

STAFF REPORT

City of Lancaster

PH {{item.number}}
5/13/2025
TN

Date: May 13, 2025

To: Mayor Parris and City Council Members

From: George Harris, Senior Director of Administrative Services
Cindy Valdivia, Analyst

Subject: Substantial Amendment to the City's 2020-2021 through 2024-2025 Action Plans

Recommendation:

- a. Conduct a public hearing and upon accepting public testimony;
- b. Approve the Substantial Amendment to the 2020-2021 through 2024-2025 Action Plans (Action Plans) to allow for the reprogramming of \$745,009.74 in Home Investment Partnerships (HOME) funds to the City's existing First Time Homebuyer (FTHB) Program;
- c. Approve a Substantial Amendment from the Neighborhood Stabilization Program 3 (NSP3) to transfer \$868,398.81 in program income funds to the City's new Community Development Block Grant (CDBG) First-Time Homebuyer Program; and appropriate \$868,398.81 to the CDBG Fund (31022000.5656) accordingly.
- d. Authorize the City Manager, or designee, to execute and transmit all necessary documents to the U.S. Department of Housing and Urban Development (HUD), including the Substantial Amendment to the Action Plans to ensure the City's timely expenditure of HUD funds.

G.C. Section 84308: No

Fiscal Impact:

There will be no impact to the City's General Fund. All proposed dollars impacted by the Substantial Amendment to the Action Plans have previously been awarded to the City and budgeted to activities in previously adopted Action Plans and Substantial Amendments. The following accounts will need to be adjusted in the City's budget:

Increase the following accounts:

31322000.4998 - \$745,009.74 (Project# FTHBPRGM.HOMEGRANT)
31322000.5656 - \$745,009.74 (Project# FTHBPRGM.ADMIN)
31222000.6999 - \$868,398.81
31022000.4199 - \$868,398.81
31022000.5656 - \$868,398.81 (Project# FTHBPRGM.CDBGGRANT)

The reprogramming of HOME funds and transfer of NSP3 funds to the CDBG Program will ensure that the City's program funds are utilized to improve the quality of life for the City's residents. The City Council's approval of the recommended action adopts the Substantial Amendment to the Action Plans thereby allocating those resources into the HOME and CDBG budgets.

Background:

HUD requires all entitlement communities receiving CDBG funds, such as the City, to prepare and submit a Consolidated Plan every five (5) years to establish a unified, strategic vision for economic development, housing and community development actions. The Consolidated Plan encompasses the analysis of local community needs and coordinates appropriate responses to those needs and priorities.

The Consolidated Plan is carried out through five (5) Annual Action Plans which provide a concise summary of the actions, activities, and the resources that will be used each year to address the priority needs and specific goals identified in the Consolidated Plan. The City must submit an Annual Action Plan to HUD each year of the five-year Consolidated Plan period. The City Council adopted and submitted the Action Plans to HUD by the required deadline dates of each year.

After a thorough review of existing activities, proposed goals, and consultation with HUD representatives, the City identified the need to Substantially Amend its Action Plans by allocating funds to activities that will provide decent, safe and affordable housing, a suitable living environment, and expand on economic opportunities principally for persons of low- and moderate-income throughout the City.

Per the City's Citizen Participation Plan (CPP), a Substantial Amendment to a Consolidated Plan and Action Plan is required when a "substantial" change is proposed as it relates to funding priorities, proposed activities, goals, and objectives. This substantial amendment to the Action Plans is necessary because the City has proposed canceling eight (8) activities, repurposing the balance on one (1) activity, and closing out one (1) grant and repurposing those funds to the City's First Time Homebuyer Program.

Pursuant to 24 CFR 91.505(a), a Substantial Amendment requires specific citizen participation actions, including a Public Hearing and 30-day public review period, before the changes may be approved by the City Council and submitted to HUD. The Public Hearing Notice concerning the proposed Substantial Amendment to the Action Plans and CPP was published in the Antelope Valley press on April 11, 2025. The Substantial Amendments were made available on the City's website, Finance & Technology Information Department and City Clerk's Office for a 30-day public review period starting on April 11, 2025, and ending on May 13, 2025.

Staff recommends amending the Action Plans noted in the enclosed Substantial Amendments. The proposed projects are consistent with the Consolidated Plan goals and will provide immediate assistance to the community.

Analysis:

The following narrative provides descriptions and other information for the proposed Action

Plan activities.

Activities

HOME and CDBG First Time Homebuyer Program

The program will provide financial assistance to rehabilitate low-income single family owner-occupied homes, including mobile homes. Such improvements will address health and safety concerns, code violations, and lead based paint requirements. The program is anticipated to benefit 11 households.

Table 1: Proposed Activity Budget Modifications and Reprogrammed Activity Budgets

Program Year/ Activity Title	Existing Budget	New Budget	Difference
HOME Program			
2020 HOME Admin	\$65,211.00	\$0.00	(\$65,211.00)
2021 HOME Admin	\$67,613.20	\$0.00	(\$67,613.20)
2022 HOME Admin	\$75,119.30	\$0.00	(\$75,119.30)
2023 HOME Admin	\$60,969.02	\$0.00	(\$60,969.02)
2024 HOME Admin	\$65,672.79	\$0.00	(\$65,672.79)
2020 CHDO Set Aside	\$97,816.50	\$0.00	(\$97,816.50)
2021 CHDO Set Aside	\$101,419.80	\$0.00	(\$101,419.80)
2022 CHDO Set Aside	\$112,678.95	\$0.00	(\$112,678.95)
2024 CHDO Set Aside	\$98,509.18	\$0.00	(\$98,509.18)
HOME FTHB Program	\$725,690.39	\$1,470,700.13	\$745,009.74
Sub-Total	\$1,470,700.13	1,470,700.13	\$0.00
CDBG/NSP3 Program			
NSP3 Program Income	\$868,398.81	\$0	(\$868,398.81)
CDBG FTHB Program	\$0	\$868,398.81	\$868,398.81
Sub-Total	\$868,398.81	\$868,398.81	\$0

Attachment:

Substantial Amendment to the 2020-2021 through 2024-2025 Annual Action Plans