

HUD NEIGHBORHOOD STABILIZATION PROGRAM 3

THE NEIGHBORHOOD STABILIZATION PROGRAM 3 (NSP3) PROVIDES GRANTS TO EVERY STATE AND CERTAIN LOCAL COMMUNITIES TO PURCHASE AND REHABILITATE, RESELL, RENT OR REDEVELOP FORECLOSED OR ABANDONED HOMES IN ORDER TO STABILIZE NEIGHBORHOODS, STEM THE DECLINE OF PROPERTY VALUES OF NEIGHBORING PROPERTIES AND ASSIST IN MITIGATING THE EFFECTS OF THE FORECLOSURE CRISIS.

BACKGROUND

FUNDED UNDER THE DODD-FRANK WALL STREET REFORM AND CONSUMER PROTECTION ACT. THE ACT PROVIDES \$1 BILLION TO ASSIST STATES & LOCALITIES IN NEIGHBORHOOD STABILIZATION EFFORTS. FUNDS ARE CONSIDERED A SPECIAL ALLOCATION OF 2010 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) FUNDS.

HUD ALLOCATIONS

1. NSP3 INDEX SCORE (MUST BE GREATER THAN 17)
2. VACANCY
3. FORECLOSURE PERCENTAGE (GREATER THAN 19%)
4. VACANCY PERCENTAGE (GREATER THAN .5%)
5. PERCENTAGE OF LOW-CREDIT SCORES AND HIGH-RISK FOR SUB-PRIME LOANS (GREATER THAN 15%)
6. UNEMPLOYMENT PERCENTAGE (GREATER THAN 9%)

STANISLAUS COUNTY URBAN COUNTY ALLOCATION

URBAN COUNTY BREAKDOWN

- 25% SET-ASIDE (BELOW 50% AMI): \$1,043,987
- ADMINISTRATION (ALL URBAN COUNTY JURISDICTIONS): \$ 417,594
- SUB-RECIPIENT ACTIVITY DELIVERY COSTS: \$ 160,904
- STANISLAUS COUNTY: \$ 1,864,029

• CITY OF CERES:		\$ 280,880
• CITY OF NEWMAN: (PROGRAM INCOME)	\$ 221,415	
• CITY OF OAKDALE:		\$ 178,742
• CITY OF PATTERSON: (PROGRAM INCOME)	\$ 349,088	
• CITY OF WATERFORD:		<u>\$ 229,811</u>
OVERALL ALLOCATION:		\$ 4,175,947

ELIGIBLE USES

ELIGIBLE USE A- ESTABLISH FINANCING MECHANISMS FOR PURCHASE & REDEVELOPMENT OF FORECLOSED UPON HOMES & RESIDENTIAL PROPERTIES; INCLUDING SUCH MECHANISMS AS SOFT-SECONDS, LOAN LOSS RESERVES, AND SHARED-EQUITY LOANS FOR LOW AND MODERATE INCOME BUYERS.

ELIGIBLE USE B- 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.

ELIGIBLE USE C- ESTABLISH AND OPERATE LAND BANKS FOR HOMES AND RESIDENTIAL PROPERTIES THAT HAVE BEEN FORECLOSED UPON.

ELIGIBLE USE D- DEMOLISH BLIGHTED STRUCTURES

ELIGIBLE USE E- REDEVELOP DEMOLISHED OR VACANT PROPERTIES AS HOUSING.

NSP INCOME TARGETING

PER PROGRAM GUIDELINES, EACH GRANTEE MUST USE AT LEAST 25% OF ITS NSP3 GRANT TO ASSIST INDIVIDUALS OR FAMILIES WITH INCOMES AT OR BELOW 50% OF AREA MEDIAN INCOME. THE REMAINING HOUSING PORTION OF THE FUND BALANCE WILL BE USED TO ASSIST INDIVIDUALS OR FAMILIES WITH INCOMES UP TO 120% OF AREA MEDIAN INCOME.

NSP & EXISTING PROGRAMS

- HOUSING REHABILITATION PROGRAM
- FIRST TIME HOME BUYER DOWN PAYMENT ASSISTANCE (DPA) PROGRAM
- IN-FILL HOUSING ACQUISITION/CONSTRUCTION PROGRAM

PERFORMANCE MEASURES

CITY OF CERES	2 TO 3 UNITS
CITY OF NEWMAN	1 TO 2 UNITS
CITY OF OAKDALE	1 TO 2 UNITS
CITY OF PATTERSON	2 TO 3 UNITS
CITY OF WATERFORD	1 TO 2 UNITS
STANISLAUS COUNTY	5 TO 9 UNITS
25% SET-ASIDE (BELOW 50% AMI)	5 TO 7 UNITS
APPROXIMATE (NON-PROGRAM INCOME) TOTAL	17 TO 28 UNITS

PARTNERSHIPS

THE STANISLAUS COUNTY COMMUNITY DEVELOPMENT BLOCK GRANT CONSORTIUM , WHICH INCLUDES STANISLAUS COUNTY AND THE CITIES OF: CERES, NEWMAN, OAKDALE, PATTERSON AND WATERFORD (FEDERALLY DEFINED AND HEREINAFTER REFERRED TO AS THE “URBAN COUNTY”) WILL PARTNER WITH THE HOUSING AUTHORITY OF STANISLAUS COUNTY TO PURCHASE, REHABILITATE, AND SELL HOMES TO INDIVIDUALS & FAMILIES.

THE HOUSING AUTHORITY MAY HAVE CAPACITY MATCH FUNDING WITH BOND FINANCING. THE PROGRAM INCLUDES PARTNERSHIPS WITH BANKS/FINANCIAL INSTITUTIONS AND POSSIBLY OTHER LOCAL COMMUNITY ORGANIZATIONS.

TIMELINE

THE ACTION PLAN AMENDMENT SERVES AS THE APPLICATION FOR NSP3 FUNDS AND IS DUE TO HUD BY MARCH 1, 2011.

THE ACTION PLAN AMENDMENT IS PROJECTED FOR APPROVAL AND SUBSEQUENT FUNDING AVAILABILITY IN JULY 2011.

NSP FUNDS MUST BE USED NO LATER THAN 36 MONTHS AFTER EXECUTION OF THE GRANT AGREEMENT.

PUBLIC COMMENT PERIOD

HUD REQUIRES GRANTEES TO PUBLISH THE PROPOSED ACTION PLAN AMENDMENT VIA USUAL METHODS AND ON THE INTERNET FOR NO LESS THAN 15 CALENDAR DAYS OF PUBLIC COMMENT, AND THE FINAL CONSOLIDATED PLAN AND ANNUAL ACTION PLAN AMENDMENT POSTED ON THE INTERNET AND SUBMITTED TO HUD BY MARCH 1, 2011. THE PUBLIC COMMENT PERIOD IS FROM JANUARY 11, 2011 THROUGH FEBRUARY 15, 2011.

Section 1

1.A. NSP 3 GRANTEE INFORMATION

NSP3 Program Administrator: Stanislaus County, CA

Contact Person: Aaron Farnon – Community Development Manager

Telephone / FAX: 209-525-5923 / 209-525-5911

Email: farnona@stancounty.com

Web Address: <http://www.stancounty.com/planning/cdbg/cdbg.shtm>

1.B. PARTICIPATING JURISDICTIONS

Stanislaus County

City of Ceres

City of Newman

City of Oakdale

City of Patterson

City of Waterford

Section 2

2.1. AREAS OF GREATEST NEED

Every Census Tract within Stanislaus County has a foreclosure or vacancy risk score that would qualify it as an area of greatest need. In order to identify the areas of greatest need that the program will target, the Urban County evaluated the foreclosure and vacancy risk score, local records relating to blighted properties, local real estate and banking data, and current unemployment data.

The following areas are representative of the “greatest need” methodology:

Methodology

1. NSP3 Index Score (must be greater than 17)
2. Vacancy
3. Foreclosure Percentage (greater than 19%)
4. Vacancy Percentage (greater than .5%)
5. Percentage of low-credit scores and high-risk for sub-prime loans (greater than 15%)
6. Unemployment Percentage (greater than 9%)

Priority Areas: Phase #1

Area Name	Census Tract	NSP3 Index Score	Estimated # of Properties	% Fall In Home Value	Unemployment Rate
A. Airport Neighborhood	0021.00	20	6	54.7	16.22%
B. Parklawn	0025.01	20	6	54.7	16.98%
C. Spruce Street	0016.01	20	0	54.7	15.0%
D. North Denair	0036.04	18	4	54.7	17.3%
E. Crows Landing	0034.00	19	0	54.7	17.3%
F. Hickman	0029.01	18	0	54.7	17.3%
G. Grayson	0033.00	19	2	54.7	17.3%
H. Oakdale- Church Ave	0002.02	19	0	54.7	17.3%
I. Oakdale- N.E. Central	0002.03	19	6	54.7	17.3%
J. Waterford- Yosemite	0028.02	20	2	54.7	17.3%
K. Waterford- Central East	0028.01	20	1	54.7	17.3%
L. Ceres- Farris	0025.02	20	5	54.7	21.3%

Priority Areas: Phase #2 (Program Income)

Area Name	Census Tract	NSP3 Index Score	Estimated # of Properties	% Fall In Home Value	Unemployment Rate
M. Salida RDA	0005.07	20	12	54.7	17.3%
N. Empire North	0022.02	20	2	54.7	17.3%
O. Vernon Neighborhood	0021.00	20	6	54.7	16.22%
P. Newman- Eucalyptus	0025.01	20	6	54.7	16.98%
Q. Newman- Upper Rd.	0016.01	20	0	54.7	15.0%
R. Patterson- East	0036.04	18	4	54.7	17.3%
S. Patterson- West Central	0034.00	19	2	54.7	17.3%
T. Patterson- Central South	0033.00	19	7	54.7	17.3%
U. Westley	0033.00	19	1	54.7	17.3%

Priority Areas: Phase #3 (Program Income)

Area Name	Census Tract	NSP3 Index Score	Estimated # of Properties	% Fall In Home Value	Unemployment Rate
V. Salida	0005.07	20	27	54.7	17.3%
W. Keyes	0033.00	20	6	54.7	17.3%

2.2. AREA DESCRIPTIONS

Priority Areas: Phase #1

Area A: Airport Neighborhood- Census Tract: 0021.00

Area A, the area designated as the “Airport Neighborhood” is in unincorporated Stanislaus County. The specific area of focus is generally bounded by Santa Rita Avenue to the west, Hide Street to the north, S. Conejo Avenue to the east, and Oregon Drive to the south. NSP and other funds will be utilized within Area A to assist a minimum of 6 units.

Area B: Parklawn - Census Tract: 0025.01

Area B, Parklawn is in unincorporated Stanislaus County. The area is generally bounded by Pearson Ave. to the west, E. Hatch Rd. to the north, Morgan Rd. to the east, and Nelson Way to the south. NSP and other funds will be utilized within Area B to assist a minimum of 6 units.

Area C: Spruce Street - Census Tract: 0016.01

Area C, Spruce Street, is in unincorporated Stanislaus County. The project area consists of Spruce Street between Briggs Ditch Street to the west and S. Martin Luther King Dr. to the east. NSP funds will likely be utilized within area C to assist a minimum of 1 unit.

Area D: North Denair - Census Tract: 0036.04

Area D, North Denair, is in unincorporated Stanislaus County. Area IV is generally bounded by Lester Rd. to the west, Windgate Dr. and Chalmer Wy. to the north, Riopel Ave. to the east and E. Monte Vista Ave. to the south. NSP and other funds will be utilized within this designated area to assist 4 units.

Area E : Crows Landing - Census Tract: 0034.00

Area E, Crows Landing, is in unincorporated Stanislaus County. Area V is generally bounded by Medlin Rd. to the west, 4th Street to the north, Armstrong Rd. to the east, and Eastin Rd. to the south. NSP and other funds will likely be utilized within this designated area to assist 1 unit.

Area F: Hickman - Census Tract: 0029.01

Area F, Hickman, is in unincorporated Stanislaus County. The specific area of focus is generally bounded by Hickman Rd. to the west, Delaware Rd. to the north, a T.I.D. canal to the east, Kylie Pl. to the south. NSP and other funds will likely be utilized within this portion of the “Hickman” area to assist 1 unit.

Area G: Grayson - Census Tract: 0033.00

Area G, Grayson, is in unincorporated Stanislaus County. Grayson is generally bounded by River Rd. to the west, Hito Dr. to the north, Stakes St. to the east and W. Grayson Rd. to the south. NSP and other funds will be utilized within the area of Grayson to assist 2 units.

Area H: Oakdale- Church Ave - Census Tract: 0002.02

Area H, Oakdale- Church Ave., is in the City of Oakdale. Oakdale- Church Ave. is generally bounded by Gilbert Ave. to the west, West F Street to the north, S. Yosemite Ave. to the east and Birdwell St. to the south. NSP funds will likely be utilized within the Oakdale- Church Ave area to assist a minimum of 1 unit.

Area I: Oakdale- North East Central - Census Tract: 0002.03

Area I, Oakdale- North East Central, is in the City of Oakdale. Oakdale- North East Central is generally bounded by N. Yosemite Ave. to the west, East A St. to the north, Johnson Ave. to the east and East F St. to the south. NSP funds will be utilized within the Oakdale- North East Central area to assist a minimum of 6 units.

Area J: Waterford- Yosemite - Census Tract: 0028.02

Area J, Waterford- Yosemite, is in the City of Waterford. Waterford- Yosemite is generally bounded by N. Pasadena Ave. to the west, Kadota Ave. to the north, Church St. to the east and Yosemite Blvd. to the south. NSP funds will be utilized within the Waterford- Yosemite area to assist a minimum of 2 units.

Area K: Waterford- Central East - Census Tract: 0028.01

Area K, Waterford- Central East, is in the City of Waterford. Waterford- Central East is generally bounded by Tim Bell Rd. to the west, Bentley Street to the north, Katy Ct. to the East and Welch Road to the south. NSP funds will be utilized within the Waterford- Central East area to assist a minimum of 1 unit.

Area L: Ceres- Farris - 0025.02

Area L, Ceres- Farris is in the City of Ceres. The specific area of focus is generally bounded by Blaker Rd. to the west, Kinser Road to the north, Crownview Dr. to the east, and Hackett Rd. to the south. NSP Program Income funds will likely be utilized within this portion of Area L.

Priority Areas: Phase #2

Area M: Salida RDA - Census Tract: 0005.07

Area M, Salida RDA, is in unincorporated Stanislaus County. The specific area of focus is generally bounded by Zinfandel Avenue to the west, Kiernan Avenue to the north, Elm St. to the east, and Horton Way to the south. NSP Program Income funds will likely be utilized within this portion of Area M.

Area N: Empire North - Census Tract: 0020.02

Area N, Empire North, is in unincorporated Stanislaus County. The specific area of focus is generally bounded by E St. to the west, Summit Wy. to the north, Carson Wy. to the east, and Yosemite Blvd. to the south. NSP Program Income funds will likely be utilized within this portion of Area N.

Area O: Vernon Neighborhood - Census Tract: 0016.03

Area O, Vernon Neighborhood, is in unincorporated Stanislaus County. The specific area of focus is generally bounded by S. Carpenter Rd. to the west, Beverly Dr. to the north and Paradise Rd. to the east and south. NSP Program Income funds will likely be utilized within this portion of Area O.

Area P: Newman- Eucalyptus - Census Tract: 0035.00

Area P, Newman- Eucalyptus, is in the City of Newman. The specific area of focus is generally bounded by Eucalyptus Ave. to the west, Bobolink Ave. to the north, Barrington Ave. to the east, and Driskell Ave. to the south. NSP Program Income funds will likely be utilized within this portion of Area P.

Area Q: Newman- Upper Rd. - Census Tract: 0035.00

Area Q, Newman- Upper Rd., is in the City of Newman. The specific area of focus is generally bounded by Upper Rd. to the west, Sandy Creek Dr. to the north, Prince Rd. to the east, and Sunny Creek Wy. to the south. NSP Program Income funds will likely be utilized within this portion of Area Q.

Area R: Patterson- East - Census Tract: 0032.01

Area R, Patterson- East, is in the City of Patterson. The specific area of focus is generally bounded by N. 1, St. to the west, Walnut Ave. to the north, Millwood Dr. to the east, and Chesterfield Dr. to the south. NSP Program Income funds will likely be utilized within this portion of Area R.

Area S: Patterson- West Central - Census Tract: 0032.02

Area S, Patterson- West Central, is in the City of Patterson. The specific area of focus is generally bounded by N. 7th St. to the west, N. Salado Ave. to the north, N. El Circulo to the east, and W. Las Palmas Ave. to the south. NSP Program Income funds will likely be utilized within this portion of Area S.

Area T: Patterson- Central South - Census Tract: 0032.02

Area T, Patterson- South Central, is in the City of Patterson. The specific area of focus is generally bounded by S. Del Puerto Ave. to the west, N. El Circulo to the north, Highway 33 to the east, and Sperry Ave. to the south. NSP Program Income funds will likely be utilized within this portion of Area T.

Area U: Westley - Census Tract: 0033.00

Area U, Westley, is in unincorporated Stanislaus County. The specific area of focus is generally bounded by Wildermuth Circle to the west, E Street to the north, Highway 33 to the east, and Howard Rd. to the south. NSP Program Income funds will likely be utilized within this portion of Area U.

Priority Areas: Phase #3

Area V: Salida - Census Tract: 0005.07

Area V, Salida, is in unincorporated Stanislaus County. The specific area of focus is generally bounded by Toomes Rd. to the west, Kiernan Avenue to the north, Wincanton Rd. to the east, and Bacon Rd. to the south. NSP Program Income funds will likely be utilized within this portion of Area V.

Area W: Keyes - Census Tract: 0030.02

Area W, Keyes, is in unincorporated Stanislaus County. The specific area of focus is generally bounded by Rohde Rd. to the west, Anna Ave. to the north, Washington Rd. to the east, and Nunes Rd. to the south. NSP funds will likely be utilized within this portion of Area W.

Section 3

3.1. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

A “blighted structure” in context to state and local law includes structures that have substantial housing code violations, and the extent and magnitude of those violations make repair economically infeasible.

*(2) Definition of “affordable rents.” **Note:** Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program – specific requirements such as continued affordability.*

Response:

An “affordable rent” is defined as the rent that would be paid by a family paying 30 percent of its income for rent/mortgage whose income is “65 percent of median”. The 65 percent figure is defined in relation to the very low-income standard (i.e., normally as 65/50ths of the median income for the locality in question).

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

The following affordability covenant will be used to ensure continued affordability:

Covenant to Maintain Affordability

- (a) The Loan is being given by the Agency to the Owner to increase and improve the County's supply of low and moderate income housing available at Affordable Housing Cost, in accordance with the affordable housing requirements of the Community Redevelopment Law (California Health and Safety Code, Section 33000, et seq). To this end, the Owner agrees that during the Term the Property shall remain available only at an

"Affordable Housing Cost" or an "Affordable Rent" (as hereinafter defined) and shall only be used by Persons or Families or Very Low, Low, or Moderate Income.

(b) Subject to the terms and provisions of subsection (c) of this Section, if the Owner shall either:

(i) Sell, lease, transfer, or assign the Property (collectively, a "Transfer") to a person or family that is not a Person or Family of Very Low, Low, or Moderate Income, or

(ii) Transfer the Property at a price that exceeds an Affordable Housing Cost, or

(iii) Refinance, hypothecate, encumber, or mortgage the Property (collectively, a "Mortgage").

Then the Agency shall have the power and authority to declare the entire principal balance on the Loan immediately due and payable.

(c) Notwithstanding the foregoing, the Owner may sell the Property during the Term at a price exceeding an "Affordable Housing Cost". The Owner agrees to pay to the Agency such portion of the sale price as is required to be paid to the Agency pursuant to the Agreement.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

The program will meet minimum Housing Quality Standards (HQS) and local code standards.

A Sample HQS Inspection Form can be referenced on the following website location: <http://www.hud.gov/offices/adm/hudclips/forms/files/52580.pdf>

Section 4

4.1. LOW-INCOME TARGETING FUNDING

At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.

Response: \$ 1,043,987 will be set aside to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.

4.2. LOW-INCOME TARGETING SUMMARY

Provide a summary that describes the manner in which the grantee's low income targeting goals will be met:

The Urban County will expand upon its existing NSP program to acquire foreclosed and/or abandoned single family or multifamily properties to be utilized as affordable first time homebuyer (FTHB) or long term rental housing units for qualified families with incomes at or below 50 percent of area median income. The rental of the multi-family and single family units that are designated for long term rental housing will be administered through the Housing Authority.

Section 5

5.1. ACQUISITION AND RELOCATION

When the Urban County or its sub recipient acquires a property, there are certain tenant protection requirements that may be applicable under the Tenant Protection Act of 2009 and certain relocation requirements that may be applicable under the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.

For information regarding the circumstances that trigger these requirements and the steps that must be taken to ensure compliance, see the *NSP Tenant Protections at Foreclosure Under the Recovery Act guidance* at:

<http://www.hud.gov/offices/cpd/library/relocation/nsp/pdf/nsp-tenant-protection-8122010.pdf>

and the *Real Estate Acquisition and Relocation Policy and Guidance* at: <http://www.hud.gov/offices/cpd/library/relocation/policyandguidance/handbook1378.cfm>

Section 6

6.1. PUBLIC COMMENT

The Urban County will follow its citizen participation plan by releasing the NSP3 Substantial Amendment for a 30-day public comment period (exceeding the minimum requirement of 15 days) commencing on January 11, 2011 and ending on February 15, 2011. The public notice will be published in the Modesto Bee on January 14, 2011 announcing the release of the NSP3 Substantial Amendment. Furthermore, the NSP3 Substantial Amendment will be made available on January 11, 2011 for public review and input via the internet on Stanislaus

County Planning & Community Development Department's website. Community Development staff also will share information with local community bodies called Municipal Advisory Councils as well as the local Continuum of Care (Stanislaus Housing and Support Services Collaborative).

Public Comments Pending.

Section 7

7.1. NSP INFORMATION BY ACTIVITY

7.1.A NSP3-01: Program Administration:

Administration of the Neighborhood Stabilization Program to assure program regulatory compliance and that Performance measures are met. Activities will include but not be limited to; sub-recipient monitoring and oversight, contractor oversight, inspection of housing units.

- (i) Eligible use of funds under NSP3: Administrative costs for NSP activities.
- (ii) Eligible CDBG activity or activities: 24CFR 570.206-Program administrative costs.
- (iii) Expected benefits: Activity will benefit program participants and program project areas by ensuring that activities are conducted within the scope of program regulations and program funds are utilized efficiently.
- (iv) Amount of funds budgeted for activity: **\$417,594** (maximum of 10% of grant funds).
- (v) Name and location of the entity that will carry out the activity: Stanislaus County Planning & Community Development Department, 1010 10th Street, Suite 3400, Modesto, CA 95354. Kirk Ford, Director, (209) 525-6330.
- (vi) Expected start and end dates of the activity:
Expected start date: July 1, 2011. Expected end date: July1, 2014

7.1.B NSP3-02: In-Fill Housing Acquisition Program - ≤ 50% AMI:

Expand upon the existing NSP program to acquire foreclosed and/or abandoned single family or multifamily properties to be utilized as; affordable first time homebuyer (FTHB) housing units, part of a long term rental or rent to own program managed and administered through the Housing Authority, or as part of a multifamily rental housing program managed and administered through the Housing Authority. Properties will be acquired at a minimum discount of 1% below appraised value. The homes will be sold to income qualified buyers at a cost not to exceed the acquisition cost plus the cost of rehabilitation or rented to income qualified renters at an affordable rental rate.

(i) Eligible use of funds under NSP3: NSP eligible use B & E. Acquisition of foreclosed, abandoned, vacant or demolished properties in order to rehabilitate or redevelop and sale to FTHB's or rent as part of a long-term rental program administered by the Housing Authority.

(ii) Eligible CDBG activity or activities: 24CFR 570.201(a)-Acquisition of real property & 24CFR 570.201(b)-Disposition of real property.

(iii) National Objective: 24CFR 570.208(a)-Activities benefiting low and moderate income persons.

(iv) Areas of greatest need: See area descriptions and maps

(v) Expected benefits: Activity will benefit income-qualified persons or households by providing first time homebuyers an opportunity to purchase discounted single family homes. The activity will benefit the project area by decreasing the vacancy rate and increasing the rate of long term residence.

(vi) Appropriate performance measures: Performance will be measured in the number of housing units to be acquired and sold or rented to households with income levels at or below 50 percent of area median income.

Performance Goals: 5 Units – Phase #1

1 Unit – Phase #2 (initial program income)

TOTAL – Up to 6 Units

(vii) Amount of funds budgeted for activity: **\$521,994** (approximately 50% of available set aside funds (to serve those at or below 50% AMI). Up to 5% for activity delivery fee.

Rental Housing: A minimum of \$380,000

In addition, the following funding is available: Up to \$600,000 in local redevelopment funds.

(viii) Name and location of the entity that will carry out the activity:

Housing Authority of Stanislaus County, 1701 Robertson Road, Modesto, CA 95358. Bill Fagan, (209) 557-2000

(ix) Expected start and end dates of the activity:

Expected start date: July 1, 2011. Expected end date: July 1, 2014

Description of terms:

(i) Range of interest rates:

0-3% for those with incomes below 50% of AMI with payments deferred.

(ii) Duration or term of assistance:

Each rental agreement will be secured by a 55 year affordability covenant.

(iii) Tenure of beneficiaries:

Long term rental or homeownership will be the goal of this activity.

(iv) Assurance of continued affordability:

Each NSP assisted property sold will be secured with an affordability covenant. The covenant will be recorded at the time that ownership is transferred to the buyer. See Section 3.1.(3) for an example of the affordability covenant used to ensure continued affordability.

Properties that are retained by the Housing Authority to be utilized as long term rentals will be secured with a promissory note requiring that rental rates remain affordable for a period of 55 years.

(v) Homebuyer Counseling:

Each NSP assisted homebuyer will be required to receive and complete at least 8 hours of homebuyer counseling from a HUD approved housing counseling agency before obtaining a mortgage. The homebuyer will be required to submit proof of completion of the counseling course prior to program approval.

(vi) Vicinity Hiring & Contracting:

This NSP activity will not directly result in the hiring of workers.

(vii) Affordable rental housing creation:

This activity will increase the availability of affordable rental housing. A minimum of 75% of the funds budgeted for this activity will be used to acquire properties that will be used as long term rentals administered through the Housing Authority.

(viii) Benefit to low-income persons:

All funds budgeted for this activity will be used to provide benefit to persons or households with incomes at or below 50 percent of area median income.

7.1.C NSP3-03: In-Fill Housing Acquisition Program ≤ 120% AMI:

Expand upon existing program to continue the acquisition of foreclosed units to be utilized as affordable first time homebuyer (FTHB) housing units. Homes will be acquired at a minimum discount of 1% below appraised value. The homes will be sold to income qualified buyers at a cost not to exceed the acquisition cost plus the cost of rehabilitation.

(i) Eligible use of funds under NSP3: Eligible use B & E. Program Activity targeting the acquisition of foreclosed, abandoned, demolished or vacant properties in order to rehabilitate or redevelop and sell units to FTHB's.

(ii) Eligible CDBG activity or activities: 24CFR 570.201(a)-Acquisition of real property & 24CFR 570.201(b)-Disposition of real property.

(iii) National Objective: 24CFR 570.208(a)-Activities benefiting low and moderate income persons.

(iv) Areas of greatest need: See area descriptions and maps

(v) Expected benefits: Activity will benefit income-qualified persons or households by providing first time homebuyers an opportunity to purchase discounted single family homes. The activity will benefit the project area by decreasing the vacancy rate and increasing the homeownership rate.

(vi) Appropriate performance measures: Performance will be measured in the number of housing units to be acquired and sold to households with income levels between 51 and 120 percent of area median income.

Performance Goals: 14 Units – Phase #1
8 Units – Phase #2 (initial program income)
4 Units – Phase #3 (program income)

TOTAL – Up to 26 Units

(vii) Amount of funds budgeted for activity: **\$1,628,620** (approximately 60% of available LMMI Funds (to serve those between 50%-120% AMI). Up to 5% for activity delivery fee. In addition, the following funding is available:

\$600,000 in NSP1 Program Income funds
Up to \$600,000 in local redevelopment funds

(viii) Name and location of the entity that will carry out the activity:
Housing Authority of Stanislaus County, 1701 Robertson Road, Modesto, CA 95358. Bill Fagan, (209) 557-2000

(ix) Expected start and end dates of the activity:
Expected start date: July 1, 2011. Expected end date: July1, 2014

Description of terms:

(i) Range of interest rates:
0-3% for those with incomes below 80% of AMI with payments deferred.
Those between 80%-120% of AMI will be eligible for a loan at 3% with payments.

(ii) Duration or term of assistance:
Assistance is provided for the term of 30-55 years.

(iii) Tenure of beneficiaries:
Homeownership will be the goal of this activity.

(iv) Assurance of continued affordability:
Each NSP assisted property sold will be secured with an affordability covenant. The covenant will be recorded at the time that ownership is transferred to the buyer. See Section 3.1.(3) for an example of the affordability covenant used to ensure continued affordability.

(v) Homebuyer Counseling:
Each NSP assisted homebuyer will be required to receive and complete at least 8 hours of homebuyer counseling from a HUD approved housing counseling agency before obtaining a mortgage. The homebuyer will be required to submit proof of completion of the counseling course prior to program approval.

(vi) Vicinity Hiring & Contracting:
This NSP activity will not directly result in the hiring of workers.

7.1.D NSP3-04: Housing Rehabilitation Program ≤ 50% AMI:

To provide for the rehabilitation, demolition, reconstruction or construction of foreclosed and/or abandoned housing units or properties.

Rehabilitated/reconstructed or newly constructed units will meet Housing Quality Standards and will benefit households whose incomes do not exceed 50 percent of the area median income.

(i) Eligible use of funds under NSP3: NSP eligible use B, D & E. Rehabilitate, develop, or demolish and reconstruct acquired foreclosed and/or abandoned housing units and lots.

(ii) Eligible CDBG activity or activities: 24CFR 570.202(b)-Rehabilitation of housing. 24CFR 570.201(m)-Construction of housing.

(iii) National Objective: 24CFR 570.208(a)-Activities benefiting low and moderate income persons.

(iv) Areas of greatest need: See area descriptions and maps

(v) Expected benefits: Activity will benefit income-qualified persons or households by providing first time homebuyers an opportunity to purchase single family homes that meet housing quality standards. The activity will benefit the project area by mitigating the deteriorating effects of long-term vacancy on the area housing stock. The project will benefit local contractors and workers by providing construction related work.

(vi) Appropriate performance measures: Performance will be measured in the number of housing units rehabilitated to benefit households with income levels at or below 50 percent of area median income.

Performance Goals: 5 Units – Phase #1

1 Unit – Phase #2 (initial program income)

TOTAL – Up to 6 Units

(vii) Amount of funds budgeted for activity: **\$461,993** (approximately 44% of available set aside funds (to serve those between 0%-50% AMI). Up to 5% for activity delivery fee. In addition, the following funding is available:

Up to \$600,000 in local redevelopment funds

\$600,000 in state CalHOME funds

(viii) Name and location of the entity that will carry out the activity:

Housing Authority of Stanislaus County, 1701 Robertson Road, Modesto, CA 95358. Bill Fagan, (209) 557-2000

(ix) Expected start and end dates of the activity:

Expected start date: July 1, 2011. Expected end date: July 1, 2014

Description of terms:

(i) Range of interest rates:

0-3% for those with incomes below 50% of AMI with payments deferred.

(ii) Duration or term of assistance:

Assistance is provided for the term of 30-55 years.

(iii) Tenure of beneficiaries:

Long term rental or homeownership of housing units meeting housing quality standards will be the goal of this activity.

(iv) Assurance of continued affordability:

Each NSP assisted property rehabilitated and sold will be secured with an affordability covenant. The covenant will be recorded at the time that ownership is transferred to the buyer. See Section 3A(3) for an example of the affordability covenant used to ensure continued affordability.

Properties that are rehabilitated and retained by the Housing Authority to be utilized as long term rentals will be secured with a promissory note requiring that rental rates remain affordable for a period of 55 years.

(v) Homebuyer Counseling:

Each NSP assisted homebuyer will be required to receive and complete at least 8 hours of homebuyer counseling from a HUD approved housing counseling

agency before obtaining a mortgage. The homebuyer will be required to submit proof of completion of the counseling course prior to program approval.

(vi) Vicinity Hiring & Contracting:

Prior to commencement of this activity, an advertisement will be run in the local media informing local contractors and workers about work opportunities associated with this activity and promoted through our local workforce Alliance Agency. All contracts will include a strong encouragement to hire a minimum threshold of Section 3 qualified workers (minimum of 2 workers per contract). Contractor hiring history will be incorporated into contract bid evaluation.

(vii) Affordable rental housing creation:

This activity will increase the availability of affordable rental housing. A minimum of 75% of the funds budgeted for this activity will be used to rehabilitate properties that will be used as long term rentals administered through the Housing Authority.

(viii) Benefit to low-income persons:

All funds budgeted for this activity will be used to provide benefit to persons or households with incomes at or below 50 percent of area median income.

7.1.E NSP3-05: Housing Rehabilitation Program ≤ 120% AMI:

To provide for the rehabilitation, demolition, reconstruction or construction of foreclosed and/or abandoned housing units or properties. Rehabilitated/reconstructed or newly constructed units will meet Housing Quality Standards and will benefit households whose incomes do not exceed 120 percent of the area median income.

(i) Eligible use of funds under NSP3: NSP eligible use B, D & E. Rehabilitate, develop, or demolish and reconstruct acquired foreclosed and/or abandoned housing units and lots.

(ii) Eligible CDBG activity or activities: 24CFR 570.202(b)-Rehabilitation of housing. 24CFR 570.201(m)-Construction of housing.

(iii) National Objective: 24CFR 570.208(a)-Activities benefiting low and moderate income persons.

(iv) Areas of greatest need: See area descriptions and maps

(v) Expected benefits: Activity will benefit income-qualified persons or households by providing first time homebuyers an opportunity to purchase single family homes that meet housing quality standards. The activity will benefit the project area by mitigating the deteriorating effects of long-term vacancy on the area housing stock. The project will benefit local contractors and workers by providing construction related work.

(vi) Appropriate performance measures: Performance will be measured in the number of housing units rehabilitated to benefit households with income levels between 51 and 120 percent of area median income.

Performance Goals: 14 Units – Phase #1
8 Units – Phase #2 (initial program income)
4 Units – Phase #3 (program income)

TOTAL – Up to 26 Units

(vii) Amount of funds budgeted for activity: **\$882,168** (approximately 25% of available LMMI Funds (to serve those between 51%-120% AMI). Up to 5% for activity delivery fee. In addition, the following funding is available:

\$600,000 in NSP1 Program Income funds
Up to \$600,000 in local redevelopment funds
Up to \$600,000 in state CalHOME funds

(viii) Name and location of the entity that will carry out the activity:

Housing Authority of Stanislaus County, 1701 Robertson Road, Modesto, CA 95358. Bill Fagan, (209) 557-2000

(ix) Expected start and end dates of the activity:

Expected start date: July 1, 2011. Expected end date: July 1, 2014

Description of terms:

(i) Range of interest rates:

0-3% for those with incomes below 80% of AMI with payments deferred. Those between 80%-120% of AMI will be eligible for a loan at 3% with payments.

(ii) Duration or term of assistance:

Assistance is provided for the term of 30-55 years.

(iii) Tenure of beneficiaries:

Homeownership will be the goal of this activity.

(iv) Assurance of continued affordability:

Each NSP assisted property rehabilitated and sold will be secured with an affordability covenant. The covenant will be recorded at the time that ownership is transferred to the buyer. See Section 3A(3) for an example of the affordability covenant used to ensure continued affordability.

(v) Homebuyer Counseling:

Each NSP assisted homebuyer will be required to receive and complete at least 8 hours of homebuyer counseling from a HUD approved housing counseling

agency before obtaining a mortgage. The homebuyer will be required to submit proof of completion of the counseling course prior to program approval.

(vi) Vicinity Hiring & Contracting:

Prior to commencement of this activity, an advertisement will be run in the local media informing local contractors and workers about work opportunities associated with this activity and promoted through our local workforce Alliance Agency. All contracts will include a strong encouragement to hire a minimum threshold of Section 3 qualified workers (minimum of 2 workers per contract). Contractor hiring history will be incorporated into contract bid evaluation.

7.1.F NSP3-06: Down Payment Assistance Program ≤ 50% AMI:

To provide financial assistance for first time homebuyers in the purchase of NSP eligible foreclosed and/or abandoned properties.

The assistance can be in the form of:

- a. Provide up to 50% of the required down payment toward the purchase of a NSP eligible home (in an amount not to exceed \$50,000.00).
- b. Pay reasonable closing costs (normally associated with the purchase of a home, in an amount not to exceed 5% of the purchase price of the home) incurred by low or moderate income buyers of NSP eligible homes.
- c. Subsidize interest rates and mortgage principal amounts for low and moderate income buyers of NSP eligible homes (points).
- d. Provide assistance in the form of a soft second mortgage.

(i) Eligible use of funds under NSP3: NSP eligible use A. Provide financing mechanisms for first time homebuyers with incomes at or below 50% of area median income to assist with the purchase of foreclosed and/or abandoned single-family properties.

(ii) Eligible CDBG activity or activities: 24 CFR 570.201(n) Homeownership assistance.

(iii) National Objective: 24CFR 570.208(a)-Activities benefiting low and moderate income persons.

(iv) Areas of greatest need: See area descriptions and maps

(v) Expected benefits: Activity will benefit income-qualified persons or households by providing first time homebuyers a financing mechanism to make homeownership affordable. The activity will benefit the project area by decreasing the vacancy rate and increasing the homeownership rate.

(vi) Appropriate performance measures: Performance will be measured in the number of housing units sold to first time homebuyers with down payment assistance to benefit households with income levels below 50 percent of area median income.

Performance Goals: 3 Units – Phase #1
TOTAL – Up to 3 Units

(vii) Amount of funds budgeted for activity: **\$60,000** (approximately 6% of available set aside funds [to serve those between 0%-50% AMI].

In addition, the following funding is available:

\$100,000 in NSP1 Program Income funds

Up to \$60,000 in state CalHOME funds

(viii) Name and location of the entity that will carry out the activity:

Housing Authority of Stanislaus County, 1701 Robertson Road, Modesto, CA 95358. Bill Fagan, (209) 557-2000

(ix) Expected start and end dates of the activity:

Expected start date: July 1, 2011. Expected end date: July 1, 2014

Description of terms:

(i) Range of interest rates:

0-3% for those with incomes below 80% of AMI with payments deferred.

(ii) Duration or term of assistance:

Assistance is provided for the term of 30-55 years.

(iii) Tenure of beneficiaries:

Homeownership will be the goal of this activity.

(iv) Assurance of continued affordability:

Each NSP property assisted with down payment assistance will be secured with an affordability covenant. The covenant will be recorded at the time that ownership is transferred to the buyer. See Section 3A(3) for an example of the affordability covenant used to ensure continued affordability.

(v) Homebuyer Counseling:

Each NSP assisted homebuyer will be required to receive and complete at least 8 hours of homebuyer counseling from a HUD approved housing counseling agency before obtaining a mortgage. The homebuyer will be required to submit proof of completion of the counseling course prior to program approval.

(vi) Vicinity Hiring & Contracting:

This NSP activity will not directly result in the hiring of workers.

(vii) Benefit to low-income persons:

All funds budgeted for this activity will be used to provide benefit to persons or households with incomes at or below 50 percent of area median income.

7.1.G NSP3-06: Down Payment Assistance Program ≤ 120% AMI:

To provide financial assistance for first time homebuyers in the purchase of NSP eligible foreclosed and/or abandoned properties.

The assistance can be in the form of:

- d. Provide up to 50% of the required down payment toward the purchase of a NSP eligible home (in an amount not to exceed \$50,000.00).
- e. Pay reasonable closing costs (normally associated with the purchase of a home, in an amount not to exceed 5% of the purchase price of the home) incurred by low or moderate income buyers of NSP eligible homes.
- f. Subsidize interest rates and mortgage principal amounts for low and moderate income buyers of NSP eligible homes (points).
- d. Provide assistance in the form of a soft second mortgage.

(i) Eligible use of funds under NSP3: NSP eligible use A. Provide financing mechanisms for first time homebuyers with incomes below 120% of area median income to assist with the purchase of foreclosed and/or abandoned single-family properties.

(ii) Eligible CDBG activity or activities: 24 CFR 570.201(n) Homeownership assistance.

(iii) National Objective: 24CFR 570.208(a)-Activities benefiting low and moderate income persons.

(iv) Areas of greatest need: See area descriptions and maps

(v) Expected benefits: Activity will benefit income-qualified persons or households by providing first time homebuyers a financing mechanism to make homeownership affordable. The activity will benefit the project area by decreasing the vacancy rate and increasing the homeownership rate.

(vi) Appropriate performance measures: Performance will be measured in the number of housing units sold to first time homebuyers with down payment assistance. Homebuyers will have income levels between 51 percent and 120 percent of area median income.

Performance Goals: 10 Units – Phase #1

2 Units – Phase #2 (initial program income)

TOTAL – Up to 13 Units

(vii) Amount of funds budgeted for activity: **\$203,578** (approximately 7% of available LMMI Funds (to serve those between 51%-120% AMI).

In addition, the following funding is available:

\$30,000 in NSP1 Program Income funds

Up to \$60,000 in state CalHOME funds

(viii) Name and location of the entity that will carry out the activity:
Housing Authority of Stanislaus County, 1701 Robertson Road, Modesto, CA
95358. Bill Fagan, (209) 557-2000

(ix) Expected start and end dates of the activity:
Expected start date: July 1, 2011. Expected end date: July 1, 2014

Description of terms:

(i) Range of interest rates:
0-3% for those with incomes below 80% of AMI with payments deferred.
Those between 80%-120% of AMI will be eligible for a loan at 3% with payments.

(ii) Duration or term of assistance:
Assistance is provided for the term of 30-55 years.

(iii) Tenure of beneficiaries:
Homeownership will be the goal of this activity.

(iv) Assurance of continued affordability:
Each NSP property assisted with down payment assistance will be secured with an affordability covenant. The covenant will be recorded at the time that ownership is transferred to the buyer. See Section 3A(3) for an example of the affordability covenant used to ensure continued affordability.

(v) Homebuyer Counseling:
Each NSP assisted homebuyer will be required to receive and complete at least 8 hours of homebuyer counseling from a HUD approved housing counseling agency before obtaining a mortgage. The homebuyer will be required to submit proof of completion of the counseling course prior to program approval.

(vi) Vicinity Hiring & Contracting:
This NSP activity will not directly result in the hiring of workers.

Section 8

8.1. CERTIFICATIONS

Neighborhood Stabilization Program 3

Certifications for State and Entitlement Communities

In accordance with the applicable statutes and the regulations governing the consolidated plan regulations, the jurisdiction certifies that:

1. **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.
2. **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.
3. **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.
4. **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.
5. **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.
6. **Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.
7. **Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.
8. **Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.

9. **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD.
10. **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 year, of receipt of the grant.
11. **The jurisdiction certifies:**
 - a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and
 - b. The applicant will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low- and moderate-income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate-income (but not low-income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.
12. **Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:
 - a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and
 - b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.
13. **Compliance with anti-discrimination laws.** The jurisdiction certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.
14. **Compliance with lead-based paint procedures.** The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of 24 CFR part 35, subparts A, B, J, K, and R.

15. **Compliance with laws.** The jurisdiction certifies that it will comply with applicable laws.
16. **Vicinity Hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3 funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP 3 projects.
17. **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.



2/15/11

Signature/Authorized Official

Date

Richard W. Robinson
Name

Chief Executive Officer
Title

1010 10th Street
Address

Modesto, CA 95354
City/State,/,Zip

Modesto, CA 95354
City/Sate/Zip

(209) 525-6333
Telephone Number

Appendix A

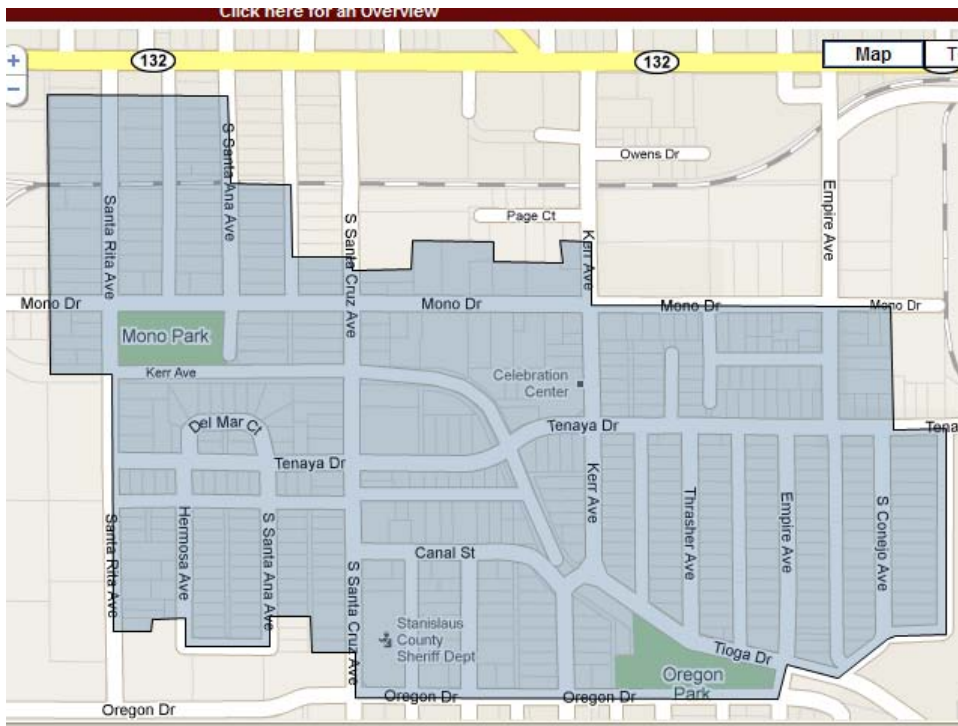
A.1 TIMELINE

Proposed Time Schedule for Commencement and Completion of All Projects:

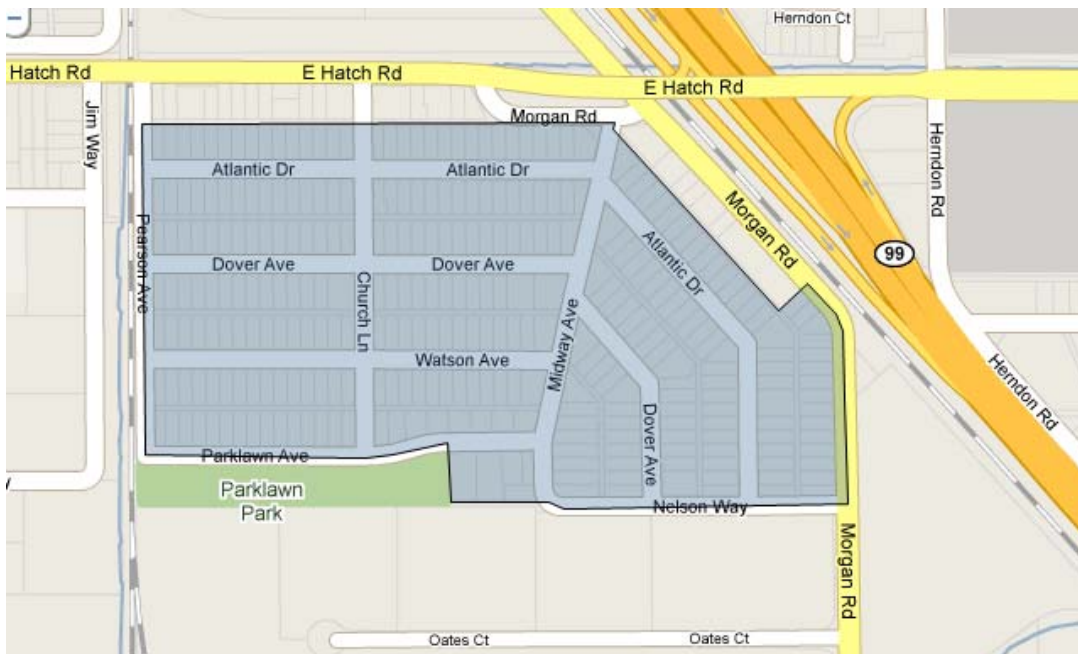
- June 2011 - Receive NSP3 Substantial Amendment approval from HUD.
- June 2011 - Complete Environmental process (NEPA) process.
- July 2011 - Enter into contractual agreements with program sub-recipient Housing Authority of Stanislaus County.
- September 2011- Determine Foreclosure Portfolio mix in collaboration with Urban County Partners and commence activities that include but are not limited to the following:
- Rent-to-Own Program - In partnership with Section 8 – Family Self Sufficiency Program
- HCV Voucher Program – Housing Choice Vouchers can be dedicated to assist those $\leq 80\%$ of area median income.
- First Time Home Buyer Down Payment Assistance (DPA) Program– include assistance to those $\leq 120\%$ area median incomes.
- Expand Housing Rehabilitation Program - to assist units that need to meet local code and HQS standards.
- Expand In-Fill Housing Acquisition/Construction Program - to address units that have substantial housing code violations, and the extent and magnitude of those violations make repair economically infeasible.
- November 2012 - Initiate Utilization of Program Income for the same programs.
- December 2012-March 2014 - Continue NSP3 Program utilizing program income
- April 2014 - Complete Final Expenditure Reimbursement Requests
- May 2014 - Finalize NSP3 Program Monitoring Paperwork
- June 2014 - Complete NSP3 Program Expenditures

Appendix B

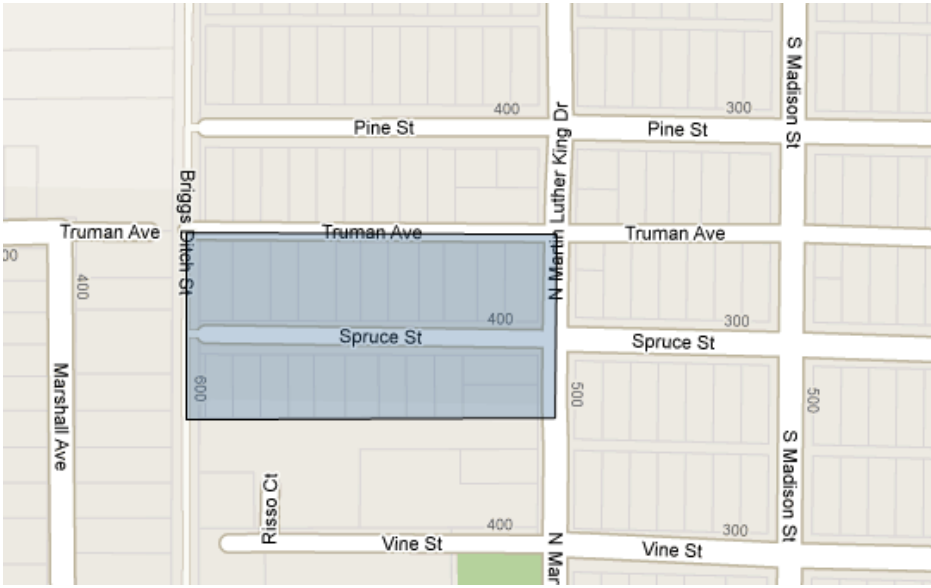
B.1 AREA MAPS



Airport Neighborhood



Parklawn Neighborhood



Spruce St.



North Denair



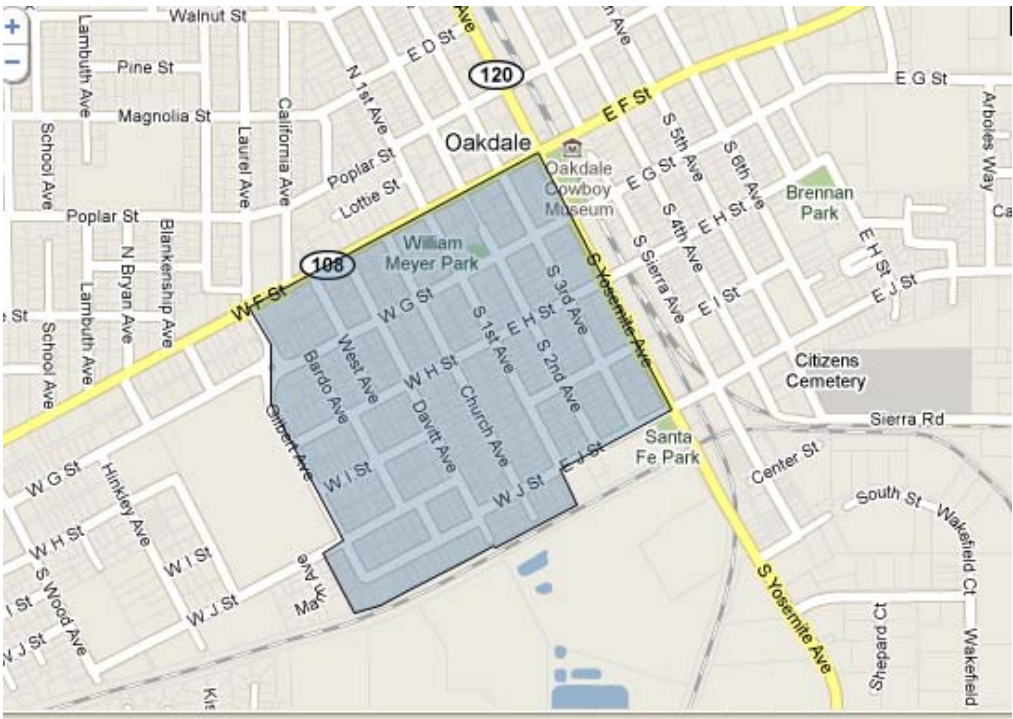
Crows Landing



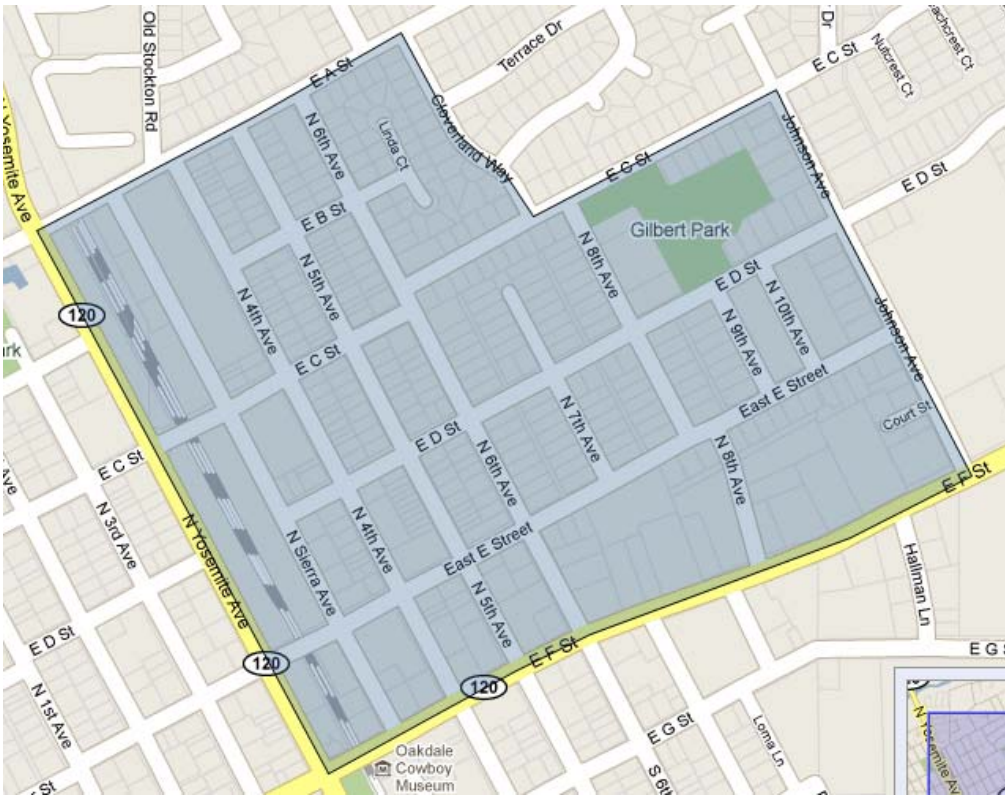
Hickman



Grayson



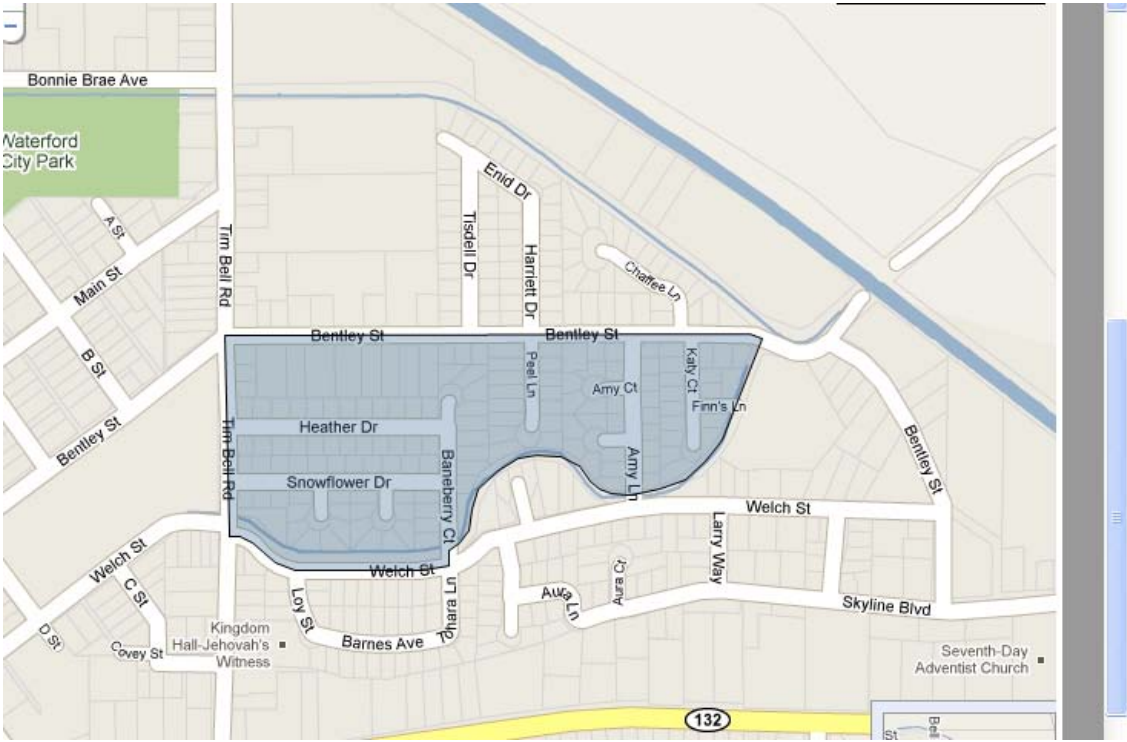
Oakdale- Church Ave.



Oakdale- North East Central



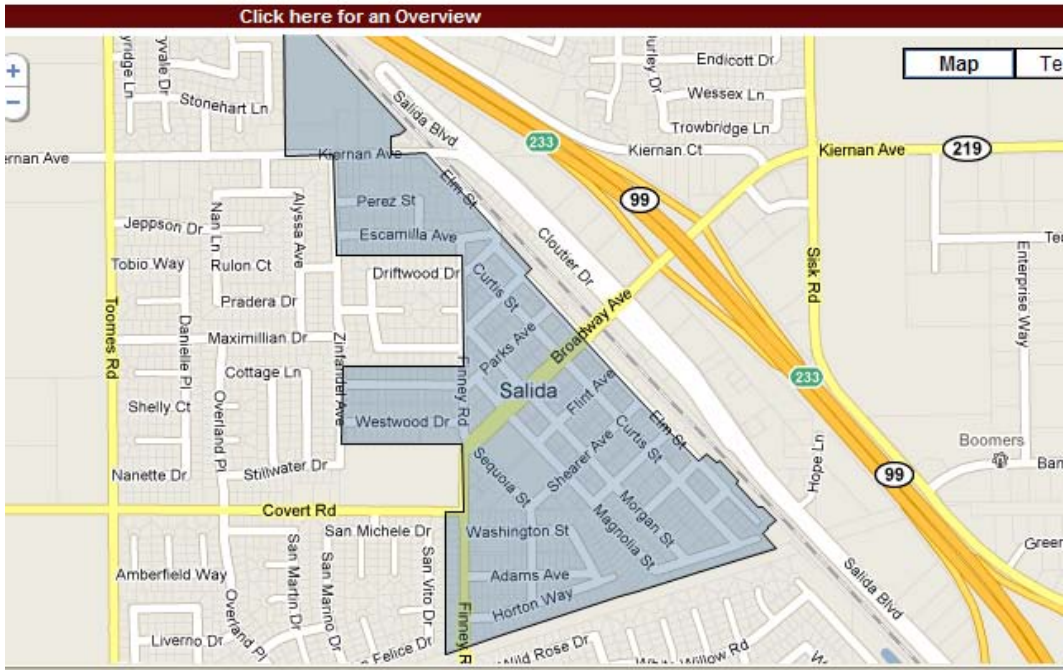
Waterford - Yosemite



Waterford – Central East



Ceres - Farris



Salida RDA



Empire North

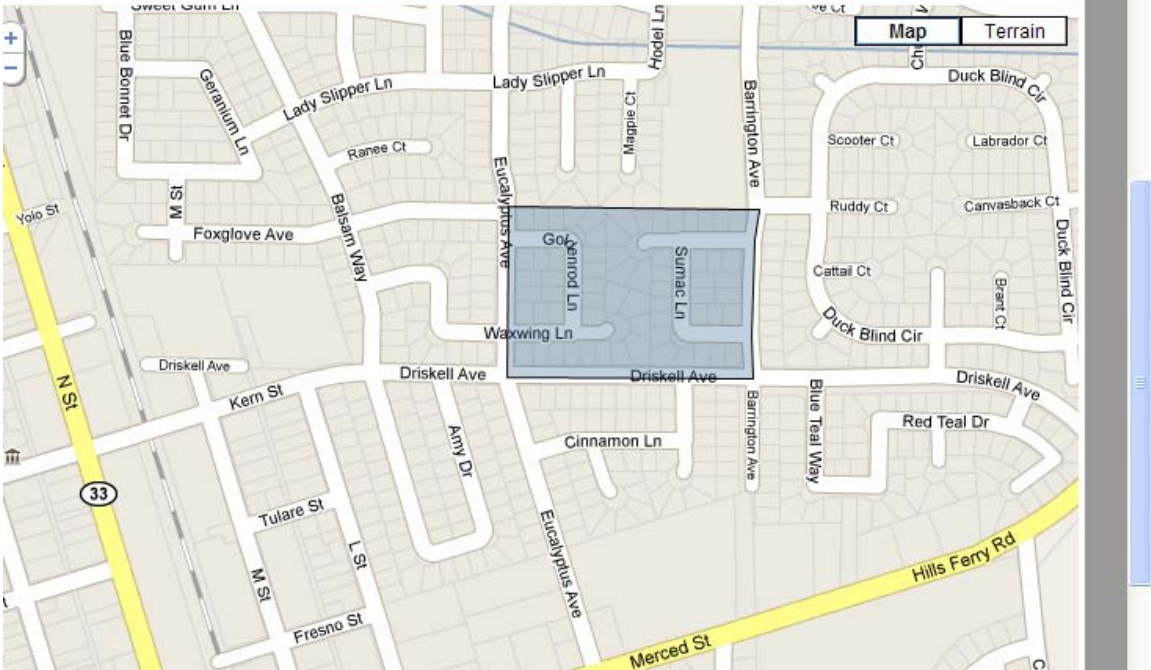


Vernon Neighborhood

SP3 Legend (%): — Tract Outline

LOG OUT

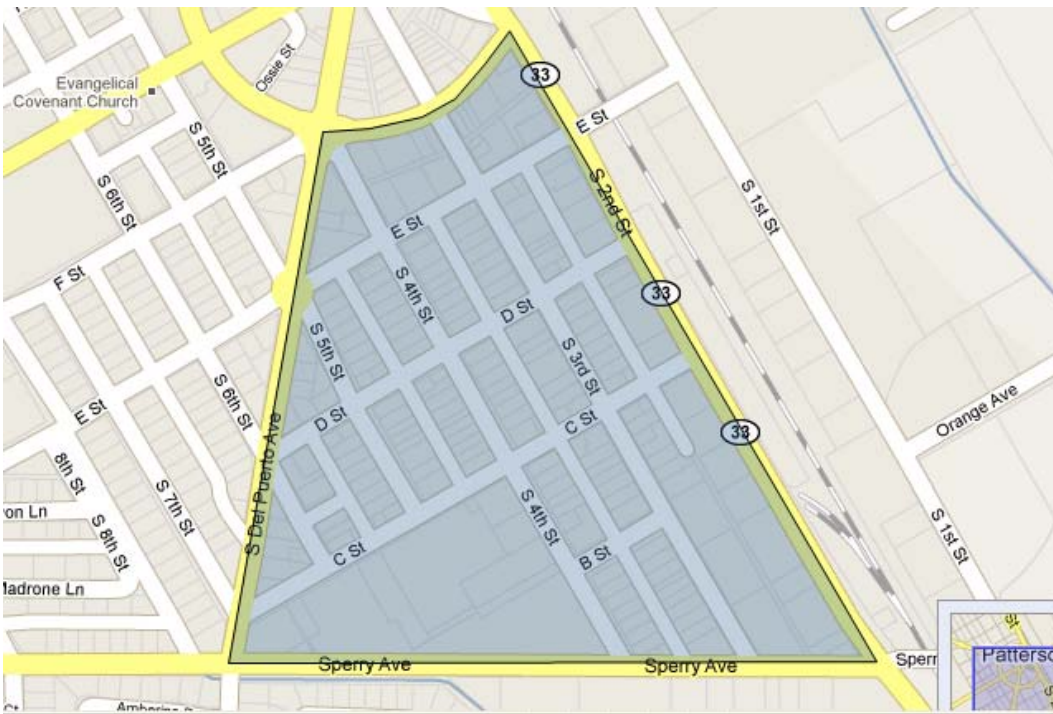
[Click here for an Overview](#)



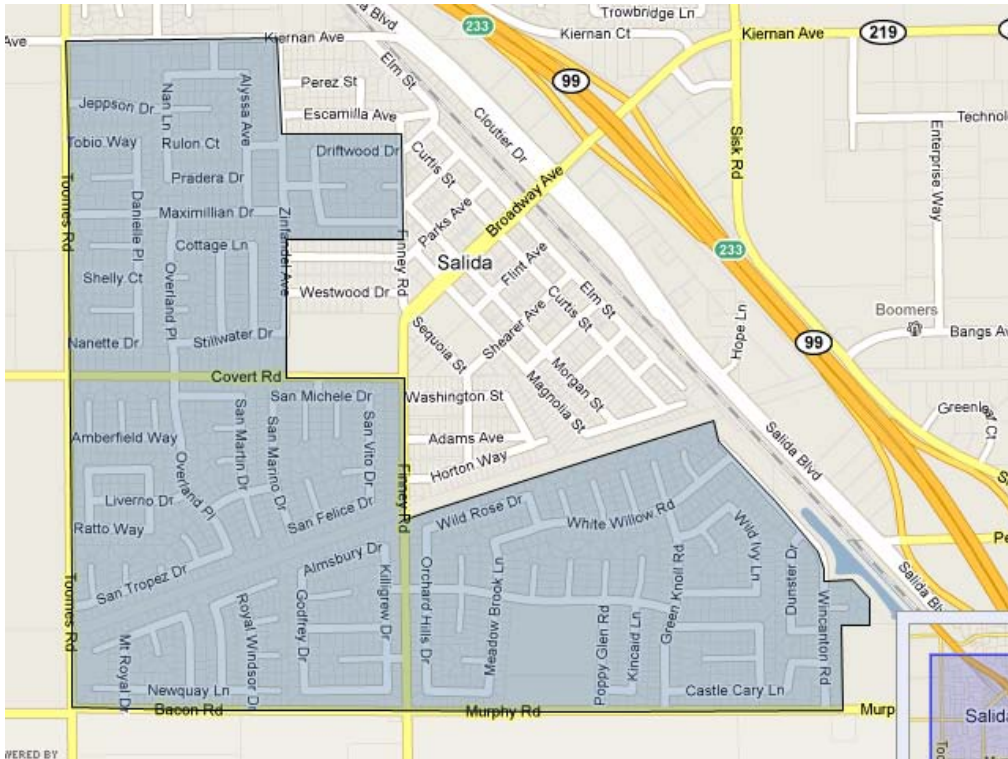
Newman- Eucalyptus & Driskell



Patterson – West Central



Patterson- Central South



Salida



Keyes

**APPLICATION FOR
FEDERAL ASSISTANCE**

OMB Approved No. 3076-0006

Version 7/03

1. TYPE OF SUBMISSION: Application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		2. DATE SUBMITTED	Applicant Identifier
Pre-application <input type="checkbox"/> Construction <input checked="" type="checkbox"/> Non-Construction		3. DATE RECEIVED BY STATE	State Application Identifier
		4. DATE RECEIVED BY FEDERAL AGENCY	Federal Identifier

5. APPLICANT INFORMATION	
Legal Name: Stanislaus County	Organizational Unit: Department: Planning and Community Development
Organizational DUNS: 073136772	Division: CDBG / ESG
Address: Street: 1010 10th Street, Suite 3400 City: Modesto County: Stanislaus	Name and telephone number of person to be contacted on matters involving this application (give area code) Prefix: Mr. First Name: Aaron Middle Name
State: CA Zip Code: 95354	Last Name: Farnon Suffix:
Country: United States of America	Email: famona@stancounty.com

6. EMPLOYER IDENTIFICATION NUMBER (EIN):	Phone Number (give area code) (209) 525-5923	Fax Number (give area code) (209) 525-5911
---	---	---

8. TYPE OF APPLICATION: <input checked="" type="checkbox"/> New <input type="checkbox"/> Continuation <input type="checkbox"/> Revision If Revision, enter appropriate letter(s) in box(es) (See back of form for description of letters.) Other (specify) <input type="checkbox"/> <input type="checkbox"/>	7. TYPE OF APPLICANT: (See back of form for Application Types) B. County Other (specify)
	9. NAME OF FEDERAL AGENCY: U.S. Dept. of Housing and Urban Development

10. CATALOG OF FEDERAL DOMESTIC ASSISTANCE NUMBER: TITLE (Name of Program): Neighborhood Stabilization Program 3	11. DESCRIPTIVE TITLE OF APPLICANT'S PROJECT: Amendment to the Stanislaus County AAP 10-22 & Con. Pl. 07-12 to include the Neighborhood Stabilization Program 3, an amendment to Dept. of Housing & Urban Development for funding in an amount not to exceed \$4,175,947 to assist with stabilizing neighborhoods whose viability has been & continues to be damaged by the negative effects of foreclosures.
12. AREAS AFFECTED BY PROJECT (Cities, Counties, States, etc.): Stanislaus Co Uninc Areas & Cities-Ceres-Newman-Oakdale-Patterson-Waterford	

13. PROPOSED PROJECT Start Date: July 1, 2011 Ending Date: July 14, 2014	14. CONGRESSIONAL DISTRICTS OF: a. Applicant CA-018 / CA-017 b. Project CA-018/017/026/012/014/005/019
--	--

15. ESTIMATED FUNDING:	16. IS APPLICATION SUBJECT TO REVIEW BY STATE EXECUTIVE ORDER 12372 PROCESS?
a. Federal \$ 4,175,947.00	a. Yes. <input type="checkbox"/> THIS PREAPPLICATION/APPLICATION WAS MADE AVAILABLE TO THE STATE EXECUTIVE ORDER 12372 PROCESS FOR REVIEW ON DATE:
b. Applicant \$.00	b. No. <input checked="" type="checkbox"/> PROGRAM IS NOT COVERED BY E. O. 12372
c. State \$.00	<input type="checkbox"/> OR PROGRAM HAS NOT BEEN SELECTED BY STATE FOR REVIEW
d. Local \$.00	17. IS THE APPLICANT DELINQUENT ON ANY FEDERAL DEBT?
e. Other \$.00	<input type="checkbox"/> Yes If "Yes" attach an explanation. <input checked="" type="checkbox"/> No
f. Program Income \$.00	
g. TOTAL \$ 4,175,947.00	

18. TO THE BEST OF MY KNOWLEDGE AND BELIEF, ALL DATA IN THIS APPLICATION/PREAPPLICATION ARE TRUE AND CORRECT. THE DOCUMENT HAS BEEN DULY AUTHORIZED BY THE GOVERNING BODY OF THE APPLICANT AND THE APPLICANT WILL COMPLY WITH THE ATTACHED ASSURANCES IF THE ASSISTANCE IS AWARDED.

a. Authorized Representative		
Prefix Mr.	First Name Richard	Middle Name
Last Name Robinson	Suffix	
b. Title Chief Executive Officer	c. Telephone Number (give area code) (209) 525-6333	
d. Signature of Authorized Representative	e. Date Signed 2/15/11	

Applicant/Recipient Disclosure/Update Report

U.S. Department of Housing
and Urban Development

OMB Approval No. 2510-0011 (exp. 8/31/2009)

Instructions. (See Public Reporting Statement and Privacy Act Statement and detailed instructions on page 2.)

Applicant/Recipient Information

Indicate whether this is an Initial Report or an Update Report

1. Applicant/Recipient Name, Address, and Phone (include area code): Stanislaus County Planning and Community Development, 1010 10th Street, Suite 3400, Modesto, CA 95434, (209)525-6330 c/o Aaron Farnon, Community Development		2. Social Security Number or Employer ID Number:	
3. HUD Program Name Neighborhood Stabilization Program 3		4. Amount of HUD Assistance Requested/Received \$4,175,947.00	
5. State the name and location (street address, City and State) of the project or activity: Unincorporated Stanislaus County, Cities of; Ceres, Newman, Oakdale, Patterson, Waterford			

Part I Threshold Determinations

1. Are you applying for assistance for a specific project or activity? These terms do not include formula grants, such as public housing operating subsidy or CDBG block grants. (For further information see 24 CFR Sec. 4.3). <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	2. Have you received or do you expect to receive assistance within the jurisdiction of the Department (HUD) involving the project or activity in this application, in excess of \$200,000 during this fiscal year (Oct. 1 - Sep. 30)? For further information, see 24 CFR Sec. 4.9 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No.
--	--

If you answered "No" to either question 1 or 2, **Stop!** You do not need to complete the remainder of this form. **However,** you must sign the certification at the end of the report.

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds.

Such assistance includes, but is not limited to, any grant, loan, subsidy, guarantee, insurance, payment, credit, or tax benefit.

Department/State/Local Agency Name and Address	Type of Assistance	Amount Requested/Provided	Expected Uses of the Funds
HUD/CA/600 Harrison St., San Francisco	NSP1	\$9,744,482.00	foreclosure purchase, etc.
HUD/CA/600 Harrison St., San Francisco	HPRP	\$1,023,163.00	homeless prev/rapid rehaus

(Note: Use Additional pages if necessary.)

Part III Interested Parties. You must disclose:

- All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
- any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

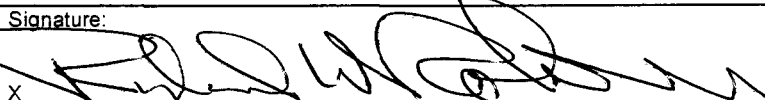
Alphabetical list of all persons with a reportable financial interest in the project or activity (For individuals, give the last name first)	Social Security No. or Employee ID No.	Type of Participation in Project/Activity	Financial Interest in Project/Activity (\$ and %)
Housing Authority of Stanislaus County - P.O.Box 581918 Modesto CA 95358 William Fagan, Executive Director		Activity Delivery-NSP	4% \$174,739.00

(Note: Use Additional pages if necessary.)

Certification

Warning: If you knowingly make a false statement on this form, you may be subject to civil or criminal penalties under Section 1001 of Title 18 of the United States Code. In addition, any person who knowingly and materially violates any required disclosures of information, including intentional non-disclosure, is subject to civil money penalty not to exceed \$10,000 for each violation.

I certify that this information is true and complete.

Signature: 	Date: (mm/dd/yyyy) 02/15/2011
--	----------------------------------

Richard Robinson, Chief Executive Officer

ATTACHMENT 3

Applicant /Recipient Disclosure/Update Report (continued)

Part II Other Government Assistance Provided or Requested / Expected Sources and Use of Funds

<u>Department/State/Local Agency Name Address</u>	<u>Type of Assistance</u>	<u>Amt Requested</u>	<u>Expected Use of Funds</u>
HUD/CA/600 Harrison St., San Francisco	CDBG-R	\$669,134.00	modernize and improve energy Efficiency and expanded Educational opportunities within the housing industry
HUD/CA/600 Harrison St., San Francisco	CDBG ESG	\$2,491,699.00 109,694.00	Provide decent housing Provide a suitable living environment Expand economic opportunities

Public reporting burden for this collection of information is estimated to average 2.0 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not conduct or sponsor, and a person is not required to respond to, a collection information unless that collection displays a valid OMB control number.

Privacy Act Statement. Except for Social Security Numbers (SSNs) and Employer Identification Numbers (EINs), the Department of Housing and Urban Development (HUD) is authorized to collect all the information required by this form under section 102 of the Department of Housing and Urban Development Reform Act of 1989, 42 U.S.C. 3531. Disclosure of SSNs and EINs is optional. The SSN or EIN is used as a unique identifier. The information you provide will enable HUD to carry out its responsibilities under Sections 102(b), (c), and (d) of the Department of Housing and Urban Development Reform Act of 1989, Pub. L. 101-235, approved December 15, 1989. These provisions will help ensure greater accountability and integrity in the provision of certain types of assistance administered by HUD. They will also help ensure that HUD assistance for a specific housing project under Section 102(d) is not more than is necessary to make the project feasible after taking account of other government assistance. HUD will make available to the public all applicant disclosure reports for five years in the case of applications for competitive assistance, and for generally three years in the case of other applications. Update reports will be made available along with the disclosure reports, but in no case for a period generally less than three years. All reports, both initial reports and update reports, will be made available in accordance with the Freedom of Information Act (5 U.S.C. §552) and HUD's implementing regulations at 24 CFR Part 15. HUD will use the information in evaluating individual assistance applications and in performing internal administrative analyses to assist in the management of specific HUD programs. The information will also be used in making the determination under Section 102(d) whether HUD assistance for a specific housing project is more than is necessary to make the project feasible after taking account of other government assistance. You must provide all the required information. Failure to provide any required information may delay the processing of your application, and may result in sanctions and penalties, including imposition of the administrative and civil money penalties specified under 24 CFR §4.38.

Note: This form only covers assistance made available by the Department. States and units of general local government that carry out responsibilities under Sections 102(b) and (c) of the Reform Act must develop their own procedures for complying with the Act.

Instructions

Overview.

A. Coverage. You must complete this report if:

- (1) You are applying for assistance from HUD for a specific project or activity **and** you have received, or expect to receive, assistance from HUD in excess of \$200,000 during the during the fiscal year;
- (2) You are updating a prior report as discussed below; or
- (3) You are submitting an application for assistance to an entity other than HUD, a State or local government if the application is required by statute or regulation to be submitted to HUD for approval or for any other purpose.

B. Update reports (filed by "Recipients" of HUD Assistance):

General. All recipients of covered assistance must submit update reports to the Department to reflect substantial changes to the initial applicant disclosure reports.

Line-by-Line Instructions.

Applicant/Recipient Information.

All applicants for HUD competitive assistance, must complete the information required in blocks 1-5 of form HUD-2880:

1. Enter the full name, address, city, State, zip code, and telephone number (including area code) of the applicant/recipient. Where the applicant/recipient is an individual, the last name, first name, and middle initial must be entered.
2. Entry of the applicant/recipient's SSN or EIN, as appropriate, is optional.
3. Applicants enter the HUD program name under which the assistance is being requested.
4. Applicants enter the amount of HUD assistance that is being requested. Recipients enter the amount of HUD assistance that has been provided and to which the update report relates. The amounts are those stated in the application or award documentation. **NOTE:** In the case of assistance that is provided pursuant to contract over a period of time (such as project-based assistance under section 8 of the United States Housing Act of 1937), the amount of assistance to be reported includes all amounts that are to be provided over the term of the contract, irrespective of when they are to be received.
5. Applicants enter the name and full address of the project or activity for which the HUD assistance is sought. Recipients enter the name and full address of the HUD-assisted project or activity to which the update report relates. The most appropriate government identifying number must be used (e.g., RFP No.; IFB No.; grant announcement No.; or contract, grant, or loan No.) Include prefixes.

Part I. Threshold Determinations - Applicants Only

Part I contains information to help the applicant determine whether the remainder of the form must be completed. **Recipients filing Update Reports should not complete this Part.**

If the answer to **either** questions 1 or 2 is No, the applicant need not complete Parts II and III of the report, but must sign the certification at the end of the form.

Part II. Other Government Assistance and Expected Sources and Uses of Funds.

A. Other Government Assistance. This Part is to be completed by both applicants and recipients for assistance and recipients filing update reports. Applicants and recipients must report any other government assistance involved in the project or activity for which assistance is sought. Applicants and recipients must report any other government assistance involved in the project or activity. Other government assistance is defined in note 4 on the last page. For purposes of this definition, other government assistance is expected to be made available if, based on an assessment of all the circumstances involved, there are reasonable grounds to anticipate that the assistance will be forthcoming.

Both applicant and recipient disclosures must include all other government assistance involved with the HUD assistance, as well as any other government assistance that was made available before the request, but that has continuing vitality at the time of the request. Examples of this latter category include tax credits that provide for a number of years of tax benefits, and grant assistance that continues to benefit the project at the time of the assistance request.

The following information must be provided:

1. Enter the name and address, city, State, and zip code of the government agency making the assistance available.
2. State the type of other government assistance (e.g., loan, grant, loan insurance).
3. Enter the dollar amount of the other government assistance that is, or is expected to be, made available with respect to the project or activities for which the HUD assistance is sought (applicants) or has been provided (recipients).
4. Uses of funds. Each reportable use of funds must clearly identify the purpose to which they are to be put. Reasonable aggregations may be used, such as "total structure" to include a number of structural costs, such as roof, elevators, exterior masonry, etc.

B. Non-Government Assistance. Note that the applicant and recipient disclosure report must specify all expected sources and uses of funds - both from HUD **and any other source** - that have been or are to be, made available for the project or activity. Non-government sources of

funds typically include (but are not limited to) foundations and private contributors.

Part III. Interested Parties.

This Part is to be completed by both applicants and recipients filing update reports. Applicants must provide information on:

1. All developers, contractors, or consultants involved in the application for the assistance or in the planning, development, or implementation of the project or activity and
2. any other person who has a financial interest in the project or activity for which the assistance is sought that exceeds \$50,000 or 10 percent of the assistance (whichever is lower).

Note: A financial interest means any financial involvement in the project or activity, including (but not limited to) situations in which an individual or entity has an equity interest in the project or activity, shares in any profit on resale or any distribution of surplus cash or other assets of the project or activity, or receives compensation for any goods or services provided in connection with the project or activity. Residency of an individual in housing for which assistance is being sought is not, by itself, considered a covered financial interest.

The information required below must be provided.

1. Enter the full names and addresses. If the person is an entity, the listing must include the full name and address of the entity as well as the CEO. Please list all names alphabetically.
2. Entry of the Social Security Number (SSN) or Employee Identification Number (EIN), as appropriate, for each person listed is optional.
3. Enter the type of participation in the project or activity for each person listed: i.e., the person's specific role in the project (e.g., contractor, consultant, planner, investor).
4. Enter the financial interest in the project or activity for each person listed. The interest must be expressed both as a dollar amount and as a percentage of the amount of the HUD assistance involved.

Note that if any of the source/use information required by this report has been provided elsewhere in this application package, the applicant need

not repeat the information, but need only refer to the form and location to incorporate it into this report. (It is likely that some of the information required by this report has been provided on SF 424A, and on various budget forms accompanying the application.) If this report requires information beyond that provided elsewhere in the application package, the applicant must include in this report all the additional information required.

Recipients must submit an update report for any change in previously disclosed sources and uses of funds as provided in Section I.D.5., above.

Notes:

1. All citations are to 24 CFR Part 4, which was published in the Federal Register. [April 1, 1996, at 63 Fed. Reg. 14448.]
2. Assistance means any contract, grant, loan, cooperative agreement, or other form of assistance, including the insurance or guarantee of a loan or mortgage, that is provided with respect to a specific project or activity under a program administered by the Department. The term does not include contracts, such as procurements contracts, that are subject to the Fed. Acquisition Regulation (FAR) (48 CFR Chapter 1).
3. See 24 CFR §4.9 for detailed guidance on how the threshold is calculated.
4. "Other government assistance" is defined to include any loan, grant, guarantee, insurance, payment, rebate, subsidy, credit, tax benefit, or any other form of direct or indirect assistance from the Federal government (other than that requested from HUD in the application), a State, or a unit of general local government, or any agency or instrumentality thereof, that is, or is expected to be made, available with respect to the project or activities for which the assistance is sought.
5. For the purpose of this form and 24 CFR Part 4, "person" means an individual (including a consultant, lobbyist, or lawyer); corporation; company; association; authority; firm; partnership; society; State, unit of general local government, or other government entity, or agency thereof (including a public housing agency); Indian tribe; and any other organization or group of people.

County of Stanislaus: Auditor-Controller Legal Budget Journal

Database
Set of Books

FMSDBPRD.CO.STANISLAUS.CA.US.PROD
County of Stanislaus

ON YELLOW PAPER T

Balance Type		Budget	
Category	* List - Text	Budget - Upload	
Source	* List - Text		
Currency	* List - Text	USD	
Budget Name	List - Text	LEGAL BUDGET	
Batch Name	Text		
Journal Name	Text		
Journal Description	Text		
Journal Reference	Text		
Organization	List - Text	Stanislaus Budget Org	

Upl	Fund	Org	Acc't	GL Proj	Loc	Misc	Other	Debit		Credit		Period	Line Description
								incr appropriations	decr appropriations	decr est revenue	incr est revenue		
	4	7	5	7	6	6	5	(format > number > general)				Upper case MMM-YY List - Text	Text
	1691	0025410	28806								4,175,947.00		Fed-Other-NSP3
	1691	0025410	63242					3,844,047.00					HA Cont's/Acq/Rehab/etc
	1691	0025410	73710					331,900.00					County Admin Serv

Totals: 4175947 4175947

Explanation: Establish estimated revenue and appropriations for Neighborhood Stabilization Program 3

Requesting Department	CEO	Data Entry	Auditors Office Only
Signature	Signature	Keyed by	Approved By
2-4-2011 Date	2/11/11 Date	Date	2/11/11 Date

**COUNTY OF STANISLAUS
STANDARD AGREEMENT**

Agreement Number _____

1. This Agreement is entered into between Stanislaus County (representing Stanislaus County Unincorporated and the cities of: Ceres, Newman, Oakdale, Patterson and Waterford; hereinafter the "Urban County") and the following named Sub-recipient: The Housing Authority of the County of Stanislaus (hereinafter "sub-recipient").

(If other than an individual, state whether a corporation, partnership, etc.): a local public entity

2. The term of this Agreement is: Thirty Nine Months: April 1st, 2011 until July 1st, 2014

3. The maximum amount of payment based on lump sum, or time \$ *(See Exhibit B)*

4. The parties agree to comply with the terms and conditions of the following exhibits, which by this reference, are made a part of the Agreement:

- (a) Exhibit A -- Standard Contract Conditions (LF 4.01)
- (b) Exhibit B -- Scope of Work

IN WITNESS WHEREOF, the parties have executed this Agreement on _____

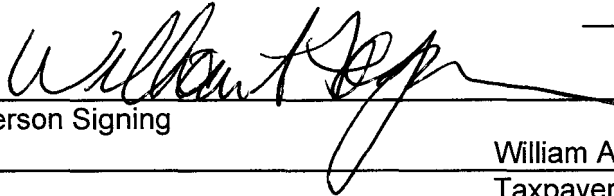
(Date)

Sub-recipient

Sub-recipient's Name

Housing Authority of the **County of Stanislaus**

By *(Authorized Signature)* _____



Printed Name and Title of Person Signing

William A. Fagan, Executive Director

Taxpayer Identification/Social Security No.

Mailing Address

P.O. Box 581918

Modesto, CA 95358-0033

94-6003023

COUNTY OF STANISLAUS (Urban County Lead Entity)

Department Name

Stanislaus County Planning and Community Development

By *(Authorized Signature)* _____




Printed Name and Title of Person Signing

Kirk Ford, Executive Director


Mailing Address

1010 10th Street, Suite 3400, Modesto, CA 95354

Approved for Content:


Angela Freitas, Deputy Director

Approved for Form:


Thomas E. Boze, County Counsel

BOARD OF SUPERVISORS
JUL 27 11 P 3: 15

EXHIBIT A
STANDARD CONTRACT CONDITIONS
(Long Form 4/5/01)

1. Description of Work.

1.1 Work To Be Performed. The Sub-recipient shall provide work or services as described in the Scope of Work and, if the Sub-recipient has submitted a work proposal, the Sub-recipient shall provide work or services in accordance with that proposal, which shall be attached to and, by this reference, made a part of the Agreement. In the event that any provision or description of work in the Sub-recipient's proposal conflicts or is inconsistent with any similar provision or description of work described in the Scope of Work, the Scope of Work shall prevail, control or otherwise have precedence.

1.2 Contract Manager. Each party shall designate in writing a contract manager who shall be the day-to-day representative for administration of this agreement, and, except as otherwise specifically provided, shall have full authority to act on behalf of the respective party with respect to this Agreement. The County Department Head, or designee, or the Board of Supervisors, may also perform any and all acts which could be performed by the contract manager under this Agreement.

1.3 Work Schedule. A work schedule for the hours and times for completion of said services and work shall be prepared and implemented by the Sub-recipient; provided, however, that such schedule is subject to review by and concurrence of the Urban County.

1.4 Work Product. All documents, drawings and written work product prepared or produced by the Sub-recipient under this Agreement, including without limitation electronic data files, are the property of the Sub-recipient; provided, however, the Urban County shall have the right to reproduce, publish and use all such work, or any part thereof, in any manner and for any purposes whatsoever and to authorize others to do so. If any such work is copyrightable, the Sub-recipient may copyright the same, except that, as to any work which is copyrighted by the Sub-recipient, the Urban County reserves a royalty-free, non-exclusive, and irrevocable license to reproduce, publish, and use such work, or any part thereof, and to authorize others to do so.

1.5 Compliance with Laws. Services and work provided by the Sub-recipient will be performed in a timely manner in compliance with the requirements and standards established by applicable federal, state and Urban County laws, ordinances, regulations and resolutions.

2. Compensation.

2.1 Lump Sum Payment. If the signature page of the Agreement indicates lump sum payment, then the Sub-recipient shall be compensated for work performed or services provided under the Agreement on a lump sum basis for each task as described in the Scope of Work, or in any proposal submitted by the Sub-recipient, that is attached to and made part of the Agreement, by making periodic or progress payments upon completion of each task or item of work. The Urban County shall retain ten (10) percent of all periodic or progress payments made to the Sub-recipient until completion and acceptance of all work tasks and payment of all subcontractors retained, hired or used by the Sub-recipient.

2.2 Time & Materials Payment. If the signature page of the Agreement indicates time and materials payment, then Sub-recipient compensation shall be based on the hours worked by the Sub-recipient and/or the Sub-recipient's employees or subcontractors, multiplied by the applicable rate set forth in the Sub-recipient's current, dated schedule-of rates attached hereto and, by this reference, made a part hereof; provided, however, the Sub-recipient will provide the Urban County 30-days notice before any change in the rate schedule takes effect.

2.3 Expenses. In addition to the aforementioned fees, Sub-recipient will be reimbursed for the following expenses, plus any expenses agreed to in writing by the parties, that are reasonable, necessary and actually incurred by the Sub-recipient in connection with providing or performing the work or services under the Agreement.

- (a) Any filing fees, permit fees, or other fees paid or advanced by the Sub-recipient.
- (b) Expenses, fees or charges for printing, reproduction or binding of documents at actual costs.
- (c) The cost of any subcontractors, consultants, experts or investigators retained by the Sub-recipient, provided the Urban County has agreed in writing to reimburse the Sub-recipient for such costs.
- (d) Travel costs, including transportation, lodging and meals, provided the Urban County has agreed in writing to reimburse the Sub-recipient for such costs. Any reimbursement for travel costs shall be subject to and not exceed those amounts paid to Stanislaus County's employees under the current Stanislaus County Travel Policy.

2.4 Invoices. The Sub-recipient shall provide the County with a monthly or a quarterly statement, as services warrant, of fees earned and costs incurred for services provided during the billing period, which the Urban County shall pay in full within 30 days of the date each invoice is approved by the Urban County. The statement will generally describe the services performed, the applicable rate or rates, the basis for the calculation of fees, and a reasonable itemization of costs. All invoices for services provided shall be forwarded in the same manner and to the same person and address that is provided for service of notices herein.

2.5 Maximum Amount of Contract. The parties hereto acknowledge the maximum amount to be paid by the Urban County for services provided and expenses shall not exceed the amount set forth in Paragraph 3 of the signature page of the Agreement, including, without limitation, the cost of any subcontractors, consultants, experts or investigators retained by the Sub-recipient in the performance of work or services under the Agreement.

2.6 Other Compensation. Sub-recipient shall not be entitled to nor receive compensation in the form of overtime, health insurance benefits, retirement benefits, disability retirement benefits, sick leave, vacation time, paid holidays or other paid leaves of absence of any type or kind whatsoever.

2.7 Taxes. The Urban County will not withhold any Federal or State income taxes or Social Security tax from any payments to Sub-recipient. The Sub-recipient, not the Urban County, has the sole responsibility to promptly pay all taxes and other assessments levied on any payments made to the Sub-recipient.

2.8 Payment to Subcontractors and Suppliers. Pursuant to Penal Code section 484b and to Business and Professions Code section 7108.5, the Sub-recipient must apply all funds and progress payments received by the Sub-recipient from the Urban County for payment of services, labor, materials or equipment to pay for such services, labor, materials or equipment. Pursuant to Civil Code section 1479, the Sub-recipient shall direct or otherwise manifest the Sub-recipient's intention and desire that payments made by the Sub-recipient to subcontractors, suppliers and materialmen shall be applied to retire and extinguish the debts or obligations resulting from the performance of this Agreement.

3. Termination. Either party may terminate this agreement upon 30 days prior written notice to the other party. Termination shall not affect the Urban County's obligation to pay for all fees earned and reasonable costs necessarily incurred by the Sub-recipient, subject to any applicable setoffs. This Agreement shall terminate automatically on the occurrence of (a) bankruptcy or insolvency of either party, (b) sale of Sub-recipient's business, (c) cancellation of insurance required under the terms of this Agreement, and (d) if, for any reason, Sub-recipient ceases to be licensed or otherwise authorized to do business in the State of California, and the Sub-recipient fails to remedy such defect or defects within thirty (30) days of receipt of notice of such defect or defects.

4. Licenses, Certificates and Permits. Any licenses, certificates or permits required by the federal, state, county or municipal governments for Sub-recipient to provide the services and work under the Agreement must

be procured and maintained in full force and effect during the term of the Agreement at the Sub-recipient's sole cost and expense.

5. Office Space, Supplies, Equipment, Etc. Unless otherwise provided in another exhibit to the Agreement, the Sub-recipient shall provide at its sole cost and expense, all office space, supplies, equipment, vehicles, reference and other written materials, and telephone service as is necessary for Sub-recipient to provide the services under the Agreement.

6. Insurance.

6.1 Required Insurance. Sub-recipient shall take out, and maintain during the life of this Agreement, insurance policies with coverage at least as broad as follows:

(a) General Liability. Comprehensive general liability insurance covering bodily injury, personal injury, property damage, products and completed operations with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence. If Commercial General Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to any act or omission by Sub-recipient under this Agreement or the general aggregate limit shall be twice the required occurrence limit.

(b) Automobile Liability Insurance. If the Sub-recipient or the Sub-recipient's officers, employees, agents, representatives or subcontractors utilize a motor vehicle in performing any of the work or services under this Agreement, owned/non-owned automobile liability insurance providing combined single limits covering bodily injury, property damage and transportation related pollution liability with limits of no less than One Million Dollars (\$1,000,000) per incident or occurrence.

(c) Workers' Compensation Insurance. Workers' Compensation insurance as required by the California Labor Code. In signing this contract, the Sub-recipient certifies under section 1861 of the Labor Code that the Sub-recipient is aware of the provisions of section 3700 of the Labor Code which requires every employer to be insured against liability for workmen's compensation or to undertake self-insurance in accordance with the provisions of that code, and that the Sub-recipient will comply with such provisions before commencing the performance of the work of this Agreement.

(d) Professional Liability Insurance. If professional services are provided under this Agreement, then Sub-recipient shall also maintain professional errors and omissions (malpractice) liability insurance with limits of no less than One Million Dollars (\$1,000,000) aggregate. Such professional liability insurance shall be continued for a period of no less than one year following completion of the Consultant's work under this Agreement.

6.2 Deductibles. Any deductibles, self-insured retentions or named insureds must be declared in writing and approved by the Urban County. At the option of the Urban County, either: (a) the insurer shall reduce or eliminate such deductibles, self-insured retentions or named insureds, or (b) the Sub-recipient shall provide a bond, cash, letter of credit, guaranty or other security satisfactory to the Urban County guaranteeing payment of the self-insured retention or deductible and payment of any and all costs, losses, related investigations, claim administration and defense expenses. The Urban County, in its sole discretion, may waive the requirement to reduce or eliminate deductibles or self-insured retentions, in which case, the Sub-recipient agrees that it will be responsible for and pay any self-insured retention or deductible and will pay any and all costs, losses, related investigations, claim administration and defense expenses related to or arising out of the Sub-recipient's defense and indemnification obligations as set forth in this Agreement.

6.3 Additional Insured. The Sub-recipient shall provide a specific endorsement to all required insurance policies, except Workers' Compensation insurance and Professional Liability insurance, if any, naming the Urban County and its officers, officials and employees as additional insureds regarding: (a) liability arising from or in connection with the performance or omission to perform any term or condition of this Agreement by or on behalf of the Sub-recipient, including the insured's general supervision of the Sub-recipient; (b) services, products and completed operations of the Sub-recipient; (c) premises owned, occupied or used by the

Sub-recipient; and (d) automobiles owned, leased, hired or borrowed by the Sub-recipient. The Workers' Compensation insurance carrier shall agree to waive all rights of subrogation against the Urban County and its officers, officials and employees for losses arising from the performance of or the omission to perform any term or condition of this Agreement by the Sub-recipient.

6.4 Primary & Separate Coverage. The Sub-recipient's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. The Contractor's insurance coverage shall be primary insurance regarding the Urban County and the Urban County's officers, officials and employees. Any insurance or self-insurance maintained by the Urban County or the Urban County's officers, officials and employees shall be excess of the Sub-recipient's insurance and shall not contribute with Sub-recipient's insurance.

6.5 Reporting. Any failure to comply with reporting provisions of the policies shall not affect coverage provided to the Urban County or its officers, officials, employees or volunteers.

6.6 Notice of Cancellation. Each insurance policy required by this section shall be endorsed to state that coverage shall not be suspended, voided, canceled by either party except after thirty (30) days' prior written notice has been given to the Urban County. The Sub-recipient shall promptly notify, or cause the insurance carrier to promptly notify, the Urban County of any change in the insurance policy or policies required under this Agreement, including, without limitation, any reduction in coverage or in limits of the required policy or policies.

6.7 Rating. Insurance shall be placed with California admitted insurers (licensed to do business in California) with a current rating by Best's Key Rating Guide acceptable to the Urban County; provided, however, that if no California admitted insurance company provides the required insurance, it is acceptable to provide the required insurance through a United States domiciled carrier that meets the required Best's rating and that is listed on the current List of Eligible Surplus Line Insurers maintained by the California Department of Insurance. A Best's rating of at least A-VII shall be acceptable to the Urban County; lesser ratings must be approved in writing by the Urban County.

6.8 Subcontractors. Sub-recipient shall require all its subcontractors to comply with the insurance and indemnity requirements stated herein, or shall include subcontractors as additional insureds under its insurance policies.

6.9 Proof of Insurance. At least ten (10) days prior to the date the Sub-recipient begins performance of its obligations under this Agreement, Sub-recipient shall furnish the Urban County with certificates of insurance and with original endorsements establishing coverage required by this Agreement, including, without limitation, those effecting coverage for subcontractors of the Sub-recipient. The certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. All certificates and endorsements shall be received and, in the Urban County's sole and absolute discretion, approved by the Urban County. The Urban County reserves the right to require complete copies of all required insurance policies and endorsements, at any time.

6.10 Insurance Limits. The limits of insurance described herein shall not limit the liability of the Sub-recipient and Sub-recipient's officers, employees, agents, representatives or subcontractors. Sub-recipient's obligation to defend, indemnify and hold the Urban County and its agents, officers and employees harmless under the provisions of this paragraph is not limited to or restricted by any requirement in this Agreement for Sub-recipient to procure and maintain a policy of insurance.

7. Defense and Indemnification. To the fullest extent permitted by law, Sub-recipient shall indemnify, hold harmless and defend the Urban County and its agents, officers and employees from and against all claims, damages, losses, judgments, liabilities, expenses and other costs, including litigation costs and attorneys' fees, arising out of, resulting from, or in connection with the performance of this Agreement by the Sub-recipient or Sub-recipient's officers, employees, agents, representatives or subcontractors and resulting in or attributable to personal injury, death, or damage or destruction to tangible or intangible property, including the loss of use. The Sub-recipient's obligation to indemnify the Urban County for any judgment, decree or arbitration award shall

extend only to the percentage of negligence or responsibility of the Sub-recipient in contributing to such damage or loss.

8. Status of Sub-recipient. All acts of Sub-recipient and its officers, employees, agents, representatives, subcontractors relating to the performance of the Agreement, shall be performed as independent contractors and not as agents, officers or employees of the Urban County. Except as otherwise expressly provided in the Agreement, Sub-recipient has no authority to bind or incur any obligation on behalf of the Urban County or to exercise any rights or power vested in the Urban County. No agent, officer or employee of the Urban County is to be considered an employee of Sub-recipient. It is understood by both Sub-recipient and the Urban County that this Agreement shall not be construed or considered under any circumstances to create an employer-employee relationship or a joint venture.

9. Records and Audit. Sub-recipient shall maintain and keep all writings, documents and records prepared or compiled in connection with the performance of this Agreement for a minimum of four (4) years after the termination or completion of this Agreement. Any authorized representative of the Urban County shall have access to any such records writings as defined above for the purposes of making audit, evaluation, examination, excerpts and transcripts during the period such records are to be maintained by Sub-recipient.

10. Nondiscrimination. During the performance of this Agreement, Sub-recipient and its officers, employees, agents, representatives or subcontractors shall not unlawfully discriminate in violation of any federal, state or local law, rule or regulation against any employee, applicant for employment or person receiving services under this Agreement because of race, religion, color, national origin, ancestry, physical or mental handicap, medical condition (including genetic characteristics), marital status, age, political affiliation or sex. Sub-recipient and its subcontractors shall comply with all applicable Federal, State and local laws and regulations related to non-discrimination and equal opportunity, including without limitation the Urban County's nondiscrimination policy; the Fair Employment and Housing Act (Government Code, § 12900 et seq.); California Labor Code sections 1101, 1102 and 1102.1; the Federal Civil Rights Act of 1964 (P.L. 88-352), as amended; and all applicable regulations promulgated in the California Code of Regulations or the Code of Federal Regulations.

11. Assignment. The Urban County has relied upon the skills, knowledge, experience and training of Sub-recipient and the Sub-recipient's firm, associates and employees as an inducement to enter into this Agreement. Sub-recipient shall not assign or subcontract this Agreement without the express written consent of the Urban County. Further, Sub-recipient shall not assign any monies due or to become due under this Agreement without the prior written consent of the Urban County.

12. Amendment and Modification. The Agreement may be amended by the mutual written consent of the parties; provided, however, the Urban County may, at anytime, without notice to any sureties, by written order designated or indicated to be a "contract modification," make any change in the work to be performed under this Agreement so long as the modified work is within the general scope of work called for by this Agreement, including but not limited to changes in the specifications or in the method, manner or time of performance of work. If the Sub-recipient intends to dispute the change, the Sub-recipient must, within ten (10) days after receipt of a written "contract modification," submit to the Urban County a written statement setting forth the disagreement with the change.

13. Disputes. Any dispute arising under or relating to the terms of the Agreement, or related to performance under the Agreement, shall be decided in writing by the Urban County contract manager. The Sub-recipient shall be furnished a copy of the written decision and the decision shall be final and conclusive unless, within fifteen (15) calendar days from the date of receipt of such copy, the Sub-recipient mails or delivers a written appeal to the Director of the County Department. The decision of the Director, or designee, shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary or so grossly erroneous as necessarily to imply bad faith, or not supported by any substantial evidence. Pending final decision on any dispute, the Sub-recipient shall proceed diligently with the performance of work as directed by the contract manager unless the Sub-recipient has received a notice of termination.

14. Waiver of Default. Waiver of any default by either party to this Agreement shall not be deemed to be

waiver of any subsequent default. Waiver or breach of any provision of this Agreement shall not be deemed to be a waiver of any other or subsequent breach, and shall not be construed to be a modification of the terms of this Agreement unless this Agreement is modified as provided below.

15. Notice. Any notice or communication regarding Agreement that a party is required or may desire to make shall be in writing and may be personally served or sent by prepaid first class mail to the respective parties at the address set forth on the signature page of this Agreement. Notice is deemed received upon deposit in the mail.

16. Conflicts. Sub-recipient agrees that it has no interest and shall not acquire any interest direct or indirect which would conflict in any manner or degree with the performance of the work and services under this Agreement.

17. Entire Agreement. The Agreement supersedes any and all other agreements, either oral or in writing, between any of the parties and contains all the agreements between the parties with respect to the subject matter of the Agreement. No other agreement, statement or promise not contained in this Agreement shall be valid or binding.

18. Advice of Attorney. Each party warrants and represents that in executing this Agreement, it has received independent legal advice from its attorneys or the opportunity to seek such advice.

19. Construction. Headings or captions to the provisions of this Agreement are solely for the convenience of the parties, are not part of this Agreement, and shall not be used to interpret or determine the validity of this Agreement. Any ambiguity in this Agreement shall not be construed against the drafter, but rather the terms and provisions hereof shall be given a reasonable interpretation as if both parties had in fact drafted this Agreement.

20. Governing Law and Venue. This Agreement shall be deemed to be made under, and shall be governed by and construed in accordance with, the laws of the State of California. Any action brought to enforce the terms or provisions of this Agreement shall have venue in the County of Stanislaus, State of California.

END OF STANDARD CONDITIONS (LONG FORM)

Exhibit "B"

Urban County Neighborhood Stabilization Program

- 1.0 GENERAL SCOPE OF WORK:** To administer the purchase, demolition, rehabilitation, and sale of foreclosed properties throughout the Urban County under the regulations of the Neighborhood Stabilization Program 3 (the "Program") as approved by the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (the "Act").
- 2.0 ALLOCATION:** \$7,000,000.00 – Direct costs associated with the purchase, demolition, and rehabilitation of foreclosed properties.
- 3.0 SUB-RECIPIENT SERVICES:**
- 3.1** The Sub-recipient shall provide the following services:
- a. Secure lists of vacant single family housing units ("housing units") owned by participating lending institutions as a result of foreclosure.
 - b. Conduct on-site pre-acquisition Housing Quality Standard (HQS) inspections of housing units to assess physical condition and potential costs of rehabilitation costs necessary to restore housing units to saleable condition.
 - c. Evaluate prospects for resale of housing units and make recommendations for acquisition of selected housing units to the Urban County.
 - d. Negotiate with sellers for the purchase of housing units.
 - e. Provide or engage the services of a title company selected by Sub-recipient to produce all documents, services and requirements necessary for the purchase and closing of selected housing units, with title to vest in Sub-recipient.
 - f. Obtain and maintain title and all risk liability insurance coverage for all acquired housing units until resale of housing units by the Sub-recipient.
 - g. Assess housing unit needs for upgrades and develop Scope-of-Work plans for rehabilitation or rebuilding housing units.
 - h. Conduct contractor-bidding process for rehabilitation services.
 - i. Award contracts and track project rehabilitation progress through completion.
 - j. Administer long term rental housing program.
 - j.1 Determine, in Sub-recipient's sole and absolute discretion, which housing units acquired by Sub-recipient are suitable for retention as affordable rental units to be owned and operated by Sub-recipient.
 - j.2 Developer is to identify and qualify tenants whose income does not exceed 50% of the area median income (ami) and place these tenants in units that are selected for retention as affordable rental units.
 - j.3 Developer shall maintain properties that are identified as properties that will be retained as affordable rental units from such time that units are first occupied by tenants whose income does not exceed 50% of ami.
 - j.4 Developer will be responsible for payment of all property taxes, assessments and any other liabilities incurred against units that are selected for retention as affordable rental units.

- j.5 Developer will maintain these units as affordable rental units for a minimum of 55 years.
- j.6 Developer will maintain all necessary records and documentation pertaining to rental of unit.
- j.7 Provide an annual financial summary for each rental property. Financial summary will include annual rent and annual expenses.
- k. Market housing units for resale to qualified buyers.
- l. Coordinate with the Urban County for the use of Down Payment Assistance funds, or any other funding available, to assist in qualifying buyers for housing units.
- m. Establish and maintain a list of interested buyers in the purchase of homes through the Urban County programs
- n. Prepare and maintain files for all housing units acquired with Program funds. These files shall include all documents and information relative to the acquisition, the rehabilitation work, and the disposition of all housing units. These files shall be current, complete records, including, but not limited to, contracts, source documents supporting accounting transactions, personnel and payroll records, cancelled checks and related documents and records to assure proper accounting of funds and performance of this contract in accordance with the Program and/or Urban County regulations.

3.2 The Sub-recipient will cooperate in the preparation of, and will furnish any and all information required for reports to be prepared as may be required by the Program and/or Urban County requirements including, but not limited to the Consolidated Plan, the annual performance report and any quarterly reports required by the Urban County.

3.3 The Sub-recipient agrees to comply with all requirements which are now or which may hereafter be imposed by HUD for the Program.

3.4 The Sub-recipient shall assist the Urban County with conducting the environmental review of any projects assisted through this contract in compliance with the National Environmental Protection Act and 24 CFR 58. A copy of any such review shall be retained by the Urban County for Urban County's review, approval and formal acceptance.

4.0 **COMPENSATION:** The Sub-recipient shall be compensated in a total amount not to exceed \$332,000.00 (the "maximum contract amount") for the services provided under this agreement as follows:

4.1 Sub-recipient will receive 4.6% of the allocation for administration fees in an amount not to exceed \$322,000.00.

4.2 In addition the Sub-recipient shall be compensated for marketing expenses and related cost associated with processing the acquisition, rehabilitation and resale of housing units in an amount not to exceed \$10,000.00 of the allocation. The Sub-recipient shall request reimbursements of incidental expenditures and cost within fifteen (15) days of the expenditure. Allowable cost will be determined through Urban County and Sub-recipient agreement. In the case of a single expenditure in excess of Two Thousand Dollars (\$2,000.00), the Sub-recipient may request, in writing, from the Urban County an advance of the necessary amount of the funds, which will be advanced within three (3) days. The amount of each request shall be limited to the amount needed.

- 4.3** The Sub-recipient shall be compensated at the rate of ten dollars (\$10.00) for each monthly loan payment processed.
- 4.4** The Sub-recipient shall, no less than monthly, submit a written invoice identifying the name of the individual performing services, the date the services were performed, a description of the services, and the total cost of the services. Any requests for payment of reimbursable expenses shall be itemized on the invoice. The Urban County shall pay the Sub-recipient within thirty (30) days of the receipt of the invoice.

5.0 DISPUTE RESOLUTION:

- 5.1** The Sub-recipient and the Urban County will attempt to settle any claim or controversy arising out of or relating to this Agreement through consultation and negotiation in good faith and a spirit of mutual cooperation. However, at any time before or during such negotiations, or following any unsuccessful negotiations, either party may by written notice to the other demand that the dispute be submitted to mediation. When such a demand is made, the parties shall within ten (10) days jointly make arrangements for the mediation of the dispute through the auspices, and pursuant to the then current mediation rules and procedures, of the Judicial Arbitration and Mediation Services ("JAMS"), except to the extent such rules and procedures are modified by agreement of the parties.
- 5.2** If the dispute has not been resolved within sixty (60) days of any written demand for mediation, or within a longer time period to which the parties may agree, the dispute shall be submitted to binding arbitration in accordance with the commercial arbitration rules of J.A.M.S./Endispute. In all cases submitted to JAMS for arbitration, the arbitration proceedings shall be conducted at a location mutually agreed upon by the parties and, if they cannot agree, then in Sacramento, California. The parties shall agree to a single arbitrator, advance their respective administrative fees, and advance in equal shares the arbitrator's fee.
- 5.3** Notwithstanding any rules or procedures of JAMS to the contrary, the arbitrator shall be bound to render a decision in accordance with applicable state and federal laws and shall issue written findings of fact and conclusions of law (the "written opinion").
- 5.4** In any petition to confirm, correct or vacate the arbitration award, the arbitrator's written opinion shall be subject to judicial review for the purpose of insuring that it conforms to applicable state and federal laws. Except for this limited right of judicial review and other statutory grounds for correcting or vacating the arbitrator's award, the parties agree that the decision of the arbitrator shall be final and binding upon them.
- 5.5** Any arbitration award shall include the cost of arbitration and reasonable attorney's fees to the prevailing party, if the arbitrator determines that there is a prevailing party in any such dispute. Judgment may be entered on the award in the Stanislaus County Superior Court.
- 5.6** Any negotiation or mediation which takes place pursuant to this Agreement shall be confidential and shall be treated as a compromise and settlement negotiation for purposes of the Federal Rules of Evidence and State rules of evidence.

6.0 MISCELLANEOUS:

- 6.1** Should any litigation be commenced between the Sub-recipient and the Urban County concerning any provisions of this Agreement, or the rights and duties of any person in relation thereto, the party or parties prevailing in such litigation shall be entitled, in addition to such other relief as may be granted, to a reasonable sum as and for his attorney fees in such litigation, which shall be determined by the court in such litigation, or in a separate action brought for that purpose.
- 6.2** In the event of any conflict between the provisions of this Exhibit "B" and the provisions of Exhibit "A" (Standard Contract Conditions); specifically including but not limited to provisions in Exhibit "A" relating to compensation, invoicing, and dispute resolution; the provisions of this Exhibit "B" shall be controlling.

End of Document

I:\Community Development\NSP\NSP3\Housing Authority Agreement\NSP3 EXHIBIT B - Allocation Agmt 6-16-11 .doc

Community Development Block Grant (CDBG)



Urban County

PowerPoint Presentation

Fiscal Year 2010-2011
Annual Action Plan Amendment
and Fiscal Year 2007-2012
Consolidated Plan Amendment

**Neighborhood
Stabilization Program 3
(NSP3)**

Neighborhood Stabilization Program 3 (NSP3)

- Allocation of federal funds under the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act).
- The Urban County has been allocated \$ 4,175,947 in NSP3 funds.

Neighborhood Stabilization Program 3 (NSP3)

- NSP3 utilized to stabilize neighborhoods and provide housing for households with incomes at or below 120% of area median income (AMI).
- 25% of NSP funds (\$1,043,987) must benefit households at or below 50% of AMI.
- 120% of AMI – One (1) person household in Stanislaus County is \$50,000. Four (4) person household is \$71,400.

Neighborhood Stabilization Program 3 (NSP3)

■ NSP3 Activities:

- Program Administration
- Acquisition of Foreclosed Housing Units
- Housing Rehabilitation/Reconstruction
- Sale of NSP homes to first time homebuyers
- Down Payment Assistance

NSP3 Program Goals

1. Stabilize neighborhoods whose viability continues to be negatively effected by the foreclosure crisis.
 - Homes are rehabilitated to mitigate the negative effects of foreclosure.
2. Provide affordable housing to eligible first time homebuyers and renters.
 - Home purchasers are required to attend a certified homeowner counseling course.

NSP3 Program Goals

3. Provide an economic benefit to the local workforce.

- Local general and sub-contractors hired to rehabilitate NSP purchased homes.
- Rehabilitation materials purchased from local suppliers.

NSP3 Priority Areas

Area Name (Phase #1)

- A. Oakdale- Church Ave.
- B. Oakdale- N.E. Central
- C. Waterford- Yosemite
- D. Waterford- Central East
- E. North Denair
- F. Hickman
- G. Spruce Street
- H. Airport Neighborhood
- I. Ceres- Farris Ave.
- J. Parklawn
- K. Crows Landing
- L. Grayson

Area Name (Phase #2)

- M. Empire North
- N. Salida RDA
- O. Vernon Neighborhood
- P. Newman- Eucalyptus Ave.
- Q. Newman- Upper Rd.
- R. Patterson East
- S. Patterson West Central
- T. Patterson Central South
- U. Westley

Area Name (Phase #3)

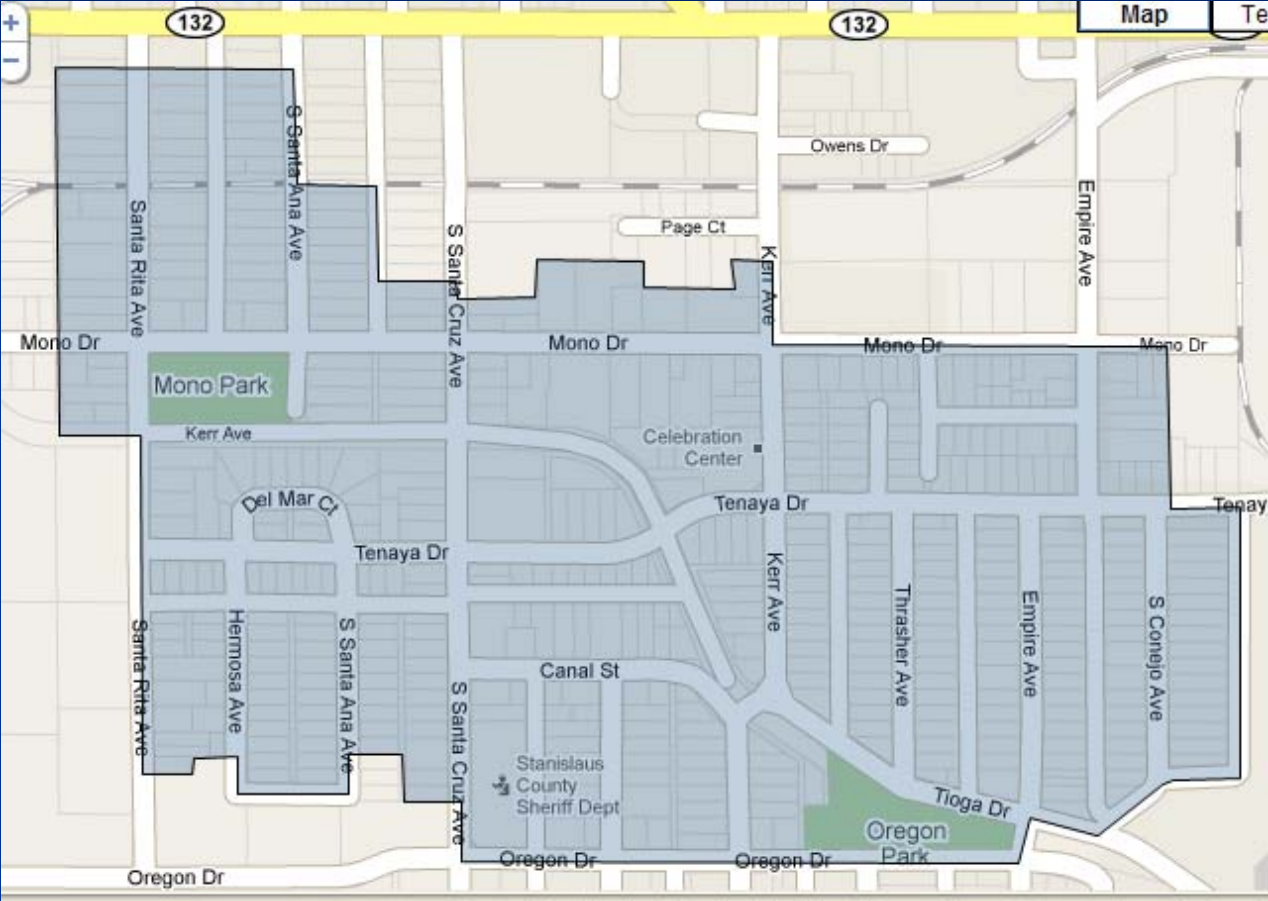
- V. Keyes
- W. Salida

NSP3 Priority Areas

Area H: Airport Neighborhood- Census Tract: 0021.00

Area H, the area designated as the “Airport Neighborhood” is in unincorporated Stanislaus County. The specific area of focus is bounded by Santa Rita Avenue to the west, Hide Street to the north, S. Conejo Avenue to the east, and Oregon Drive to the south. NSP and other funds will be utilized within Area A to assist a minimum of six (6) *units*.

Area H: Airport Neighborhood- Census Tract: 0021.00



NSP3 Priority Areas

Area J: Parklawn - Census Tract: 0025.01

Area J, Parklawn is in unincorporated Stanislaus County. The area is generally bounded by Pearson Ave. to the west, E. Hatch Rd. to the north, Morgan Rd. to the east, and Nelson Way to the south. NSP and other funds will be utilized within Area B to assist a minimum of six (6) units.

Area J: Parklawn – Census Tract: 0025.01



NSP1 – Town of Empire



- “I feel independent, which is ridiculously important to me, I'm happy, I'm warm, I love my house, and my dogs have a back yard. I have so much to be grateful for.” – Nancy Anderson Source: Modesto Bee

Staff Recommendations

Take actions 1 - 5 as outlined in the Board of Supervisors Staff Report, which includes approval of the Fiscal Year 2007-2012 Consolidated Plan Amendment, and Approval of the Fiscal Year 2010-2011 Annual Action Plan Amendment to Incorporate the Neighborhood Stabilization Program 3 (NSP3).

