

STAFF REPORT
Lancaster Housing Authority

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5/27/2025
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Date: May 27, 2025

To: Mayor Parris and City Council Members

From: Patti Garibay, Director - Community Development
Nicole Jones, Senior Analyst – Community Development

Subject: Approve Expenditure Authority not to exceed \$200,000 for HOME HRP (Housing Rehab) Program for FY25

Recommendation:

Approve Expenditure Authority not to exceed \$200,000 for HOME HRP (Housing Rehab) Program for FY25 for each of the following contractors: Barrett Services, Inc., Petro Remodeling, Inc., and Pender Construction, Inc. for the remainder of fiscal year 2024-2025

G.C. Section 84308: No

Fiscal Impact:

Sufficient funds are available in the HOME HRP project budget account 31022000.5656

Background:

Since 2023, the City of Lancaster has successfully implemented the Housing Rehabilitation Program that includes loans and grants for emergency repairs, mobile home repairs, minor repairs and accessibility needs, major repairs, turf replacement, and beautification. The procurement and payment process for the City's Housing Rehabilitation Program follows a structured sequence of steps designed to ensure transparency, compliance, and quality assurance. The procurement process begins when the applicant receives copies of the City-approved bid documents. With these documents, the applicant is responsible for reaching out to and selecting qualified contractors of their choice to submit bids for the rehabilitation work. Once the contractors submit their proposals, the applicant must collect and submit a minimum of three bids to the City for evaluation.

The City then reviews the submitted bids to verify that they comply with all bid requirements and that the contractors meet federal eligibility standards. The contract is awarded to the contractor who submits the lowest responsible and responsive bid.

Following this, the City enters into a participation agreement with the applicant. This agreement establishes that the City will serve as the disbursing agent for the rehabilitation funds. If there is a loan component associated with the project, the City also prepares the necessary loan documents, which the applicant must execute.

Once the applicant and selected contractor have agreed to move forward, the City prepares a formal agreement between the two parties, which both sign. A Notice to Proceed (NTP) is then issued by the City, authorizing the contractor to begin work on the approved rehabilitation activities.

As the work progresses, the contractor submits progress payment requests for the completed portions of the project. Each payment request triggers an inspection by the City's Housing Rehabilitation Program (HRP) consultant, who verifies that the invoiced work has indeed been completed in accordance with the agreement. The consultant also ensures that any work requiring a building permit has been properly signed off by the City's building inspector. In addition, the consultant secures the applicant's approval for the payment.

Once verified, the contractor's invoice, along with all required supporting documentation, is submitted to the City's HRP representative for review and final approval. If the invoice is approved, it is then forwarded to the City's Finance Department for payment processing. The program has become so successful that three contractors are nearing the threshold of needing Council approval for a total of \$125,000 in invoices over the course of the fiscal year. Staff recommends approval of this expenditure authority in order to keep the program moving forward.