

Action Plan

Grantee: Lancaster, CA

Grant: B-11-MN-06-0510

LOCCS Authorized Amount:	\$ 2,364,566.00
Grant Award Amount:	\$ 2,364,566.00
Status:	Reviewed and Approved
Estimated PI/RL Funds:	\$ 2,968,914.85
Total Budget:	\$ 5,333,480.85

Funding Sources

No Funding Sources Found

Narratives

Summary of Distribution and Uses of NSP Funds:

Lancaster is a city of approximately 145,000 people and is located 60 miles northeast of the City of Los Angeles. The median household income for 2010 was \$65,810 for the average household and the 2010 median home price was \$116,750. Recent reductions in housing prices, a weak economy and the mortgage fiasco contributed to the deteriorating conditions of the neighborhoods, as loans reset and the number of foreclosed properties increased. Due to the sustained foreclosure crisis, the City of Lancaster expects to receive \$2,364,566 from the U.S. Department of Housing and Urban Development's Neighborhood Stabilization Program III Grant pursuant to the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). The City of Lancaster experienced unprecedented growth during the first half of this decade. When the subprime mortgage issues surfaced, the City immediately felt the effects and experienced firsthand the negative impacts brought about by the increase in foreclosed upon and abandoned homes. The City acted in a proactive manner in 2006 and created the Neighborhood Preservation Foreclosure Program funded by the Lancaster Redevelopment Agency. The City then received NSP1 funds in the amount of \$6.9 million in 2008. These programs targeted specific, established neighborhoods in decline with a disproportionate number of foreclosed upon homes. To date, the Lancaster Redevelopment Agency and the City of Lancaster have purchased over one-hundred and twenty foreclosed homes at a total cost of \$6.9 million in NSP1 funds and \$7million in Redevelopment funds. These homes are rehabilitated and then made available to income qualified, first-time home buyers. Despite these efforts, Lancaster, month after month, has a consistently high foreclosure rate. In the Metropolitan Service Area of Los Angeles/Long Beach, the City of Lancaster is among the top four cities with the highest number of foreclosures. In December of 2010, RealtyTrac reported that 1 in every 91 homes located in the City received a foreclosure filing. Lancaster ranked number four with 576 foreclosures reported for the month of December, Los Angeles took the number one spot followed by Palmdale and Long Beach. The number of affordable and decent homes available to qualified buyers in the targeted neighborhoods decreased as foreclosed and vacant properties increased. Although the City has made a small dent in reducing the number of foreclosures in the current market, the target neighborhoods contain an estimated 104 vacant or foreclosed properties combined. The number of available foreclosures in the three identified neighborhoods will allow the City to make strategic acquisitions of foreclosures and make a significant impact by acquiring and rehabilitating properties to stabilize the neighborhoods in decline. While there is a community-wide foreclosure issue, which has a negative impact on property values, there is also continued housing cost burden for those residents at the lowest end of the income spectrum. This is particularly so in the City's Target Area census tracts selected for this grant application. Therefore, the 2010-2015 City of Lancaster Consolidated Plan identified affordable housing opportunities as the main goal. Foreclosure Radar, an on-line listing of for-sale bank-owned foreclosed properties, properties sold at auction, and "pre-foreclosure" properties, show distressed properties scattered throughout the City. However, the identified areas of greatest need are located within targeted areas where the City continues to expend resources and funds to stabilize its neighborhoods. Home sale prices recorded in Lancaster for the 2010 GAVEA report indicate that property values declined by 38% as compared to the prior year. Another negative factor



contributing to the foreclos

How Fund Use Addresses Market Conditions:

NSP3 funds are limited and the City will utilize the grant funds to specifically target the three identified neighborhoods through acquisition and rehabilitation of vacant and fore closed homes. Linda Verde will be the primary neighborhood followed by El Dorado and then Joshua, as funds are limited and must have the greatest possible impact. The Linda Verde neighborhood, according to the NSP3 mapping tool, would require the acquisition of 14 properties to make an impact in the identified targeted area. El Dorado is the secondary neighborhood, which would require the acquisition and rehabilitation of 20 properties. Joshua, on the other hand, would require a significant investment and the acquisition of 47 properties.

Based upon past costs associated with NSP1 stabilization and Agency preservation programs, each acquired foreclosed property will cost, on average, \$160,000 to acquire, rehabilitate, and maintain. Therefore, NSP3 funding in the amount of \$2,364,566 will allow the City to acquire 13 to 14 properties in accordance with Federal regulations. Fourteen acquired and rehabilitated homes will also allow the City to make a significant impact in addressing the foreclosure crisis in the primary target area.

Changing market conditions will allow the City to focus on El Dorado or Joshua if the foreclosed and vacant properties in Linda Verde become scarce or difficult to acquire. In addition, NSP3 funding will remain targeted in a specific area of greatest need, as each neighborhood is adjacent to one another. Improving conditions in one neighborhood should carry over on into the next and have a stabilizing effect for the whole area.

The City does not anticipate utilizing any NSP3 funds to address multi-family units, as most of those units have quickly been acquired and rehabilitated by private entities. Single-family homes, however, are the primary focus, as these contribute to crime, blight and depressed property values in the identified established neighborhoods.

Ensuring Continued Affordability:

The City of Lancaster shall ensure, to the maximum extent practicable and for the longest feasible term, that the sale, rental, or redevelopment of abandoned and foreclosed-upon homes and residential properties remain affordable to individuals or families with incomes below 120 percent of area median income or, for units originally assisted with funds to individuals and families with incomes below 50 percent of area median income.

The City of Lancaster, in order to ensure continued affordability to the maximum extent practicable and for the longest term feasible for the properties it assists with NSP3 funds, will record affordability covenants that will run for a period of 45 years. The City, in addition, will obtain promissory notes and record trust deeds to secure the NSP3 funds it invests in these properties. Affordability covenants and restrictions will have a 45 year term, and will require payment in full if the owner fails to comply with the terms of the covenants.

The resale price, as determined by the City of Lancaster, must be affordable to the new purchaser and may not exceed the affordable housing cost for a low-income household. Resale of the property by the participants during the affordability period to a new purchaser that is not a low-income household, does not intend to occupy the property as a primary residence, or the resale price is not an affordable price, the City shall recapture the entire amount of the City loan, including principal, accrued interest and other applicable loan charges.

During the affordability period, should participant transfer the property title, not occupy the property as a primary residence or not comply with any portion of the loan agreement, the City shall recapture the entire amount of the City loan, including principal, accrued interest and other applicable loan charges.

Continued affordability will be ensured for the entire period of affordability through monitoring, following the specific HOME monitoring requirements as defined in 24 CFR Part 92.

Definition of Blighted Structure:

The City of Lancaster defines a "Blighted Structures" in accordance with Section 33031(a) of the California Health and Safety Code: 33031(a). This subdivision describes physical conditions that cause blight:

- (1) Buildings in which it is unsafe or unhealthy for persons to live or work. These conditions may be caused by serious building code violations, serious dilapidation and deterioration caused by long-term neglect, construction that is vulnerable to serious damage from seismic or geologic hazards, and faulty or inadequate water or sewer utilities.
- (2) Conditions that prevent or substantially hinder the viable use or capacity of buildings or lots. These conditions may be caused by buildings of substandard, defective, or obsolete design or construction given the present general plan, zoning, or other development standards.
- (3) Adjacent or nearby incompatible land uses that prevent the development of those parcels or other portions of the project area.
- (4) The existence of subdivided lots that are in multiple ownership and whose physical development has been impaired by their irregular shapes and inadequate sizes, given present general plan and zoning standards and present market conditions.



Definition of Affordable Rents:

The City of Lancaster will define affordable rents pursuant to the requirements of the federal HOME Program for very low income rents: "A rent that does not exceed 30 percent of the adjusted monthly income of a family whose annual income equals 50 percent of the median income for the area as determined by the U.S. Department of Housing and Urban Development, with adjustments for household size and numbers of bedrooms in the unit." These maximum rents will be in accordance with HUD regulations at 24 CFR 92.252.

Housing Rehabilitation/New Construction Standards:

The City of Lancaster will ensure that all rehabilitation of residential properties utilizing NSP3 funds comply with applicable laws, codes and other requirements relating to housing safety, quality, and habitability, in order to sell, rent, or redevelop such homes and properties. The City is prepared to install Energy Star appliances in homes requiring modest rehabilitation. In addition, all homes requiring substantial rehabilitation will meet or exceed the Energy Star for new homes standard.

The City of Lancaster has taken great strides to preserve and develop affordable housing that provides for a sustainable environment for our families, residents, and future. All homes developed through the NSP3 program will be rehabilitated with a focus on reducing the overall cost of ownership while creating a healthier environment, more energy efficient and healthier homes for our residents.

Vicinity Hiring:

The City of Lancaster will also ensure compliance with NSP3 regulations for Section 3 and "vicinity" hiring and to make efforts to market new jobs associated with the project to individuals or companies within the "vicinity" of the project as described in NSP3.

Procedures for Preferences for Affordable Rental Dev.:

The City does not anticipate utilizing any NSP3 funds to address multi-family units, as most of those units have quickly been acquired and rehabilitated by private entities. Single-family homes, however, are the primary focus, as these contribute to crime, blight and depressed property values in the identified established neighborhoods.

Grantee Contact Information:

City of Lancaster
44933 North Fern Avenue
Lancaster, CA 93534
Brigitte Ligons, NSP3 Administrator
661-723-6034

Project Summary

Project #	Project Title	Grantee Activity #	Activity Title
3.1	NSP LMMI	3.1a	Acquisition/Rehab LMMI
		3.1b	LMMI Rehabilitation
3.2	NSP LH 25%	3.2a	Acquisition/Rehab LH 25%
		3.2b	Rehabilitation LH 25%
3.3	NSP Administration	3.3	NSP Administration
9999	Restricted Balance	<i>No activities in this project</i>	



Activities

Project # / 3.1 / NSP LMMI

Grantee Activity Number: 3.1a
Activity Title: Acquisition/Rehab LMMI

Activity Type:
 Rehabilitation/reconstruction of residential structures

Project Number:
 3.1

Projected Start Date:
 05/01/2011

Project Draw Block by HUD:
 Not Blocked

Activity Draw Block by HUD:
 Not Blocked

Block Drawdown By Grantee:
 Not Blocked

National Objective:
 LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:
 Under Way

Project Title:
 NSP LMMI

Projected End Date:
 12/31/2019

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 2,960,056.35

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 2,960,056.35

Benefit Report Type:
 Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	7	3	4	100.00
# of Households	7	3	4	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	7
# of Housing Units	7
# of Properties	7



Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

The Lancaster Redevelopment Agency, 44933 North Fern Avenue, Lancaster CA 93534.

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
The Lancaster Redevelopment Agency, 44933 North Fern Avenue, Lancaster CA	Local Government	\$ 2,960,056.35

Location Description:

The Linda Verde neighborhood is located in Census Tract 9006.06 and is bounded by Division Street to Challenger Way and from Avenue I to Lancaster Boulevard. The El Dorado Neighborhood is located in Census Tract 9006.07 and is bounded by Division Street to Challenger Way and from Lancaster Boulevard to Avenue J. The Joshua Neighborhood is located in Census Tract 9005.01 and is bounded by Division Street to Challenger Way and from Avenue J to Avenue K.

Activity Description:

The City of Lancaster will acquire abandoned or foreclosed upon homes and residential properties in identified eligible areas in order to sell such homes and properties to income qualified persons who are at or below 120 percent of the area median income. This eligible activity permits the City to expend NSP funds on the CDBG-eligible activities under 24 CFR 570.201(a) Acquisition. The acquisition of these homes will address the declining effects that vacant and foreclosed properties have in established neighborhoods. Strategically allocated NSP3 funds in the identified target areas will allow the City to arrest the decline and negative influences within the neighborhoods.

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: 3.1b
Activity Title: LMMI Rehabilitation

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

3.1

Projected Start Date:

05/01/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LMMI: Low, Moderate and Middle Income National Objective for NSP Only

Activity Status:

Under Way

Project Title:

NSP LMMI

Projected End Date:

12/21/2019

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 686,967.90

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 686,967.90

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	10	4	6	100.00
# of Households	10	4	6	100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	10
# of Housing Units	10
#Units with bus/rail access	10
#Low flow showerheads	10
#Low flow toilets	10
#Dishwashers replaced	10
#Light Fixtures (indoors) replaced	10
#Replaced hot water heaters	10
#Replaced thermostats	10
#Energy Star Replacement Windows	10
# of Properties	10



Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

The Lancaster Redevelopment Agency, 44933 North Fern Avenue, Lancaster CA 93534.

Proposed budgets for organizations carrying out Activity:**Responsible Organization**

The Lancaster Redevelopment Agency, 44933 North Fern Avenue, Lancaster CA

Organization Type

Local Government

Proposed Budget

\$ 686,967.90

Location Description:

The Linda Verde neighborhood is located in Census Tract 9006.06 and is bounded by Division Street to Challenger Way and from Avenue I to Lancaster Boulevard. The El Dorado Neighborhood is located in Census Tract 9006.07 and is bounded by Division Street to Challenger Way and from Lancaster Boulevard to Avenue J. The Joshua Neighborhood is located in Census Tract 9005.01 and is bounded by Division Street to Challenger Way and from Avenue J to Avenue K. (Exhibit A)

Activity Description:

The City of Lancaster will rehabilitate abandoned or foreclosed upon homes and residential properties and provide direct homeownership assistance in identified eligible areas in order to sell such homes and properties to income qualified persons who are at or below 120 percent of the area median income. This eligible activity permits the City to expend NSP funds on the CDBG-eligible activities under 24 CFR 570.201(a) Acquisition, (b) Disposition, and (n) Direct Homeownership Assistance. The rehabilitation, and disposition of these homes will address the declining effects that vacant and foreclosed properties have in established neighborhoods. Strategically allocated NSP3 funds in the identified target areas will allow the City to arrest the decline and negative influences within the neighborhoods.

The City will rehabilitate the abandoned or foreclosed upon homes in accordance with rehabilitation standards. In addition, each rehabilitated home will receive energy efficient materials and components.

Environmental Assessment: COMPLETED**Environmental** None**Project # /** 3.2 / NSP LH 25%**Grantee Activity Number:** 3.2a**Activity Title:** Acquisition/Rehab LH 25%**Activity Type:**

Rehabilitation/reconstruction of residential structures

Activity Status:

Under Way

Project Number:**Project Title:**

3.2

NSP LH 25%

Projected Start Date:

05/01/2011

Projected End Date:

12/31/2019

Project Draw Block by HUD:

Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:

Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:

Not Blocked

Total Budget: \$ 1,083,858.50

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 1,083,858.50

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

Owner Households

	Total	Low	Mod	Low/Mod%
# Owner Households	4	4		100.00
# of Households	4	4		100.00

Proposed Accomplishments

of Singlefamily Units

of Housing Units

of Properties

Total

4

4

4

Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

The Lancaster Redevelopment Agency, 44933 North Fern Avenue, Lancaster CA 93534.

Proposed budgets for organizations carrying out Activity:

Responsible Organization

The Lancaster Redevelopment Agency, 44933 North Fern Avenue, Lancaster CA

Organization Type

Local Government

Proposed Budget

\$ 1,083,858.50



Location Description:

The Linda Verde neighborhood is located in Census Tract 9006.06 and is bounded by Division Street to Challenger Way and from Avenue I to Lancaster Boulevard. The El Dorado Neighborhood is located in Census Tract 9006.07 and is bounded by Division Street to Challenger Way and from Lancaster Boulevard to Avenue J. The Joshua Neighborhood is located in Census Tract 9005.01 and is bounded by Division Street to Challenger Way and from Avenue J to Avenue K. (Exhibit A)

Activity Description:

The City of Lancaster will acquire abandoned or foreclosed upon homes and residential properties and provide direct homeownership assistance in identified eligible areas in order to sell such homes and properties to income qualified persons who are at or below 120 percent of the area median income. This eligible activity permits the City to expend NSP funds on the CDBG-eligible activities under 24 CFR 570.201(a) Acquisition, (b) Disposition, and (n) Direct Homeownership Assistance. The acquisition of these homes will address the declining effects that vacant and foreclosed properties have in established neighborhoods. Strategically allocated NSP3 funds in the identified target areas will allow the City to arrest the decline and negative influences within the neighborhoods.

Environmental Assessment: COMPLETED

Environmental None



Grantee Activity Number: 3.2b
Activity Title: Rehabilitation LH 25%

Activity Type:

Rehabilitation/reconstruction of residential structures

Project Number:

3.2

Projected Start Date:

05/01/2011

Project Draw Block by HUD:

Not Blocked

Activity Draw Block by HUD:

Not Blocked

Block Drawdown By Grantee:

Not Blocked

National Objective:

LH25: Funds targeted for housing for households whose incomes are at or under 50% Area Median Income.

Activity Status:

Under Way

Project Title:

NSP LH 25%

Projected End Date:

12/31/2019

Project Draw Block Date by HUD:

Activity Draw Block Date by HUD:

Total Budget: \$ 266,141.50

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 266,141.50

Benefit Report Type:

Direct (Households)

Proposed Beneficiaries

	Total	Low	Mod	Low/Mod%
# Owner Households	4	4		100.00
# of Households	4	4		100.00

Proposed Accomplishments

	Total
# of Singlefamily Units	4
# of Housing Units	4
# ELI Households (0-30% AMI)	
#Units with bus/rail access	4
#Low flow showerheads	4
#Low flow toilets	4
#Dishwashers replaced	4
#Refrigerators replaced	4
#Light Fixtures (indoors) replaced	4
#Replaced hot water heaters	4
#Replaced thermostats	4
#Energy Star Replacement Windows	4
# of Properties	4



Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

The Lancaster Redevelopment Agency, 44933 North Fern Avenue, Lancaster CA 93534.

Proposed budgets for organizations carrying out Activity:

Responsible Organization	Organization Type	Proposed Budget
The Lancaster Redevelopment Agency, 44933 North Fern Avenue, Lancaster CA	Local Government	\$ 266,141.50

Location Description:

The Linda Verde neighborhood is located in Census Tract 9006.06 and is bounded by Division Street to Challenger Way and from Avenue I to Lancaster Boulevard. The El Dorado Neighborhood is located in Census Tract 9006.07 and is bounded by Division Street to Challenger Way and from Lancaster Boulevard to Avenue J. The Joshua Neighborhood is located in Census Tract 9005.01 and is bounded by Division Street to Challenger Way and from Avenue J to Avenue K.

Activity Description:

The City of Lancaster will rehabilitate abandoned or foreclosed upon homes and residential properties and provide direct homeownership assistance in identified eligible areas in order to sell such homes and properties to income qualified persons who are at or below 120 percent of the area median income. This eligible activity permits the City to expend NSP funds on the CDBG-eligible activities under 24 CFR 570.201(a) Acquisition, (b) Disposition, and (n) Direct Homeownership Assistance. The rehabilitation, and disposition of these homes will address the declining effects that vacant and foreclosed properties have in established neighborhoods. Strategically allocated NSP3 funds in the identified target areas will allow the City to arrest the decline and negative influences within the neighborhoods.

The City will rehabilitate the abandoned or foreclosed upon homes in accordance with rehabilitation standards. In addition, each rehabilitated home will receive energy efficient materials and components.

Environmental Assessment: COMPLETED

Environmental None

Project # / 3.3 / NSP Administration

Grantee Activity Number: 3.3
Activity Title: NSP Administration

Activity Type: Administration
Activity Status: Under Way
Project Number:
Project Title:

3.3

NSP Administration

Projected Start Date:

05/01/2011

Projected End Date:

12/31/2019

Project Draw Block by HUD:

Not Blocked

Project Draw Block Date by HUD:

Activity Draw Block by HUD:

Not Blocked

Activity Draw Block Date by HUD:

Block Drawdown By Grantee:

Not Blocked

Total Budget: \$ 336,456.60

Most Impacted and Distressed Budget: \$ 0.00

Other Funds: \$ 0.00

Total Funds: \$ 336,456.60

National Objective:

Not Applicable - (for Planning/Administration or Unprogrammed Funds only)

Benefit Report Type:

NA

Activity is being carried out by

Yes

Activity is being carried out through:

Grantee Employees and Contractors

Organization carrying out Activity:

The Lancaster Redevelopment Agency, 44933 North Fern Avenue, Lancaster CA 93534.

Proposed budgets for organizations carrying out Activity:

Responsible Organization

The Lancaster Redevelopment Agency, 44933 North Fern Avenue, Lancaster CA

Organization Type

Local Government

Proposed Budget

\$ 336,456.60

Location Description:

The Linda Verde neighborhood is located in Census Tract 9006.06 and is bounded by Division Street to Challenger Way and from Avenue I to Lancaster Boulevard. The El Dorado Neighborhood is located in Census Tract 9006.07 and is bounded by Division Street to Challenger Way and from Lancaster Boulevard to Avenue J. The Joshua Neighborhood is located in Census Tract 9005.01 and is bounded by Division Street to Challenger Way and from Avenue J to Avenue K.



Activity Description:

This activity will provide funding needed for planning, administration and staff direct delivery activity costs for the City to operate its NSP3 program.

Environmental Assessment: EXEMPT

Environmental None

Action Plan Comments:

- Reviewer - Accepted and Approved 4/12/11 hjb
- Reviewer - Minor amendment to change activity status to appropriate level. Approved. EOO. 11/15/12.
- Reviewer - Minor amendment to increase activity budgets to account for receipted program income. Approved by EOO for CVC. 3/29/13.
- Reviewer - Grantee updated the budget to accommodate the estimated new acquisitions and program income. Approved
- Reviewer - Adjustment of PI for activity 3.1a. Approved. RMD. 10/11/16
- Reviewer - Updating budgets due to Clean Up Report. Approved. 4/16/19.

Action Plan History

Version	Date
B-11-MN-06-0510 AP#1	04/12/2011
B-11-MN-06-0510 AP#2	11/15/2012
B-11-MN-06-0510 AP#3	03/29/2013
B-11-MN-06-0510 AP#4	02/03/2015
B-11-MN-06-0510 AP#5	10/11/2016
B-11-MN-06-0510 AP#6	04/16/2019

