

**Grantee: Modesto, CA**

**Grant: B-09-LN-CA-0053**

**October 1, 2011 thru December 31, 2011 Performance Report**

---



**Grant Number:**

B-09-LN-CA-0053

**Obligation Date:****Award Date:**

02/11/2010

**Grantee Name:**

Modesto, CA

**Contract End Date:**

02/11/2013

**Review by HUD:**

Submitted - Await for Review

**Grant Amount:**

\$25,000,000.00

**Grant Status:**

Active

**QPR Contact:**

Mary J Christiansen

**Estimated PI/RL Funds:**

\$0.00

**Total Budget:**

\$25,000,000.00

## Disasters:

### Declaration Number

NSP

## Narratives

### Executive Summary:

In early 2010, the City of Modesto received a \$25 million Neighborhood Stabilization Program 2 (NSP2) grant award under the American Recovery and Reinvestment Act of 2009 (ARRA). The City takes their fiduciary responsibilities with this grant very seriously understanding that the federal government has dedicated these resources to areas most hard hit by the housing crisis that has destabilized many neighborhoods throughout the nation.

As the largest city in Stanislaus County and the sixteenth largest city in California with over 210,000 citizens, Modesto has been particularly impacted by foreclosures. In fact, since January 2007, over 40,000 homes have been foreclosed in Stanislaus County alone. As 2010 progresses, the Stanislaus County area continues to rank near the top in the nationwide foreclosure listings. Because of this, most of Modesto's residents are dealing with the issue of foreclosure.

### Target Geography:

It is critical to the economic viability of Modesto and the region that the housing market stabilizes. Since NSP2 funds can be utilized in well over 90% of the city, it is ensured that there is a true city-wide impact. You can view the funding-eligible census tracts by visiting the City of Modesto website at <http://www.modestogov.com/prnd/housing/recoveryactprograms.asp>

The infusion of these grant funds will aid the City of Modesto in dealing with the foreclosure crisis.

### Program Approach:

In general, the City will use the NSP2 grant to buy and repair foreclosed and/or abandoned residential properties. Once the homes are ready, they will be rented or sold to income eligible households. Through this effort, the City expects to accomplish three major objectives: 1) stabilize the housing market in Modesto; 2) create jobs through the rehabilitation work; and 3) provide an opportunity for homeownership to many who might not have that opportunity otherwise.

The actual purchase and rehabilitation of these properties will be done by an approved developer pool which includes both non-profit and for-profit developers.

There are three project areas which are discussed in more detail below.

1. Buying and Rehabilitating Residential Properties for Rental or Homeownership by Households with Incomes of up to 120% of the Area Median Income (\$15 million). As of March 2009, a four person household in this category could make up to \$71,500 annually.

This project area which includes two activities as described below:

- Acquisition and Rehabilitation (\$10.5 million)

Developers (both for-profit and non-profit) will utilize these funds to purchase and rehabilitate 100 foreclosed/abandoned residential properties. While it may not be possible to resell all of the homes purchased under this activity, the major focus of this program will be to spur home ownership for those at our below 120% of the area median income. The incentives and income verification process that will accompany this activity will ensure that qualifying low income households receive the best possible home while still allowing them to live within their means.

- Housing Assistance to Residents with Special Needs (\$4.5 million)

In this area of funding, the City will partner with the Stanislaus Community Assistance Project commonly referred to as SCAP to acquire and



rehabilitate 25 foreclosed and abandoned homes to help services those with mental health or substance abuse issues at will target those at or below 120% of the area median income.

SCAP has a history of developing supportive housing and assisting persons with disabilities. This housing will provide a place where the participants can focus on addressing the problems they face in order to become stable participating members of our community.

In the last two decades, competition for increasingly scarce low income housing grew so intense that those with disabilities such as addictive and mental disorders were more likely to lose out and find themselves on the streets. Increases in the denial of services or premature and unplanned discharge brought about by managed care arrangements may be contributing to the continued presence of seriously mentally ill persons within the homeless population, who turn to drugs and alcohol as a means of self medication. Untreated addictive disorders do contribute to homelessness. For those with below-living wage incomes are just one-step away from homelessness, with a tendency for an addictive disorder, any major stressor may provide just the catalyst to plunge them into residential instability. And for people who are addicted and homeless, the health condition may be prolonged by the very life circumstance in which they find themselves. Without a stable place to live, recovery often remains out of reach. For persons dealing with an addiction, housing is the first step on the road to sustainable recovery.

2. Buying and Rehabilitating Residential Properties for Rental or Homeownership by Households at or below 50% of Area Median Income (\$7.5 million). This project area also includes two activities which are described below. While the City's application only indicated a 25% use of funds in this project area, the City will actually expend 30% of the grant in this project area. As of March 2009, a four-person household at 50% of the area median income could make up to \$29,800 annually.

- Housing Assistance for Emancipated Foster and Homeless Youth (\$6 million)

Utilizing the \$6 million award for this activity, the City will partner with the Housing Authority of Stanislaus County and other local non-profits to acquire and fix-up 40 foreclosed or abandoned properties. In turn, these properties will provide housing for emancipated foster and homeless youth who often have no other place to turn and end up on the streets, the victims of crime and abuse. This allows these young people a safe secure environment where they can focus on education and finding employment rather than just on bare subsistence. Additionally, this "basic needs housing" program will reduce the overall cost that society pays for services as it helps to avoid expenses associated with the use of mental health services, homelessness, use of welfare beyond TANF such as food stamps, substance abuse and second generation foster care are all risk factors that can be mitigated by providing housing, and giving the youth a clean start.

- Housing Assistance to Residents with Special Needs (\$1.5 million)

This a partner activity to the Housing Assistance to Residents with Special Needs activity previously discussed. In this area of funding, the City will partner with SCAP to buy and rehabilitate 10 foreclosed and abandoned homes to help services those with mental health or substance abuse issues at or below 50% of the area median income.

3. Program Administration (\$2.5 million)

Twenty-five percent of the total award is designated for Administration. This includes all staff and other functions necessary to provide day-to-day management of the LMMI and 50% AMI project areas.

**Consortium Members:**

**How to Get Additional Information:**

Administration of the NSP2 Program will be under the City of Modesto's Neighborhood Services Division which also manages all other United States Department of Housing and Urban Development (HUD) funded programs. Staff from this unit will conduct outreach and education efforts and will ensure program compliance, transparency of funding, and regular monitoring.

Public meetings to promote the program will begin in the local community centers. The City has an established partnership with several local HUD certified housing counselors, and will facilitate the process of assisting persons interested in becoming owners of NSP rehabilitated housing, and ensure that they receive the required 8 hours of housing counseling. In addition, the City will use all marketing media at its disposal to promote the program and ensure its success. The City will affirmatively further fair housing and provide marketing and outreach materials in English and in Spanish.

For more information, please contact the City of Modesto's housing division at (209) 577-5245 or on the Internet at <http://www.modestogov.com/prnd/housing/recoveryactprograms.asp>. The City of Modesto welcomes feedback on the NSP2 efforts within our community and looks forward to successful implementation.

Overall	This Report Period	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$25,000,000.00
<b>Total Budget</b>	\$0.00	\$25,000,000.00
<b>Total Obligated</b>	\$0.00	\$17,429,130.14
<b>Total Funds Drawdown</b>	\$625,728.93	\$13,284,220.84
<b>Program Funds Drawdown</b>	\$625,728.93	\$13,284,220.84
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$25,908.28	\$14,152,213.25
<b>Match Contributed</b>	\$0.00	\$0.00



## Progress Toward Required Numeric Targets

Requirement	Required	To Date
Overall Benefit Percentage (Projected)		0.00%
Overall Benefit Percentage (Actual)		0.00%
Minimum Non-Federal Match	\$0.00	\$0.00
Limit on Public Services	\$0.00	\$0.00
Limit on Admin/Planning	\$2,500,000.00	\$469,202.62
Limit on State Admin	\$0.00	\$469,202.62

## Progress Toward Activity Type Targets

Activity Type	Target	Actual
Administration	\$2,500,000.00	\$2,500,000.00

## Progress Toward National Objective Targets

National Objective	Target	Actual
NSP Only - LH - 25% Set-Aside	\$6,250,000.00	\$7,500,000.00

## Overall Progress Narrative:

During this quarter The City of Modesto put NSP funded programs on hold as a result of an audit being conducted by The U.S. Department of Housing & Urban Development (HUD) Office of the Inspector General (OIG). This audit, to be released early January, 2012, identifies few errors in the City's management of the Neighborhood Stabilization Program 2 (NSP2). The audit report identifies findings which account for a very small amount of the grant expended to date (\$11 million) and less than 1% of the total grant allocated to the City of Modesto (\$25 million). The City has reviewed HUD OIG's audit findings and disputes none of them.

"We are grateful to the OIG for conducting this thorough audit," said Mayor Ridenour. "This report is the fact-based audit that began in May and was completed at the end of October. We are now prepared to restart our NSP Program activities and have tightened-up our monitoring processes and procedures over the past few months. The recommendations found in the OIG report will be used to further enhance our monitoring processes."

## Project Summary

Project #, Project Title	This Report Period	To Date	
	Program Funds Drawdown	Project Funds Budgeted	Program Funds Drawdown
001, Admin	\$181,400.56	\$2,500,000.00	\$469,202.62
002, Acquisition and Rehab	\$444,328.37	\$15,000,000.00	\$11,872,071.59
003, Acquisition and Rehab below 50% AMI	\$0.00	\$7,500,000.00	\$942,946.63
9999, Restricted Balance	\$0.00	\$0.00	\$0.00



## Activities

**Grantee Activity Number:** 001 - AD  
**Activity Title:** Administration

**Activity Category:**

Administration

**Project Number:**

001

**Projected Start Date:**

02/11/2010

**Benefit Type:**

N/A

**National Objective:**

N/A

**Activity Status:**

Under Way

**Project Title:**

Admin

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Modesto

Overall	Oct 1 thru Dec 31, 2011	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$2,500,000.00
<b>Total Budget</b>	\$0.00	\$2,500,000.00
<b>Total Obligated</b>	\$0.00	\$2,500,000.00
<b>Total Funds Drawdown</b>	\$181,400.56	\$469,202.62
<b>Program Funds Drawdown</b>	\$181,400.56	\$469,202.62
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$25,908.28	\$639,216.50
City of Modesto	\$25,908.28	\$639,216.50
<b>Match Contributed</b>	\$0.00	\$0.00

### Activity Description:

Oversight of Administration and planning of the Neighborhood Stabilization Program (NSP2).

### Location Description:

10th Street Place, 1010 10th Street, Suite 4300, Modesto, CA

### Activity Progress Narrative:

During this quarter The City of Modesto put NSP funded programs on hold as a result of an audit being conducted by The U.S. Department of Housing & Urban Development (HUD) Office of the Inspector General (OIG). This audit, to be released early January, 2012, identifies few errors in the City's management of the Neighborhood Stabilization Program 2 (NSP2). The audit report identifies findings which account for a very small amount of the grant expended to date (\$11 million) and less than 1% of the total grant allocated to the City of Modesto (\$25 million). The City has reviewed HUD OIG's audit findings and disputes none of them.

"We are grateful to the OIG for conducting this thorough audit," said Mayor Ridenour. "This report is the fact-based audit that began in May and was completed at the end of October. We are now prepared to restart our NSP Program activities and have tightened-up our monitoring processes and procedures over the past few months. The recommendations found in the OIG report will be used to further enhance our monitoring processes." 3 full time City staff continued administrative duties during this quarter.



### Accomplishments Performance Measures

No Accomplishments Performance Measures found.

### Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

### Activity Locations

No Activity Locations found.

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

#### Other Funding Sources

Amount

No Other Funding Sources Found

Total Other Funding Sources

---



<b>Grantee Activity Number:</b>	<b>002 - AR Developers</b>
<b>Activity Title:</b>	<b>Acquisition and Rehab Developers</b>

**Activity Category:**

Acquisition - general

**Project Number:**

002

**Projected Start Date:**

02/11/2010

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Acquisition and Rehab

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

City of Modesto

Overall	Oct 1 thru Dec 31, 2011	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$10,500,000.00
<b>Total Budget</b>	\$0.00	\$10,500,000.00
<b>Total Obligated</b>	\$0.00	\$8,607,341.14
<b>Total Funds Drawdown</b>	\$444,328.37	\$7,647,552.56
<b>Program Funds Drawdown</b>	\$444,328.37	\$7,647,552.56
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$7,706,583.51
City of Modesto	\$0.00	\$7,706,583.51
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Developers (both for profit and non-profit) will utilize these funds to purchase and rehabilitate 100 foreclosed/abandoned residential properties. While it may not be possible to resell all of the homes purchased under this activity, the major focus of this program will be to spur home ownership for those at or below 120% of the area median income. The incentives and income verification process that will accompany this activity will ensure that qualifying low income households receive the best possible home while still allowing them to live within their means.

**Location Description:**

10th Street Place, 1010 10th Street, Modesto CA

**Activity Progress Narrative:**

During this quarter The City of Modesto put NSP funded programs on hold as a result of an audit being conducted by The U.S. Department of Housing & Urban Development (HUD) Office of the Inspector General (OIG). This audit, to be released early January, 2012, identifies few errors in the City’s management of the Neighborhood Stabilization Program 2 (NSP2). The audit report identifies findings which account for a very small amount of the grant expended to date (\$11 million) and less than 1% of the total grant allocated to the City of Modesto (\$25 million). The City has reviewed HUD OIG’s audit findings and disputes none of them.

“We are grateful to the OIG for conducting this thorough audit,” said Mayor Ridenour. “This report is the fact-based audit that began in May and was completed at the end of October. We are now prepared to restart our NSP Program activities and have tightened-up our monitoring processes and procedures over the past few months. The recommendations found in the OIG report will be used to further enhance our monitoring processes.”



## Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	27/100

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	31/100
# of Singlefamily Units	0	31/100

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	6/0	12/0	31/100	58.06
# Owner Households	0	0	0	0/0	0/0	0/26	0
# Renter Households	0	0	0	6/0	12/0	31/74	58.06

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	





<b>Grantee Activity Number:</b>	<b>002 - AR Special Needs</b>
<b>Activity Title:</b>	<b>Residents with Special Needs</b>

**Activity Category:**

Acquisition - general

**Project Number:**

002

**Projected Start Date:**

02/11/2010

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LMMI

**Activity Status:**

Under Way

**Project Title:**

Acquisition and Rehab

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

Stanislaus Community Assistance Project (SCAP)

Overall	Oct 1 thru Dec 31, 2011	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$4,500,000.00
<b>Total Budget</b>	\$0.00	\$4,500,000.00
<b>Total Obligated</b>	\$0.00	\$4,500,000.00
<b>Total Funds Drawdown</b>	\$0.00	\$4,224,519.03
<b>Program Funds Drawdown</b>	\$0.00	\$4,224,519.03
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$4,224,519.03
Stanislaus Community Assistance Project (SCAP)	\$0.00	\$4,224,519.03
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

In this project, the City will partner with the Stanislaus Community Assistance Project (SCAP) to acquire and rehab 25 foreclosed and abandoned homes to help services those with mental health or substance abuse issues and will target those at or below 120% of the AMI.

SCAP has a history of developing supportive housing and assisting persons with disabilities. This housing will provide a place where the participants can focus on addressing the problems they face in order to become stable participating members of our community.

**Location Description:**

Properties located within Modesto census tracts identified in the NSP2 Program.

**Activity Progress Narrative:**

During this quarter The City of Modesto put NSP funded programs on hold as a result of an audit being conducted by The U.S. Department of Housing & Urban Development (HUD) Office of the Inspector General (OIG). This audit, to be released early January, 2012, identifies few errors in the City’s management of the Neighborhood Stabilization Program 2 (NSP2). The audit report identifies findings which account for a very small amount of the grant expended to date (\$11 million) and less than 1% of the total grant allocated to the City of Modesto (\$25 million). The City has reviewed HUD OIG’s audit findings and disputes none of them.

“We are grateful to the OIG for conducting this thorough audit,” said Mayor Ridenour. “This report is the fact-based audit that began in May and was completed at the end of October. We are now prepared to restart our NSP Program activities and have tightened-up our monitoring processes and procedures over the past few months. The recommendations found in the OIG report will be used to further enhance our monitoring processes.”



## Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	5/15

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	9/15
# of Singlefamily Units	0	9/15

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	0/0	8/0	9/15	88.89
# Renter Households	0	0	0	0/0	8/0	9/15	88.89

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	

**Grantee Activity Number:** 003 - LH 25% EFHY  
**Activity Title:** LH 25% Emancipated Foster and Homeless Youth

**Activity Category:**

Acquisition - general

**Project Number:**

003

**Projected Start Date:**

02/11/2010

**Benefit Type:**

N/A

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Acquisition and Rehab below 50% AMI

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

Housing Authority of the County of Stanislaus

Overall	Oct 1 thru Dec 31, 2011	To Date
<b>Total Projected Budget from All Sources</b>	N/A	\$6,000,000.00
<b>Total Budget</b>	\$0.00	\$6,000,000.00
<b>Total Obligated</b>	\$0.00	\$500,000.00
<b>Total Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Funds Drawdown</b>	\$0.00	\$0.00
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$0.00
Housing Authority of the County of Stanislaus	\$0.00	\$0.00
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

Utilizing the \$6 million award for this activity, the City will partner with the Housing Authority of Stanislaus County and other local non-profits to acquire and fix-up 40 foreclosed or abandoned properties. In turn, these properties will provide housing for emancipated foster and homeless youth who often have no other place to turn and end up on the streets, the victims of crime and abuse. This allows these young people a safe secure environment where they can focus on education and finding employment rather than just on bare subsistence. Additionally, this "basic needs housing" program will reduce the overall costs that society pays for services as it helps to avoid expenses associated with the use of mental health services, homelessness, use of welfare beyond TANF such as food stamps, substance abuse and second generation foster care are all risk factors that can be mitigated by providing housing, and giving youth a clean start.

**Location Description:**

1701 Robertson Road, P.O. Box 581918 Modesto, CA 95358

**Activity Progress Narrative:**

During this quarter The City of Modesto put NSP funded programs on hold as a result of an audit being conducted by The U.S. Department of Housing & Urban Development (HUD) Office of the Inspector General (OIG). This audit, to be released early January, 2012, identifies few errors in the City's management of the Neighborhood Stabilization Program 2 (NSP2). The audit report identifies findings which account for a very small amount of the grant expended to date (\$11 million) and less than 1% of the total grant allocated to the City of Modesto (\$25 million). The City has reviewed HUD OIG's audit findings and disputes none of them.

"We are grateful to the OIG for conducting this thorough audit," said Mayor Ridenour. "This report is the fact-based audit that began in May and was completed at the end of October. We are now prepared to restart our NSP Program activities and have tightened-up our monitoring processes and procedures over the past few months. The recommendations



found in the OIG report will be used to further enhance our monitoring processes.&rdquo

### Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	0/40

### Beneficiaries Performance Measures

No Beneficiaries Performance Measures found.

### Activity Locations

Address	City	County	State	Zip	Status / Accept
			California	-	Not Validated / N

### Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	



**Grantee Activity Number:** 003 - LH 25% Special Needs

**Activity Title:** LH 25% Special Needs

**Activity Category:**

Acquisition - general

**Project Number:**

003

**Projected Start Date:**

02/11/2010

**Benefit Type:**

Direct Benefit (Households)

**National Objective:**

NSP Only - LH - 25% Set-Aside

**Activity Status:**

Under Way

**Project Title:**

Acquisition and Rehab below 50% AMI

**Projected End Date:**

02/11/2013

**Completed Activity Actual End Date:**

**Responsible Organization:**

Stanislaus Community Assistance Project (SCAP)

**Overall**

	<b>Oct 1 thru Dec 31, 2011</b>	<b>To Date</b>
<b>Total Projected Budget from All Sources</b>	N/A	\$1,500,000.00
<b>Total Budget</b>	\$0.00	\$1,500,000.00
<b>Total Obligated</b>	\$0.00	\$1,321,789.00
<b>Total Funds Drawdown</b>	\$0.00	\$942,946.63
<b>Program Funds Drawdown</b>	\$0.00	\$942,946.63
<b>Program Income Drawdown</b>	\$0.00	\$0.00
<b>Program Income Received</b>	\$0.00	\$0.00
<b>Total Funds Expended</b>	\$0.00	\$1,581,894.21
Stanislaus Community Assistance Project (SCAP)	\$0.00	\$1,581,894.21
<b>Match Contributed</b>	\$0.00	\$0.00

**Activity Description:**

This activity partners with the 002 AR Special Needs activity. In this area of funding, the City will partner with Stanislaus Community Assistance Project (SCAP) to buy and rehabilitate 10 foreclosed and abandoned homes to help service those with mental health or substance abuse issues at or below 50% AMI.

**Location Description:**

Properties located within Modesto census tracts identified in the NSP2 Program

**Activity Progress Narrative:**

During this quarter The City of Modesto put NSP funded programs on hold as a result of an audit being conducted by The U.S. Department of Housing & Urban Development (HUD) Office of the Inspector General (OIG). This audit, to be released early January, 2012, identifies few errors in the City's management of the Neighborhood Stabilization Program 2 (NSP2). The audit report identifies findings which account for a very small amount of the grant expended to date (\$11 million) and less than 1% of the total grant allocated to the City of Modesto (\$25 million). The City has reviewed HUD OIG's audit findings and disputes none of them.

"We are grateful to the OIG for conducting this thorough audit," said Mayor Ridenour. "This report is the fact-based audit that began in May and was completed at the end of October. We are now prepared to restart our NSP Program activities and have tightened-up our monitoring processes and procedures over the past few months. The recommendations found in the OIG report will be used to further enhance our monitoring processes."



## Accomplishments Performance Measures

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Properties	0	3/10

	This Report Period	Cumulative Actual Total / Expected
	Total	Total
# of Housing Units	0	5/10
# of Singlefamily Units	0	5/10

## Beneficiaries Performance Measures

	This Report Period			Cumulative Actual Total / Expected			
	Low	Mod	Total	Low	Mod	Total	Low/Mod%
# of Households	0	0	0	5/0	0/0	5/10	100.00
# Renter Households	0	0	0	5/0	0/0	5/10	100.00

## Activity Locations

No Activity Locations found.

## Other Funding Sources Budgeted - Detail

No Other Match Funding Sources Found

Other Funding Sources	Amount
No Other Funding Sources Found	
Total Other Funding Sources	