

I. EXECUTIVE SUMMARY

A. Overview of Consolidated Plan

In 1995, the U.S. Department of Housing and Urban Development implemented a process that combines the planning and application aspects of the Community Planning and Development (CPD) formula programs, including the Community Development Block Grant (CDBG), into a single consolidated document submission. This process is called the Consolidated Plan and Strategy and represents a five-year plan for the administration of HUD funded CPD Programs, including the Community Development Block Grant (CDBG) program in which the City of Lancaster currently participates. The City of Lancaster is entering the first year of the 2005-2009 Consolidated Plan cycle.

The Consolidated Plan and Strategy also represents a comprehensive citywide program for addressing priority community needs. It provides the opportunity for defining a community vision through comprehensive planning and translating that vision into action through a well-defined set of strategies.

B. Consolidated Plan Goals/Priorities

In its Consolidated Plan Strategic Plan, the City of Lancaster identified thirteen priorities, along with specific objectives, to be addressed during its current five-year planning period. These priorities are as follows:

1. Rehabilitate owner and/or renter-occupied residences for extremely low- to moderate-income households, elderly, and the physically disabled.
2. Construct affordable housing meeting the special needs of the elderly population.
3. Construct congregate housing to meet the special needs of veterans.
4. Provide shelter and services to meet the needs of the homeless and “at risk” populations.
5. Provide financial assistance to first-time home buyers who do not exceed the moderate-income level to help them purchase affordable housing.
6. Construct affordable housing meeting the needs of the low- to moderate-income population.

7. Promote and stimulate job creation/retention activities for low/moderate-income residents through economic development activities.
8. Enhance the City's public facility needs through the expansion and development of new parks, recreational, and neighborhood facilities.
9. Provide for a safe and healthy environment through the construction and rehabilitation of City infrastructure.
10. Provide for the public safety needs of Lancaster residents through enhanced crime awareness services.
11. Provide for public service needs for Lancaster residents through enhanced transportation services.
12. Provide for neighborhood revitalization within blighted areas.
13. Promote and support enhanced skills' assessment, employment training, and job placement for very low- and low-income residents.

C. Annual Action Plan

To receive Community Development Block Grant funds, the City must produce an Annual Action Plan each year. The Annual Action Plan describes the City's planned investments for the coming program year, including proposed actions and proposed CDBG projects. It is similar to a yearly operating plan for a business. It outlines the City's proposed activities in several areas and relates these activities back to the five-year strategies to address priority needs described in the Consolidated Plan.

To continue the City's efforts in meeting new and continuing priorities, the City of Lancaster will fund the following CDBG projects during the 2005 program year in support of its approved 2005-2009 Consolidated Plan five-year Strategic Plan. The new entitlement funding allocation for the 2005 program year is \$1,555,374.

1. Proposed Projects

- a. Planning and Administration - The City will provide staff and resources to support the administration of the City's CDBG programs and projects. This support will include planning, environmental review, training, inspection, general administrative, clerical, and project management support to the City's CDBG program and projects. The planning and administration budget for the 2005 Program Year will be \$105,000.

- b. Fair Housing Services - As provided in its current contract with the Housing Rights Center, the City will extend its agreement for fair housing services for the 2005 program year. New funding in the amount of \$20,050 will be allocated to provide fair housing services to the City's housing providers, financial institutions, and an estimated 300 Lancaster residents. Fair housing services provided will include training, counseling, testing, mediation, informational printed materials (English, Spanish, and Asian languages), community outreach and education, on-site clinics, monitoring, and telephone/message accessibility.

- c. Rental Housing Rehabilitation – (Residential Revitalization Area) - In the City's Five-Year Consolidated Plan, the rehabilitation of renter-occupied residences and providing for neighborhood revitalization were listed as a high priority (see Attachment 5, Table 2B). In an on-going effort to meet its priority needs and objectives, the City of Lancaster will continue to focus a major portion of its CDBG resources toward targeted areas of the City in order to promote social and physical revitalization as well as enhance the quality of life for its residents through the rehabilitation of renter-occupied residences.

For the 2005 program year, the City will allocate \$869,308 in new funding to support the rehabilitation of rental housing efforts within the North Downtown Neighborhood Revitalization/Transit Village project area.

Approximately twenty-four (24) rental units will be rehabilitated in FY 2005. It is the City's expectation that the rehabilitation of these rental housing units, in addition to the City's other downtown revitalization efforts, will help return neighborhood pride to an otherwise blighted downtown residential area. (See Attachment 7a, for the general location of this project and a view of the full scope of the North Downtown Neighborhood Revitalization/Transit Village project.

- d. Repayment of Section 108 Loan (Industrial Corridor Infrastructure) Housing Site Property Acquisition (Sate Fairgrounds); and Recreational Facilities (Soccer Complex). The City has allocated \$286,708 in 2005-2006 program year funding for the repayment of a \$3.1 million, 20-year Section 108 Loan. This loan was secured for the purpose of meeting high priority community development needs outlined in the City's 2000-2005 Consolidated Plan Strategic Plan (see Attachment 5, Table 2B). These priorities include job creation through economic development activities, acquisition of property for the purpose of providing affordable housing, and the elimination of blight through the construction of public facilities. All

three projects have been completed, however, the following briefly outlines each of the projects covered by this Section 108 Loan:

- i. Public improvements and economic development activities in the Fox Field Industrial Corridor (\$500,000) - Infrastructure improvements in support of retaining the new jobs created as a result of the Avenue H Overpass project (850 new jobs) and providing for future business expansion as well as attraction of other industrial/manufacturing businesses to create an additional 150 new jobs;
 - ii. Acquisition of state fairground property located at Division Street and East Avenue I for the construction of future affordable housing (\$1.3 million); and
 - iii. Elimination of blighting conditions through the development of recreational facilities in Redevelopment Project Area No. 6 (\$1.3 million).
- e. Repayment of Section 108 Loan (Industrial Corridor Infrastructure) - Job creation continues to be a high priority for the City of Lancaster. The City has allocated \$31,055 in 2005-2006 program year funding for the repayment of a \$320,000, 20-year Section 108 Loan for the purpose of addressing a high priority community development need. This loan was secured to assist the City of Lancaster with additional economic development activities and the construction of public improvements in the Fox Field Industrial area and was used to augment the \$500,000 in loan funding that was received through the \$3.1 million Section 108 Loan as noted in item No. 4 above. As previously stated, these improvements are completed and will ultimately aid in bringing new industrial and manufacturing businesses to the area and creating approximately 50 new jobs for low and moderate-income residents during the coming year.
- f. Repayment of Section 108 Loan (Mental Health Association) - In August, 2003, the City received \$1.45 million in Section 108 Loan funding for the relocation and expansion of the Antelope Valley Mental Health Association facility to a more centralized location within the City's North Downtown Neighborhood Revitalization/Transit Village project area. The Section 108 Loan funds have been used to acquire the property needed for the construction of the new facility. The City has allocated \$116,222 in 2005-2006 program year funds for the repayment of this loan for the 2005 program year. This loan will assist in meeting the high priority need of

providing neighborhood revitalization identified in the City's Consolidated Plan Strategic Plan in addition to supporting the homeless and special needs populations and community development needs.

- g. Repayment of Section 108 Loan (Antelope Valley Child Abuse Center) - During the 2003 program year, the City received approval of its application for \$1.5 million in Section 108 Loan funding for the construction of a new Antelope Valley Child Abuse Center (Children's Center) facility to a more convenient, centralized location within the City's North Downtown Neighborhood Revitalization/Transit Village project area. These Section 108 Loan funds will be used to support construction of a new 15,445 sq. ft. facility. The City has allocated \$127,031 in 2005-2006 program year funds for the repayment of this loan. This loan will assist in meeting the high priority need of providing neighborhood revitalization identified in the City's Consolidated Plan Strategic Plan in addition to supporting the "special needs" and youth populations along with community development needs.

D. Geographic Distribution

The majority of the City's CDBG entitlement funds will be focused within the North Downtown Neighborhood Revitalization/Transit Village Project area for the purpose of creating a centralized, public neighborhood park. This project is located within a low/moderate-income area encompassing portions of Census Tract 9008.02, block group 1 and 2.

E. Homeless and Other Special Needs Activities

The City of Lancaster will budget approximately \$40,000 in set-aside housing funds in the upcoming year for building maintenance and staff support for the Lancaster Community Shelter.

In addition the City of Lancaster will continue to work with the regional Homeless Coalition, the (LAHSA), and area service providers for the development of additional transitional family units for homeless and/or "at risk" families in the Antelope Valley.

The City will assist the Antelope Valley Child Abuse Center (Children's Center), through a Section 108 Loan in the amount of \$1.5 million, to relocate and expand its operations within the City's North Downtown Neighborhood Revitalization/Transit Village project area. In addition, the City will assist the Antelope Valley Chapter of

the Mental Health Association with the expansion and relocation efforts through a \$1.45 million Section 108 Loan.

F. Other Actions

1. Obstacles to Meeting Underserved Needs

Obstacles to meeting undeserved needs primarily fall into the categories of funding and staff availability. The bulk of financial assistance for delivery of services provided by the City comes from the Lancaster Redevelopment Agency and the City's general fund. Gaps, or more appropriately weaknesses, in this delivery system are primarily related to declining state and federal funding sources and to fluctuations in the level of economic and development growth that occurs within the community. The reason for this is that the primary source of revenue for both the City and the Redevelopment Agency is that which is produced as a direct result of economic and development growth through sales and property taxes.

The California State budget crises, which has continued since the 2003 program year and is anticipated to continue well into the City's FY 2006 budget cycle, leaves both the City and the Redevelopment Agency with fewer resources to allocate towards programs and projects that are needed to meet underserved needs.

With the state budget crises in mind, the City will continue to determine priority housing and service needs by income group and factors such as available resources, staff capacity, timing, and local political and community interests. As in the past, highest consideration will continue to be given to those groups experiencing the most significant housing problems or where the most serious neighborhood problems exist. To overcome current and projected financial obstacles in meeting underserved needs, the City will aggressively pursue leveraging resources through public and private partnerships and additional grant opportunities in order to finance much of its downtown revitalization activities.

As always, City staff will continue to partner with outside agencies to leverage existing funds and also search for additional funding sources to augment CDBG funds in providing housing programs and services to meet the underserved needs of the community. As additional funding sources become available, those funds will be used to support existing programs as well as finance additional programs.

2. Foster and Maintain Affordable Housing

During the 2005 program year, the City of Lancaster will continue to foster and maintain the provision of affordable housing for its residents. Through the City's Home Ownership Mortgage Loan Program, the City will foster and maintain affordable housing through the sale of mobile homes to low and moderate income households. The program is comprised of two sub-programs. In the first, the Redevelopment Agency purchases a used mobile home, refurbishes the unit, and sells it to a low- and moderate- income family. The program is funded with Lancaster Redevelopment Agency funds (set aside funds). In the second program, the Agency purchases a new mobile home and sells it to a low- and moderate income family. This program is funded with state HOME funds. In both programs, the agency finances the sale of the unit with a zero percent interest. The purchase must provide a minimum 2% down payment. These units are placed in the mobile home parks owned and operated by the Lancaster Redevelopment Agency (Desert Sands) and City Housing Authority (Brierwood).

In addition, the City will continue to work in partnership with local developers in providing affordable housing to low/moderate-income families.

City staff will continue to examine policies, ordinances, resolutions, and procedures, as they are introduced, to identify and correct any potential constraints which may inhibit the City's ability to foster, implement, and maintain affordable housing and housing assistance.

3. Remove Barriers to Affordable Housing

In planning for the development, maintenance, and improvement of housing, barriers to the construction of housing must be identified. The primary constraints imposed by governments relate to decreasing federal and state commitments to housing, conflicting local responsibilities, development standards/zoning requirements, fees, and processing times.

The emphasis placed by the federal and state governments on housing policies and funding has traditionally shifted with changing administrations and priorities. As a result, federal funding for housing programs has either declined or remained stagnant. This trend has left local governments with a mandate to provide programs to facilitate housing for all economic segments of the community with limited access to the funds to initiate and/or maintain such programs. This problem will be exacerbated during the coming year with the on-going state budget crisis that will, in all probability, continue to dramatically

reduce available resources to both Cities and Redevelopment Agencies for the creation of affordable housing.

The City of Lancaster recently amended its park in lieu development fee and will continue to review its fee structure so that, in compliance with state law, fees charged by the City continue to bear a reasonable relationship to the actual costs incurred by the City and do not become excessive and hinder development.

The City will also continue to use the Development Review Committee (DRC) to provide a unified, single-point review team that will work directly with the developer/applicant, significantly cutting the time-line in notifying the developer of any development changes that may be required. This group also helps in reducing project processing time. Also, the Lancaster Redevelopment Agency will continue to provide an ombudsman to assist developers through the City's development process.

In addition, the City's Subdivision Ordinance incorporates an administrative parcel map section. Subdivision review is now performed entirely by staff which eliminates the requirement for a Public Hearing thereby reducing processing time.

Because Lancaster's management has taken a proactive approach to creating a climate for housing development, there are no identified City policies, ordinances, resolutions, or procedures that inhibit the City's ability to implement affordable housing and housing assistance. Affirmatively Further Fair Housing

4. Affirmatively Furthering Fair Housing

As a follow-up to the 1996 study, the updated Analysis of Impediments to Fair Housing, conducted by the Empirical Research Group – UCLA and completed in April 2002, focused on four specific areas. A brief summary of findings related to these four specific areas are offered below:

- a. Demographic Context in Lancaster - The 2000 census counted 118,718 residents in Lancaster about a 22% increase over 1990. As of January 2005, Lancaster's population has grown to 126,100. Much of that growth comes not from an increase in ex-urban commuters but from the maturing of the area's own commercial and retail base which has produced more jobs within the valley as a whole.

Overall, Lancaster has become very racially diverse; it is almost evenly split now between whites (52%) and racial minorities (48%). The substantial and widespread racial integration in Lancaster makes it a very attractive

destination for African American (16%) and Hispanics (24%) seeking to live in an outlying area that has both a real minority presence and high integration. In addition, there is an equal split between males (50.8%) and females (49.2%) with a median age of 32.8 years. The average family income as of January 2005 was \$63,425.

In addition, housing in Lancaster continues to be substantially more affordable than in other parts of Los Angeles County (particularly the “suburban” areas). The average home price in Lancaster for 2003 was \$166,955 in contrast to neighboring Palmdale at \$196,563 or nearby Valencia at \$448,245. Since the Antelope Valley has lost its perceived forbidding aspect as a white enclave that did not welcome minorities, the relatively low cost of housing has meant that moderate-to-middle-income families now disproportionately populate Lancaster’s new housing.

- b. Fair Lending in the City of Lancaster - The Home Mortgage Disclosure Act data (HMDA) data provides information about the lending patterns of financial institutions. The City of Lancaster’s 2002 AI update showed that approval rates are relatively high for all groups of loan applicants in the City of Lancaster when the information is evaluated in the aggregate.
- c. Fair Housing Services in Lancaster - The updated AI Study found that, overall, the City of Lancaster’s Fair Housing operation is well-run. Record-keeping of complaints is excellent, intake and investigation of complaints is effective, and complaints are resolved in over half the cases. One area that can be improved is the area of testing which seems to be used only as a tertiary tool.
- d. Lancaster Land Use and Zoning - Over the past fifteen years, one of the most important new concerns of fair housing law has been the protection of persons with disabilities. The AI update reviewed the key documents that embody land use policies in Lancaster; namely, the Zoning Code and the General Plan. Although the study noted a few areas of concern; overall, the City’s policies appear to be more progressive and less problematic than those of most California jurisdictions.

5. Actions to Eliminate Identified Impediments to Fair Housing

Based on the City’s 2002 updated AI study, the City of Lancaster has implemented a Fair Housing Implementation Plan with its fair housing provider to address identified impediments to fair housing.

6. Evaluate and Reduce Lead-Based Paint Hazards

The City of Lancaster has a relatively young housing stock with the majority of homes constructed after 1980. As a result, lead-based paint has not been a significant problem in Lancaster.

7. Reduce the Number of Poverty Level Families

The City's Strategic Plan is aimed at reducing, to the extent possible, the number of poverty level families and individuals in the City taking into consideration the many factors over which the City has no control such as funding resources, economic conditions, company downsizing, and a major factor again for 2005, the state of California budget crisis.

- a. Continuum of Care - The Department of Housing and Urban Development encourages jurisdictions to develop and maintain a comprehensive continuum of care. To continue its pro-active approach in providing a comprehensive continuum of care to local residents, the City of Lancaster has continued to provide support to local service providers and non-profit agencies in developing additional facilities that will provide new services and enhance existing services for all people in need.

During the 2005 program year, the City of Lancaster will continue to assist with the relocation and expansion of the Antelope Valley Child Abuse Center (Children's Center) within the North Downtown Neighborhood Revitalization/Transit Village project area. Both of these projects will provide residents with expanded services that will be centrally located for easy public transportation access.

The Lancaster Community Shelter is the only dedicated facility that provides shelter and services for the homeless in the Antelope Valley Service Population Area (SPA 1). Its jurisdiction includes the cities of Lancaster and Palmdale and the unincorporated areas of Los Angeles County. The City of Lancaster will continue to support the Coalition's grant efforts in order develop additional transitional family units for homeless and/or "at risk" families in the Antelope Valley.

- b. Job Creation/Job Training -

Job Creation - During this program year, the City will also provide assistance to local non-profit organizations in efforts to relocate and expand their services for the residents of the Antelope Valley as well as continue its

economic development efforts in the Fox Filed Industrial area to support the creation of new jobs for area residents.

Job Training - The City of Lancaster will continue to work with local training providers, Antelope Valley Community College, surrounding jurisdictions, and the Los Angeles County Workforce Investment Board in developing and implementing programs for the purpose of job training and job placement for local residents.

- c. Preservation and Provision of Housing – The City will continue its efforts toward the direct preservation and provision of housing through its CDBG and/or Redevelopment Housing programs. Along with coordinated programs undertaken by other public agencies, service providers, and private industry, the City of Lancaster's current and proposed programs will continue to preserve and produce housing units intended for lower-income individuals and families.
 - i. Housing Restoration/Preservation and New Housing - One phase of the City's long-range, comprehensive North Downtown Neighborhood Revitalization/Transit Village plan involves the restoration and preservation of approximately 48 existing homes in the North Downtown Neighborhood Revitalization area known as Arbor Village as well as providing for the construction of new infill housing for low-income and senior residents.
 - ii. Low-Income Housing - As part of the City's North Downtown Neighborhood Revitalization/Transit Village project effort, the Redevelopment Agency in partnership with a private developer, will begin construction on 54-unit low-income multi-family housing project.
 - iii. Senior Housing - In addition, the Redevelopment Agency, in conjunction with a private developer, will complete the construction of 76 multi-family units in the Downtown Revitalization/Transit Village area for very low-income seniors as well as rehabilitate 40 multi-family units for seniors adjacent to the 76-unit new construction for a total of 116 units.

8. Develop Institutional Structure

The primary components of the institutional structure continue to be the Lancaster Redevelopment Agency and the City of Lancaster. The solvency of the Lancaster Redevelopment Agency and the City of Lancaster has been, and will continue to be, the major strength of the permanent housing delivery system. However, maintaining the strength to meet the housing and economic needs of the community poses a challenge in the coming year with cities and redevelopment agencies continuing to face the uncertainty of the ongoing State budget crises.

Gaps, or weaknesses, in the City's delivery system are primarily related to declining state and federal funding resources as well as fluctuations in the level of economic and development growth that occurs within the community. These conditions affect the delivery systems of both the City and private non-profit agencies in their ability to provide all the programs that are needed in the community. With the state and federal economic conditions in turmoil, the upcoming year poses great challenges for all sectors in providing much needed programs to area residents.

Even though the City leverages resources through partnerships with outside agencies, gaps still remain. However, to support their efforts in closing these gaps, the City will continue to work with outside agencies in locating additional funding sources to support and enhance their individual.

The City and Redevelopment Agency's financial commitment of approximately \$40,000 to the support of the Lancaster Community Shelter will continue to remain stable, since this facility is recognized as a priority recipient of housing assistance resources and the only dedicated homeless shelter in the Antelope Valley region.

9. Enhance Coordination Between Public and Private Housing and Social Service Agencies

The City recognizes the importance of coordinating its planning efforts with other public and private service agencies in order to accomplish the programs necessary to meet the community's needs of providing decent housing, providing a suitable living environment, and expanding economic opportunities particularly for low/moderate-income persons.

The City's mobile home parks will continue to be managed through the Lancaster Housing Authority and maintained through the Lancaster Redevelopment Agency Housing Division. This program is designed to protect and maintain the City's affordable housing stock, stabilize and limit current rents

and future rent increases, and provide well-managed and maintained mobile home parks.

The City will continue to apply all State HOME program income funds towards the purchase of new mobile homes for placement in the existing Redevelopment Agency and Housing Authority-owned mobile home parks. These mobile homes are then made available on a lease/purchase arrangement to low-income home buyers.

The City relies on non-profit agencies to provide social services to the community. In the upcoming program year, the City will continue to work with the Department of Social Services, Catholic Charities, the Antelope Valley Homeless Coalition, and the Los Angeles Homeless Services Authority to provide assistance to families and individuals who are homeless or threatened with homelessness.

The City will also continue coordination efforts with the various agencies that provide housing services to the community including the County of Los Angeles Housing Authority which provides Section 8 assistance to meet the needs of lower-income renter households.

In addition to the above programs, the City and Redevelopment Agency, through the use of various funding vehicles such as mortgage revenue bond financing, will continue to work with private contractors to build new, affordable housing and rehabilitate existing housing for lower-income households as well as provide needed public improvements.

10. Restoration/Preservation of Housing

As part of the City's comprehensive, multi-year North Downtown Neighborhood Revitalization/Transit Village project, a portion of the project area will involve the restoration and preservation of approximately 48 existing mixed single-family and duplex residences as well as the construction of in-fill housing for low-income and senior residents where warranted.

11. Foster Public Housing Improvements and Resident Initiatives

The City of Lancaster takes an active role in working with private developers to construct and provide affordable housing for its residents.

One of the most important activities in fostering public housing improvements is the City's participation and assistance in working with private industry and local

residents to facilitate development projects that will benefit the community and provide additional housing opportunities for qualifying individuals and/or families. This has been recently evidenced by the completion of a 132-unit affordable senior housing complex that restricts 65 units to very low-income seniors, 65 units to low-income seniors, and 2 units to moderate-income seniors; a private single-family housing development recently completed consisting of 86 homes of which 17 were restricted to low/moderate-income home buyers; and the housing rehabilitation, low-income multi-family housing, and senior housing proposed in the City's multi-year North Downtown Neighborhood Revitalization/Transit Village plan.

G. Public Housing

The City of Lancaster does not have a public housing authority. Public housing issues and assistance are handled through the County of Los Angeles.

H. Home Program Funds

The City of Lancaster does not participate in the Federal HOME Program.

II. OVERVIEW OF CONSOLIDATED PLAN

The U.S. Department of Housing and Urban Development implemented a process that combines the planning and application aspects of the Community Planning and Development (CPD) formula programs, including the Community Development Block Grant (CDBG), into a single consolidated document submission. This process is called the Consolidated Plan and Strategy and represents a five-year plan for the administration of HUD funded CPD Programs, including the Community Development Block Grant (CDBG) program in which the City of Lancaster currently participates. The City of Lancaster is entering the first year of the 2005-2009 Consolidated Plan cycle.

The Consolidated Plan and Strategy is designed to be a collaborative process between local government and the community for establishing a unified vision for community development actions. The Consolidated Plan helps the City plan and facilitates implementation of its CPD programs.

The Consolidated Plan and Strategy also represents a comprehensive citywide program for addressing priority community needs. It provides the opportunity for defining a community vision through comprehensive planning and translating that vision into action through a well-defined set of strategies.

III. CONSOLIDATED PLAN GOALS/PRIORITIES

In its Consolidated Plan Strategic Plan, the City of Lancaster identified thirteen priorities, along with specific objectives, to be addressed during its current five-year planning period. These priorities are as follows:

1. Rehabilitate owner and/or renter-occupied residences for extremely low- to moderate-income households, elderly, and the physically disabled.
2. Construct affordable housing meeting the special needs of the elderly population.
3. Construct congregate housing to meet the special needs of veterans.
4. Provide shelter and services to meet the needs of the homeless and “at risk” populations.
5. Provide financial assistance to first-time home buyers who do not exceed the moderate-income level to help them purchase affordable housing.
6. Construct affordable housing meeting the needs of the low- to moderate-income population.
7. Promote and stimulate job creation/retention activities for low/moderate-income residents through economic development activities.
8. Enhance the City's public facility needs through the expansion and development of new parks, recreational, and neighborhood facilities.
9. Provide for a safe and healthy environment through the construction and rehabilitation of City infrastructure.
10. Provide for the public safety needs of Lancaster residents through enhanced crime awareness services.
11. Provide for public service needs for Lancaster residents through enhanced transportation services.
12. Provide for neighborhood revitalization within blighted areas.
13. Promote and support enhanced skills’ assessment, employment training, and job placement for very low- and low-income residents.

IV. ANNUAL ACTION PLAN

Since 1995, when the City's first Consolidated Plan and Strategy was implemented, many of the City's priorities, especially those ranked as "high priorities," have been met through various City and Redevelopment Agency programs. To continue the City's efforts in meeting new and continuing priorities, the City of Lancaster will fund the following CDBG projects during the 2005 program year (see Attachment 3) in support of its approved 2005-2009 Consolidated Plan five-year Strategic Plan. The new entitlement funding allocation for the 2005 program year is \$1,555,374.

A. Proposed Projects to be Undertaken

1. Planning and Administration

The City will provide staff and resources to support the administration of the City's CDBG programs and projects. This support will include planning, environmental review, training, inspection, general administrative, clerical, and project management support to the City's CDBG program and projects. The planning and administration budget for the 2005 Program Year will be \$105,000.

2. Fair Housing Services

As provided in its current contract with the Housing Rights Center, the City will extend its agreement for fair housing services for the 2005 program year. New funding in the amount of \$20,050 will be allocated to provide fair housing services to the City's housing providers, financial institutions, and an estimated 300 Lancaster residents. Fair housing services provided will include training, counseling, testing, mediation, informational printed materials (English, Spanish, and Asian languages), community outreach and education, on-site clinics, monitoring, and telephone/message accessibility.

3. Rental Housing Rehabilitation – North Downtown Revitalization/Transit Village (Residential Revitalization Area)

In the City's Five-Year Consolidated Plan, the rehabilitation of renter-occupied residences and providing for neighborhood revitalization were listed as a high priority (see Attachment 5, Table 2B). In an on-going effort to meet its priority needs and objectives, the City of Lancaster will continue to focus a major portion of its CDBG resources toward targeted areas of the City in order to

promote social and physical revitalization as well as enhance the quality of life for its residents through the rehabilitation of renter-occupied residences.

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4. Repayment of Section 108 Loan

Industrial Corridor Infrastructure; Housing Site Property Acquisition (Sate Fairgrounds); and Recreational Facilities (Soccer Complex). The City has allocated \$286,708 in 2005-2006 program year funding for the repayment of a \$3.1 million, 20-year Section 108 Loan.

This loan was secured for the purpose of meeting high priority community development needs outlined in the City's 2000-2005 Consolidated Plan Strategic Plan (see Attachment 5, Table 2B). These priorities include job creation through economic development activities, acquisition of property for the purpose of providing affordable housing, and the elimination of blight through the construction of public facilities. Although these three projects have been completed, the following briefly outlines each of the projects covered by this Section 108 Loan:

- a. Public improvements and economic development activities in the Fox Field Industrial Corridor (\$500,000) - Infrastructure improvements in support of retaining the new jobs created as a result of the Avenue H Overpass project (850 new jobs) and providing for future business expansion as well as attraction of other industrial/manufacturing businesses to create an additional 150 new jobs;
- b. Acquisition of state fairground property located at Division Street and East Avenue I for the construction of future affordable housing (\$1.3 million); and

- c. Elimination of blighting conditions through the development of recreational facilities in Redevelopment Project Area No. 6 (\$1.3 million).

5. Repayment of Section 108 Loan (Industrial Corridor Infrastructure)

Job creation continues to be a high priority for the City of Lancaster. The City has allocated \$31,055 in 2005-2006 program year funding for the repayment of a \$320,000, 20-year Section 108 Loan for the purpose of addressing a high priority community development need, as outlined in the City's Consolidated Plan Strategic Plan (see Attachment 5, Table 2B).

This loan was secured to assist the City of Lancaster with additional economic development activities and the construction of public improvements in the Fox Field Industrial area and was used to augment the \$500,000 in loan funding that was received through the \$3.1 million Section 108 Loan as noted in item No. 4 above. As previously stated, these improvements are completed and will ultimately aid in bringing new industrial and manufacturing businesses to the area and creating approximately 50 new jobs for low and moderate-income residents during the coming year.

6. Repayment of Section 108 Loan (Mental Health Association)

In August, 2003, the City received \$1.45 million in Section 108 Loan funding for the relocation and expansion of the Antelope Valley Mental Health Association facility to a more centralized location within the City's North Downtown Neighborhood Revitalization/Transit Village project area. The Section 108 Loan funds have been used to acquire the property needed for the construction of the new facility.

The City has allocated \$116,222 in 2005-2006 program year funds for the repayment of this loan for the 2005 program year. This loan will assist in meeting the high priority need of providing neighborhood revitalization identified in the City's Consolidated Plan Strategic Plan in addition to supporting the homeless and special needs populations and community development needs (public service) priorities identified in Attachment 5, Tables 1A and 2B.

7. Repayment of Section 108 Loan (Antelope Valley Child Abuse Center)

During the 2003 program year, the City received approval of its application for \$1.5 million in Section 108 Loan funding for the construction of a new Antelope Valley Child Abuse Center (Children's Center) facility to a more convenient,

centralized location within the City's North Downtown Neighborhood Revitalization/Transit Village project area.

These Section 108 Loan funds will be used to support construction of a new 15,445 sq. ft. facility. The City has allocated \$127,031 in 2005-2006 program year funds for the repayment of this loan. This loan will assist in meeting the high priority need of providing neighborhood revitalization identified in the City's Consolidated Plan Strategic Plan in addition to supporting the "special needs" and youth populations along with community development needs (public service) priorities identified in Attachment 5, Tables 1A and 2B.

V. GEOGRAPHIC DISTRIBUTION

For the 2005 program year, the City of Lancaster has focused its CDBG entitlement funding on high priorities within the following geographic locations:

A. Planning and Administration – Citywide

B. Fair Housing Services – Citywide

C. Rental Housing Rehabilitation – North Downtown Revitalization/Transit Village – Located in the North Downtown Neighborhood Revitalization/Transit Village Project area (a low-moderate-income area) encompassing portions of Census Tract 9008.02, block groups 1 and 2. (See Attachment 7a)

D. Repayment of Section 108 Loan (\$3.1 million). Project locations are indicated on Attachment 7b.

1. Fox Field industrial area infrastructure improvements (\$500,000) - Avenue G-8, from 25th Street West to 30th Street West and from 30th Street West from Avenue H to Avenue G-8.
2. Property acquisition for development of future affordable housing (\$1.3 million) – Located in the “Old Fairgrounds Site” at Avenue I and Division Street within Census Tract 9006.02.
3. Development of recreational facilities (Regional Soccer Complex) in Redevelopment Project Area No. 5 (\$1.3 million) - Avenue L and 30th Street East.

E. Repayment of Section 108 Loan (\$320,000) – Fox Field industrial area infrastructure improvements for economic development and job creation activities located on Avenue G-8, from 25th Street West to 30th Street West and from 30th Street West from Avenue H to Avenue G-8.

F. Repayment of Section 108 Loan (\$1.45 million) – Property acquisition for relocation of the Mental Health Association to be located on the Southwest Corner of Jackman Street and Sierra Highway within Redevelopment Project Areas No. 6 and Central Business District and within the North Downtown

Neighborhood Revitalization/Transit Village Project area. (Attachment 7a, No. 12).

- G. Repayment of Section 108 Loan (\$1.5 million) – Construction of a new Antelope Valley Child Abuse Center (Children’s Center) at the Northwest corner of Jackman Street and Fern Avenue within Redevelopment Project Areas No. 5 and the Central Business District and within the North Downtown Neighborhood Revitalization/Transit Village Project area. (Attachment 7a, No. 11).**

VI. HOMELESS AND OTHER SPECIAL NEEDS ACTIVITIES

The City will continue its support of the Antelope Valley Homeless Coalition in meeting the needs of the area's homeless and those threatened with homelessness.

The Lancaster Community Shelter is the only dedicated facility that provides shelter and services for the homeless in the Antelope Valley Service Population Area (SPA 1). Its jurisdiction includes the cities of Lancaster and Palmdale and the unincorporated areas of Los Angeles County. The City will budget approximately \$40,000 in set-aside housing funds in the upcoming year for building maintenance and staff support for the shelter.

Currently, there are only two transitional family units at the Antelope Valley Shelter to service the entire Antelope Valley homeless population. With funding as the primary obstacle in meeting the need for additional family units, the City of Lancaster will continue to work with the regional Homeless Coalition, the Los Angeles Homeless Services Authority (LAHSA), and area service providers for the development of additional transitional family units for homeless and/or "at risk" families in the Antelope Valley.

In addition, the City will continue to be an active partner in the WorkSource California Antelope Valley One-Stop Career Center providing training and employment support services to area job seekers. The City will continue to provide multi-faceted training to unemployed residents in an effort to provide both technical and life skills training necessary for participants to obtain employment in an effort to lower the risk of those residents becoming homeless.

The City will assist the Antelope Valley Child Abuse Center (Children's Center), through a Section 108 Loan in the amount of \$1.5 million, to relocate and expand its operations within the City's North Downtown Neighborhood Revitalization/Transit Village project area. The Antelope Valley Child Abuse Center (Children's Center) provides an outpatient, non-residential, facility for the treatment of abused, neglected, and "at risk" children.

The Center offers a Child Abuse Treatment program for children of all ages; a Family Preservation Program which is a multi-disciplinary program involving the Department of Children and Family Services, Mental Health, and the Probation Department; and a Home-Based Program offering school readiness for children ages 3-5 as well as family bonding. The Home-Based Program also targets children who only speak Spanish, those at risk for special education, and those children living in rural areas not accessible to public transportation or preschool education.

The City has also received a \$1.45 million Section 108 Loan to assist in the relocation and expansion of the Antelope Valley Chapter of the Mental Health Association. This loan will allow the Mental Health Association to relocate its operations within the City's

North Downtown Neighborhood Revitalization/Transit Village project area allowing it to be in closer proximity to not only transportation but also other support services for its clients. The Mental Health Association offers a broad range of services to adults (from age 17) in the Antelope Valley. Its integrated services customize a range of mental health care, housing, employment, and money management services along with providing one-on-one case management support to its clients.

VII. OTHER ACTIONS

A. Obstacles to Meeting Underserved Needs

As in the past, obstacles to meeting undeserved needs primarily fall into the categories of funding and staff availability. The bulk of financial assistance for delivery of services provided by the City comes from the Lancaster Redevelopment Agency and the City's general fund. Gaps, or more appropriately weaknesses, in this delivery system are primarily related to declining state and federal funding sources and to fluctuations in the level of economic and development growth that occurs within the community. The reason for this is that the primary source of revenue for both the City and the Redevelopment Agency is that which is produced as a direct result of economic and development growth through sales and property taxes.

The California State budget crises, which has continued since the 2003 program year and is anticipated to continue well into the City's FY 2006 budget cycle, leaves both the City and the Redevelopment Agency with fewer resources to allocate towards programs and projects that are needed to meet underserved needs.

With the state budget crises in mind, the City will continue to determine priority housing and service needs by income group and factors such as available resources, staff capacity, timing, and local political and community interests. As in the past, highest consideration will continue to be given to those groups experiencing the most significant housing problems or where the most serious neighborhood problems exist. To overcome current and projected financial obstacles in meeting underserved needs, the City will aggressively pursue leveraging resources through public and private partnerships and additional grant opportunities in order to finance much of its downtown revitalization activities.

The City's housing goal continues to be one of furthering the provision of affordable, safe, healthy, and livable housing to its residents as well as providing safe neighborhoods. This includes providing affordable housing to extremely low-, low-, and moderate-income persons/families that experience housing cost burdens, live in deteriorated units, or require certain special services to maintain a satisfactory lifestyle.

In the 2005-06 program year, the City will continue to meet its Consolidated Plan priorities by funding projects, through various funding sources, that provide for the elimination of blighting conditions in low/moderate-income areas; provide services to the needy; provide for enhanced public safety; provide for enhanced transportation services; support affordable housing needs; provide revitalization efforts in targeted low/mod-income neighborhoods; and promote job creation and training.

The City will continue its efforts to purchase and demolish deteriorated dwellings; to rehabilitate owner occupied and renter occupied dwellings; and provide for neighborhood revitalization within the North Downtown Neighborhood Revitalization/Transit Village project area for the purpose of providing a centralized, downtown public park; public service facilities; infrastructure improvements; and low- to moderate-income housing.

As part of its multi-year revitalization effort, the Redevelopment Agency, in partnership with a private developer, will complete the construction of 76 new multi-family units in the North Downtown Neighborhood Revitalization/Transit Village area (see Attachment 7c) to provide housing for very low-income seniors (less than 50% of Los Angeles County median as determined by HUD). The project is expected to be completed by June 2005, The developer will also continue rehabilitation on 40 multi-family senior units (adjacent to the new 76-unit senior complex). The rehabilitation of the 40 units is expected to commence in July 2005 and be completed by January 2006. This complex known as Arbor Gardens will provide 116 additional senior housing units to the North Downtown Neighborhood Revitalization/Transit Village Project area.

In its effort to address the need for low/moderate-income housing, the Redevelopment Agency is working with a private developer to build a 54-unit, multi-family low-income housing complex within the area of Jackman Street, Beech Avenue, Ivesbrook and Sierra Highway within the North Downtown Neighborhood Revitalization/Transit Village project area (see Attachment 7c). This project will be funded through State Home Funds, MHP funds, and private and public funds.

The City and Redevelopment Agency began the multi-year, \$70 million downtown revitalization project during FY 2001 and have invested over \$14.01 million on this project as of March 31, 2005. In order to add the North Downtown Neighborhood Revitalization/Transit Village Project to the Consolidated Plan for future use of CDBG funding, the City's Consolidated Plan was amended in 2002. The project continues to be a vital part of the 2005-2009 Consolidated Plan. For the 2005 program year, new CDBG funding of \$869,308 has been allocated to support the rehabilitation of rental housing within the North Downtown Revitalization/Transit Village area. (See Attachment 7a)

Additionally, to enhance its ongoing continuum of care for the needy as well as improve and expand the provision of social service benefits for the community, the City will work in partnership with local non-profit organizations in order to increase the social service benefits available to the residents of the Antelope Valley.

During the 2003 program year, the City was awarded a Section 108 Loan Guarantee for \$1.5 million to support the construction of a new Antelope Valley Child Abuse Center (Children's Center). This organization provides services to the region's abused and neglected children. Construction is scheduled to begin during the 2005

program year, pending the completion of the loan funding process through HUD. The project has broken ground and it is anticipated that construction will be completed by Jun 2006.

In addition, the City has received Section 108 Loan Guarantee funding in the amount of \$1.45 million to assist in the relocation and expansion of the Antelope Valley Mental Health Association. The property acquisition phase of this project was completed during the 2005 program year. The cost of property acquisition and relocation for this project was funded from the Redevelopment Agency's housing budget. The new Mental Health Association and Children's Center facilities will be located within the Downtown Revitalization/Transit Village area (see Attachment 7a, Nos. 11 and 12).

The City will also continue its support of the Antelope Valley Homeless Coalition in meeting the needs of the area's homeless and those threatened with homelessness. As noted previously, the Lancaster Community Shelter is the only dedicated facility that provides shelter and services for the homeless in the Antelope Valley Service Population Area (SPA 1). Its jurisdiction includes the cities of Lancaster and Palmdale and the unincorporated areas of Los Angeles County. The City will budget approximately \$40,000 in set-aside housing funds in the upcoming year for building maintenance and staff support for the shelter.

An underserved need in the Antelope Valley continues to be the shortage of transitional family units for homeless families. Currently, there are only two transitional family units at the Antelope Valley Shelter to service the entire Antelope Valley homeless population. With funding as the primary obstacle in meeting the need for additional family units, the City of Lancaster will continue to work with the regional Homeless Coalition, the Los Angeles Housing Services Authority, and area service providers for the development of additional transitional family units for homeless and/or "at risk" families in the Antelope Valley.

The City will also continue to be an active partner in the WorkSource California Antelope Valley One-Stop Career Center providing employment support services to area residents through the City's efforts in working with businesses to hire Antelope Valley Enterprise Zone program eligible employees. While there are 26 criteria that can qualify a job seeker as Enterprise Zone eligible, most of the categories fall within the criteria of "disadvantaged." Through the State Enterprise Zone tax hiring credit, over five years a business is entitled to over \$31,000 in state tax credited for every qualifying employee that is hired.

The City has allocated \$31,055 for repayment of a \$320,000 Section 108 Loan that was awarded during the 1999 Program Year. This loan was used to provide additional funding support to the \$500,000 loan (portion of \$3.1 million loan) that was used to add additional infrastructure in the Fox Field Industrial Corridor area in order to support current and future manufacturing and light industrial businesses. As

a result of the infrastructure enhancements new businesses continue to show interest in locating to this year. Approximately 850 new jobs have already been created as a result of the City's economic development activities in the Fox Field Corridor and with new businesses coming to the area, it is anticipated an additional 50 new jobs will be created in the 2005 program year.

As always, City staff will continue to partner with outside agencies to leverage existing funds and also search for additional funding sources to augment CDBG funds in providing housing programs and services to meet the underserved needs of the community. As additional funding sources become available, those funds will be used to support existing programs as well as finance additional programs.

B. Foster and Maintain Affordable Housing

During the 2005 program year, the City of Lancaster will continue to foster and maintain the provision of affordable housing for its residents. Through the City's Home Ownership Mortgage Loan Program, the City will foster and maintain affordable housing through the sale of mobile homes to low and moderate income households. The program is comprised of two sub-programs. In the first, the Redevelopment Agency purchases a used mobile home, refurbishes the unit, and sells it to a low- and moderate- income family. The program is funded with Lancaster Redevelopment Agency funds (set aside funds). In the second program, the Agency purchases a new mobile home and sells it to a low- and moderate income family. This program is funded with state HOME funds. In both programs, the agency finances the sale of the unit with a zero percent interest. The purchase must provide a minimum 2% down payment. These units are placed in the mobile home parks owned and operated by the Lancaster Redevelopment Agency (Desert Sands) and City Housing Authority (Brierwood).

In addition, the City will continue to work in partnership with local developers in providing affordable housing to low/moderate-income families.

As part of its multi-year revitalization effort in the north downtown area, the Redevelopment Agency, in partnership with a private developer, will complete the construction of 76 new multi-family units in the North Downtown Neighborhood Revitalization/Transit Village area (see Attachment 7c) to provide housing for very low-income seniors (less than 50% of Los Angeles County median as determined by HUD). These units are targeted for completion in July 2005. In addition to developer financing, the project will be leveraged through the award of \$3.3 million in State Home funds. In addition, the developer will complete the rehabilitation on 40 multi-family senior units (adjacent to the new 76-unit senior complex) using \$475,000 in State Home funds. While all 40 units will be restricted, 11 units will be restricted to low-income senior residents. The rehabilitation portion of the project is expected to be completed in January 2006. This complex known as Arbor Gardens

will provide 116 additional senior housing units to the North Downtown Neighborhood Revitalization/Transit Village Project area.

The City will also begin work on the proposed Restoration and Preservation phase of the North Downtown Neighborhood Revitalization project during the upcoming program year. This project will involve the restoration of approximately 48 low/moderate-income residences within the City's downtown core area (see Attachment 7c). This project will be funded in part from a \$500,000 Cal HOME award along with Redevelopment Housing Bond proceeds.

In its effort to address the need for low/moderate-income housing, the Redevelopment Agency is working with a private developer to build a 54-unit, multi-family low-income housing complex within the area of Jackman Street, Beech Avenue, Ivesbrook and Sierra Highway within the North Downtown Neighborhood Revitalization/Transit Village project area (see Attachment 7c). This project will be funded through State Home Funds, MHP funds, and private and public funds.

Also during the 2005 program year, the Redevelopment Agency will work with a private developer to create a 150-unit senior mixed use development, known as Arbor Grove, on the northeast corner of 10th Street West and Jackman Avenue. In addition to the 150 one-bedroom apartments, the complex will include 8,000 sq. ft. of retail space (see Attachment 7c).

In its provision of affordable housing, the City will also partner with CCF and MBK Homes to develop 79 single-family homes as part of the City's Northeast Gateway Corridor Vision Plan for revitalization. The Northeast Gateway Corridor Vision Plan area is bounded by 10th Street West, West Avenue H-8, Challenger Way, and Avenue I. These homes will be offered to potential homeowners with incomes ranging from 60% to 120% of median income. Construction is scheduled to begin in summer 2005 (see Attachment 7c for location).

In addition to promoting the development of affordable housing, the City of Lancaster has developed policies that also foster the development of affordable housing. A density bonus provision, providing incentives to developers who set aside 20% of their housing units for low-income households and 10% for very low-income households exists within the City's Zoning Ordinance. Under the density bonus provisions, a developer may exceed the maximum allowable residential density restrictions by 25% or receive an equivalent financial incentive for providing income-restricted housing units. This provision provides for an increase in the availability of housing to low-income households within the City through the use of private funds.

The City of Lancaster also has procedures in place to reduce project review and processing time, to the minimum necessary, while still providing adequate review and control of development in accordance with adopted development standards.

These procedures also act as a conduit in promoting affordable housing. Reduced processing time results in lower costs to the developer which can be passed on to the buyer.

The City also continues its support of the Antelope Valley Homeless Coalition in meeting the housing needs of the areas homeless and those threatened with homelessness.

As previously noted, the Lancaster Community Shelter is the only dedicated facility that provides shelter and services for the homeless in the Antelope Valley Service Population Area (SPA 1). Currently there are only two transitional family units at the Shelter to service the entire Antelope Valley.

The Homeless Coalition has identified transitional housing for individuals and families with general needs as the highest priority need within the community. Although the City and Coalition have been unsuccessful, to date, in securing funding for additional transitional housing units, the City will continue to work with the Coalition to pursue funding sources to support this underserved need.

City staff will continue to examine policies, ordinances, resolutions, and procedures, as they are introduced, to identify and correct any potential constraints which may inhibit the City's ability to foster, implement, and maintain affordable housing and housing assistance. The timeline for implementing the recommendations to Lancaster's Updated Impediments to Fair Housing will continue to be monitored. (See Attachment 8)

The City of Lancaster will continue to work with the Housing Rights Center ("Center"), to provide fair housing services to the residents of Lancaster. During the 2005 program year, the Housing Rights Center will provide training and presentations to local lending and housing groups and landlords, provide public service information for radio and newspaper dissemination, provide fair housing information to residents (English, Spanish and Asian languages), provide a toll-free telephone line, conduct on-site fair housing counseling clinics for the public, provide monitoring of fair housing complaints, and perform investigation and testing when warranted, as outlined in Attachment 10.

Based on the available statistical reports for the 2004 program year, it is estimated that approximately 300 residents will receive fair housing assistance during the upcoming program year at a budgeted cost of \$20,050.

C. Remove Barriers to Affordable Housing

In planning for the development, maintenance, and improvement of housing, barriers to the construction of housing must be identified. Many of these constraints cannot be mitigated by local government, particularly those related to the condition of the state and national economies, but others can be minimized in order to facilitate the provision of housing. The primary constraints imposed by governments relate to decreasing federal and state commitments to housing, conflicting local responsibilities, development standards/zoning requirements, fees, and processing times.

The emphasis placed by the federal and state governments on housing policies and funding has traditionally shifted with changing administrations and priorities. There has been a clear trend, however, to de-emphasize federal and state housing programs over the past decade, especially with the new focus on the Workforce Investment Act and job creation. As a result, federal funding for housing programs has either declined or remained stagnant. This trend has left local governments with a mandate to provide programs to facilitate housing for all economic segments of the community with limited access to the funds to initiate and/or maintain such programs. This problem will be exacerbated during the coming year with the on-going state budget crisis that will, in all probability, continue to dramatically reduce available resources to both Cities and Redevelopment Agencies for the creation of affordable housing.

The City of Lancaster will attempt to meet this challenge by continuing to participate in the State HOME program, partner with private developers and outside agencies to leverage funding for housing programs, and aggressively research alternative funding sources such as loans and grants for its housing programs. This is evidenced by the City's efforts to work in partnership with developers and obtain grant funding in order to leverage available funding and provide additional senior housing and multi-family housing for low/mod-income residents as well as preserve and restore existing housing during the coming program year through its North Downtown Neighborhood Revitalization Plan (see Attachment 7a)

To facilitate the development of additional senior and multi-family housing, the City of Lancaster amended its Zoning Ordinance to allow for a deviation in the parking standards for senior units which, without this change, could constrain the production of senior housing. In addition, the Ordinance was changed to eliminate the requirements of a conditional use permit (CUP) for all apartment houses or multiple-family residential projects of more than ten dwelling units which abut or are separated from developed property by a local or collector street in the rural residential and single-family residential zones. This change has reduced the number of multiple-family projects required to go through the CUP process. By eliminating the CUP process, processing time for these types of projects is reduced which, in turn, reduces the cost of developing these projects. Potential cost savings can be ultimately passed along in the form of a lower cost to the buyer and/or renter.

An additional change to the City's Zoning Ordinance allows for a density bonus provision. This provision allows the developer of a residential project an increased density of at least 25% over the maximum authorized density of the zone if the developer or property owner of the housing project agrees to set aside a prescribed percentage of units within the project for lower-income households.

Another possible barrier to creating affordable housing can be a municipality's fee structure. The role that fees play in constraining the production of housing is difficult to measure, although they can affect housing prices in certain markets. The theory behind fees is that new development should bear its own costs and that these costs should be spread as equitably as possible. The City of Lancaster recently amended its park in lieu development fee and will continue to review its fee structure so that, in compliance with state law, fees charged by the City continue to bear a reasonable relationship to the actual costs incurred by the City and do not become excessive and hinder development.

Excessive processing time may also act as a barrier in the production of affordable housing because it can sometimes lead to delays in projects as well as increase carrying costs to the developer for land, financing, etc. As a result, the City has reduced processing time to the minimum necessary for adequate review and control of development, when applicable, through its Director's Review process. The City will continue to provide permit streamlining procedures in order to provide a reduction in the processing time for most projects (not requiring special studies) by as much as 50 percent.

The City will also continue to use the Development Review Committee (DRC) to provide a unified, single-point review team that will work directly with the developer/applicant, significantly cutting the time-line in notifying the developer of any development changes that may be required. This group also helps in reducing project processing time. Also, the Lancaster Redevelopment Agency will continue to provide an ombudsman to assist developers through the City's development process.

In addition, the City's Subdivision Ordinance incorporates an administrative parcel map section. Subdivision review is now performed entirely by staff which eliminates the requirement for a Public Hearing thereby reducing processing time.

Because Lancaster's management has taken a proactive approach to creating a climate for housing development, there are no identified City policies, ordinances, resolutions, or procedures that inhibit the City's ability to implement affordable housing and housing assistance. City officials, department directors, and community leaders are supportive of the affordable housing programs available to lower-income households as evidenced by the low and moderate-income housing to be created within the North Downtown Neighborhood Revitalization/Transit plan and other areas of the City during the coming year. The City will continue, however, to

examine its policies, ordinances, and procedures as they are introduced to identify and correct any future potential constraints.

D. Affirmatively Further Fair Housing

The City of Lancaster's Impediments to Fair Housing final report, outlining recommendations to ensure fair housing practices were upheld within the City, was completed in July 1996 and updated during the 2002 program year.

The City of Lancaster's initial Impediments to Fair Housing Study documented that the City provides an extensive array of housing services and has been successful in dealing aggressively with housing problems of a rapidly growing city. It also noted that the City's housing programs have many beneficiaries in all racial groups and that there is consistency and fairness in access to the City's programs. Moreover, the study pointed out that a large majority of Lancaster's residents have been supportive of the City's growing diversity and have contributed to a general atmosphere of racial tolerance.

As a follow-up to the 1996 study, the updated Analysis of Impediments to Fair Housing, conducted by the Empirical Research Group – UCLA and completed in April 2002 (see Attachment 8), focused on four specific areas. The findings related to these four specific areas are offered below:

1. Demographic Context in Lancaster

The 2000 census counted 118,718 residents in Lancaster about a 22% increase over 1990. As of January 2005, Lancaster's population has grown to 126,100. Much of that growth comes not from an increase in ex-urban commuters but from the maturing of the area's own commercial and retail base which has produced more jobs within the valley as a whole.

Overall, Lancaster has become very racially diverse; it is almost evenly split now between whites (52%) and racial minorities (48%). The substantial and widespread racial integration in Lancaster makes it a very attractive destination for African American (16%) and Hispanics (24%) seeking to live in an outlying area that has both a real minority presence and high integration. In addition, there is an equal split between males (50.8%) and females (49.2%) with a median age of 32.8 years. The average family income as of January 2005 was \$63,425.

In addition, housing in Lancaster continues to be substantially more affordable than in other parts of Los Angeles County (particularly the "suburban" areas). The average home price in Lancaster for 2003 was \$166,955 in contrast to

neighboring Palmdale at \$196,563 or nearby Valencia at \$448,245. Since the Antelope Valley has lost its perceived forbidding aspect as a white enclave that did not welcome minorities, the relatively low cost of housing has meant that moderate-to-middle-income families now disproportionately populate Lancaster's new housing.

2. Fair Lending in the City of Lancaster

The Home Mortgage Disclosure Act data (HMDA) data provides information about the lending patterns of financial institutions. The City of Lancaster's 2002 AI update showed that approval rates are relatively high for all groups of loan applicants in the City of Lancaster when the information is evaluated in the aggregate. Attention should be given, however, to the possibility of discriminatory treatment and underwriting by area banks.

3. Fair Housing Services in Lancaster

The updated AI Study found that, overall, the City of Lancaster's Fair Housing operation is well-run. Record-keeping of complaints is excellent, intake and investigation of complaints is effective, and complaints are resolved in over half the cases. One problem, however, continues to be in the area of testing. Testing seems to be used only as a tertiary tool in the investigation of complaints. Testing can be an effective tool in providing independent, corroborating evidence of a violation. It can also push an investigation along without requiring the involvement from complainants who are hesitant to get involved.

4. Lancaster Land Use and Zoning

Over the past fifteen years, one of the most important new concerns of fair housing law has been the protection of persons with disabilities. The AI update reviewed the key documents that embody land use policies in Lancaster; namely, the Zoning Code and the General Plan. Although the study noted a few areas of concern; overall, the City's policies appear to be more progressive and less problematic than those of most California jurisdictions.

- a. Zoning Code – There appears to be no barriers to group living for disabled persons or others. The family definition is not at all restrictive and there are no special use permits required for group living or residential care. Zones designated for residential use would appear to allow for the standard set of facilities for the disabled without any additional costs, permissions, variances, or hearings.

- b. Residential Zones – In evaluating residential zone categories from a fair housing perspective, the updated AI study found little at issue. The City’s lot size requirements are comparable to other jurisdictions and the lot size requirements are, in fact, less than in many more densely populated areas.

The density provisions are also comparable, or better, in terms of the number of dwelling units possible than other areas and should allow for the construction of suitable low and middle-income accessible units. Projects that would have more than 10 units require a conditional use permit. Family care homes, foster homes, and group homes servicing six or fewer persons are all allowed without a conditional use permit, additional fees, or hearings.

In addition, required lot width and depth are reasonable and consistent with the lot sizes and seem to pose no barrier to fair housing. Construction setbacks and yard requirements are flexible enough to allow for the creation of dense multi-family units and exceed the minimums of many other jurisdictions. Lot coverage requirements also allow more coverage than many other jurisdictions and, again, seem to present no barrier to fair housing.

Lancaster’s parking requirements are similar to most jurisdictions and do not seem to be excessive. In fact, Lancaster requires less covered parking than other areas. There are reduced parking requirements for residential care facilities and senior citizen housing. This tends to make construction of these types of units more attractive and is a regulation that enhances fair housing in Lancaster.

- c. Density Bonus Program – In order to provide additional low-income and very-low income housing, the City of Lancaster has added a density bonus program to the existing zoning code. This program allows for a 25% increase in dwelling units over the standard zone maximum. To qualify for this program, the building must have five or more units and designate 20% of the total units for lower-income housing, 10% for very low-income housing, and 50% for senior citizen housing.

The City will also allow a reduction in the parking requirements, a reduction in setbacks, and an increase in building height and lot coverage. The builder is then required to maintain the building for a minimum of 10 years and a maximum of 30 years and report on the status of its tenants to the City. This program and the incentives it provides would seem to fulfill both the letter of the fair housing law and its intent to provide a housing stock accessible to low-income families. This program is an excellent

example of how zoning codes can help increase the amount of low-income housing by providing private incentives.

- d. Second Dwelling Units – The City’s Zoning Code does allow for second dwelling units to be rented provided they have separate utility service, are between 400 and 1,200 sq. ft., and are compatible with the architecture of the main unit. The provisions for approval of these units are reasonable and the intent of this section of the Code is to augment the supply of low-income housing. In summary, this is another example of zoning regulation that helps address the statewide shortage of low-income housing.

- e. ADA and Fair Housing Amendments Act Guidelines – Although not addressed specifically in the Zoning Code, there appears to be no impediments in the code to group living or residential care. The City should undertake proactive efforts, in conjunction with its fair housing provider, to increase awareness of these guidelines within the building and property management sectors.

- f. Lancaster’s General Plan – The City of Lancaster sees its supply of affordable housing increasing over the life of the Plan which distinguishes Lancaster from many other communities in Los Angeles County. People will come to Lancaster to work locally as well as commute to Los Angeles proper or the San Fernando Valley as long as the supply of affordable housing remains high. In addition, the City of Lancaster’s goals include a mix of incomes, residence types, and commercial uses. In other words, Lancaster is trying to create a diversified community less reliant on military spending and farming as well as one that is racially and ethnically diverse.

E. Recommendations

While Lancaster’s updated Analysis of Impediments to Fair Housing report was basically positive and showed Lancaster moving forward in its efforts to provide its residents with affordable, non-discriminatory housing choices, no jurisdiction is perfect. The following recommendations were offered to further improve the fair housing environment within the City of Lancaster:

- 1. For the first time, the neighboring cities of Lancaster and Palmdale are both working with the same fair housing agency. The City of Lancaster should take advantage of this unity to develop joint strategies with the City of Palmdale. Periodic three-way meetings between the two cities and the fair housing provider, Housing Rights Center, should be conducted.

2. Although the City of Lancaster is highly integrated, new developments on its southwest border are much less so. The City should authorize and encourage its fair housing provider to conduct investigations and testing in this area.
3. The Asian community within Lancaster is the one ethnic group which has become more segregated over the past decade. The City's fair housing provider should undertake special outreach efforts aimed at this community to better understand possible fair housing needs among Asians.
4. In general, the performance of lenders servicing Lancaster is good. Loans are available, and approval rates, though lower for African American and Hispanic applicants, are relatively similar among many lenders. However, several lenders were identified that have large disparities in approval rates for relative to minority applicants. The City's fair housing provider should conduct seminars with the lending community, making special efforts to involve these lenders, to familiarize them with the AI report's findings, and discuss ways to improve performance.
5. The City's fair housing provider should follow-up and work with City agencies to improve practices related to ADA and Fair Housing Amendments Act Guidelines in order to ensure fair housing for disabled persons, especially those living in group homes.
6. Most of Lancaster's residents live in single-family homes, but fair housing enforcement efforts currently focus almost entirely on the rental market. The City's fair housing provider should broaden the fair housing mission in Lancaster by providing enforcement in the "sales" market as well.
7. The City of Lancaster should consider increasing funding for fair housing services, in exchange for the fair housing provider (a) taking on the supplemental activities and services described in the updated Analysis of Impediments to Fair Housing report; and (b) committing to provide a weekly staff presence in the Antelope Valley.
8. City staff should insure that the City's current fair housing provider follows-up on the recommendations presented as well as set standards for performance.

Since completion of its 2002 updated Analysis of Impediments to Fair Housing (AI) study, the City of Lancaster has prepared a Fair Housing Implementation Plan to address the recommendations that were identified in the study (see Attachment 10). This fair housing plan was implemented during the 2003 program year. The plan

outline along with a summary of accomplishments addressing the updated impediments study will be included as part of the City's annual Consolidated Annual Performance and Evaluation Report (CAPER).

The City of Lancaster entered into a three-year annual renewable contract with The Housing Rights Center for the period July 1, 2003 through June 30, 2006. Under this contract, The Housing Rights Center provides fair housing services to the residents of the City of Lancaster to include training, counseling, testing, mediation, printed materials in English, Spanish and Asian languages, on-site counseling clinics, monitoring/reporting, and a toll-free telephone line for contact/message accessibility.

The City of Palmdale also contracts with the Housing Rights Center for fair housing services. The cooperative use of one fair housing consultant benefits both cities with economies of scale in a lower cost for fair housing services and also benefits citizens with uniform fair housing services for the entire Antelope Valley region.

F. Actions to Eliminate Identified Impediments to Fair Housing

Based on the City's 2002 updated AI study, the following recommendations were offered to improve fair housing within the City of Lancaster. Also addressed is the action that will be implemented during the 2005 program year to address each concern outlined in the updated Impediments to Fair Housing report.

1. **Recommendation:** Conduct periodic three-way meetings between Lancaster, Palmdale, and the Housing Rights Center to develop joint strategies for addressing fair housing issues.

Action to be implemented:

As a part of the Fair Housing Program for Lancaster, the Housing Right Center will arrange periodic meetings between the two cities and the Center. During the 2005 program year at least two meetings will be scheduled to discuss joint fair housing strategies.

2. **Recommendation:** Conduct investigations and testing within the City's new developments on its southwest border where integration may become an issue to fair housing.

Action to be implemented:

As a part of the Housing Right Center's new Fair Housing Program for Lancaster, HRC will conduct 12 audit tests each year. The Housing Rights Center will focus a portion of these tests in the new developments in the City's southwest border area.

- 3. Recommendation:** The City's fair housing provider should undertake special outreach efforts aimed at the Asian community to better understand possible fair housing needs among this group.

Action to be implemented:

As part of its Fair Housing Program for Lancaster, the Housing Rights Center will use its expertise to continue its outreach efforts to better serve the Asian community in Lancaster.

- 4. Recommendation:** Several lenders were identified that have disparities in approval rates relative to minority applicants. The City's fair housing provider should conduct seminars with the lending community making special efforts to involve these lenders, familiarize them with the AI report's findings, and discuss ways to improve performance.

Action to be implemented:

The Housing Rights Center will offer a Fair Housing for Lenders training in 2005. This training will focus on training lenders on "redlining" and predatory lending issues which most often affect minority applicants. This training will recur annually as part of Lancaster's Fair Housing Program.

- 5. Recommendation:** The City's fair housing provider should follow-up and work with City agencies to improve practices related to ADA and Fair Housing Amendments Act Guidelines in order to ensure fair housing for disabled persons, especially those living in group homes.

Action to be implemented:

The Housing Rights Center will provide outreach and education services including programs and workshops in Lancaster at centrally located sites in collaboration with local service providers. The Housing Rights Center will also address how housing injustices arise, applicable laws that protect against housing discrimination, and ways to prevent housing injustices.

- 6. Recommendation:** The City's fair housing provider should broaden the fair housing mission in Lancaster by providing housing enforcement in the "sales" market as well as the rental market.

Action to be implemented:

The Housing Rights Center has recently developed a brochure on fair housing for homebuyers. This brochure will be disseminated in English and Spanish throughout the City of Lancaster during the upcoming program year. The Housing Rights Center will also continue to conduct research to assist in developing additional strategies to reach homebuyers and sellers.

7. **Recommendation:** The City of Lancaster should consider increasing funding for fair housing services, in exchange for the fair housing provider (a) taking on the supplemental activities and services described in the updated Analysis of Impediments to Fair Housing report; and (b) committing to provide a weekly staff presence in the Antelope Valley.

Actions to be implemented:

As a result of the requirements listed in the City of Lancaster's Impediments to Fair Housing Implementation Plan and its Fair Housing Plan, the new contract with the Housing Rights Center proposes an increase in funding for fair housing services over the next three year contract period (2003-2006). Since the contract with HRC will be renewed annually and fair housing service needs may change, there is an opportunity to annually renegotiate fees for services.

- a. The Housing Rights Center currently conducts office hours in Lancaster the third Thursday of each month from 9:00 a.m. to 12:00 p.m. In order to maximize the availability of services in the Antelope Valley, they also conduct office hours in Palmdale from 1:00 p.m. to 4:00 p.m. on the third Thursday of each month. In addition to on-site office hours, HRC provides a toll-free number that Lancaster residents can call to speak with a housing counselor Monday through Friday from 8:30 a.m. to 5:00 p.m. or leave a message at any time. The City will monitor the need to increase office hours and will discuss this concept with Palmdale in order to meet both communities' needs and also maintain economies of scale for this service.

8. **Recommendation:** City staff should insure that the City's current fair housing provider follows-up on the recommendations presented in the 2002 update to the Analysis of Impediments to Fair Housing report as well as set standards for performance.

Actions to be implemented:

- a. City staff will review HRC's quarterly reports, outlining detailed client statistics as well as outreach activities, for compliance with the City's Fair Housing Plan.
- b. As a condition of the City's new contract with the Housing Rights Center, quarterly reporting guidelines and specific accomplishment timelines have been established (see Attachment 10).

G. Evaluate and Reduce Lead-Based Paint Hazards

The City of Lancaster has a relatively young housing stock with the majority of homes constructed after 1980. As a result, lead-based paint has not been a significant problem in Lancaster.

While the City of Lancaster does not have a significant problem with lead-based paint, the City realizes the importance of this issue. To ensure compliance with 24 CFR Part 35 and 24 CFR 570.608, the City will continue the following procedures:

4. Staff will continue to test for lead-based paint, following state and federal requirements, before demolition work is undertaken to assure for proper disposal.
5. Staff will continue to look for lead-based paint problems when inspecting homes.
6. Staff will continue to include disclosures on the hazards of lead-based paint in all housing rehabilitation contracts.
7. Staff will continue to coordinate efforts with the Los Angeles County Department of Public Health by reporting all instances of structures containing lead-based paint.

H. Reduce the Number of Poverty Level Families

The priorities and objectives outlined in the various sections of the Strategic Plan component of the City's Consolidated Plan outline the City's five-year plan for addressing the housing and economic needs of the community. The plan particularly focuses on the needs of lower-income individuals and families, including those who are homeless or threatened with homelessness as well as individuals with special needs. The City's Strategic Plan is aimed at reducing, to the extent possible, the number of poverty level families and individuals in the City taking into consideration the many factors over which the City has no control such as funding resources, economic conditions, company downsizing, and a major factor again for 2005, the state of California budget crisis.

1. Continuum of Care

The Department of Housing and Urban Development encourages jurisdictions to develop and maintain a comprehensive continuum of care. To continue its proactive approach in providing a comprehensive continuum of care to local residents, the City of Lancaster has continued to provide support to local service

providers and non-profit agencies in developing additional facilities that will provide new services and enhance existing services for all people in need.

During the 2005 program year, the City of Lancaster will continue to assist with the relocation and expansion of the Antelope Valley Child Abuse Center (Children's Center) within the North Downtown Neighborhood Revitalization/Transit Village project area. This relocation and expansion is being assisted through the City's application for a \$1.5 million federal Section 108 Loan Guarantee. In addition, City staff has assisted the Center in applying for Los Angeles County CDBG funding support.

The City will also assist in the relocation and expansion of the Mental Health Association facility also to be relocated within the City's North Downtown Neighborhood Revitalization/Transit Village project area. Both of these projects will provide residents with expanded services that will be centrally located for easy public transportation access.

The City will also continue its support of the Antelope Valley Homeless Coalition in meeting the needs of the area's homeless and those threatened with homelessness. As noted previously, the Lancaster Community Shelter is the only dedicated facility that provides shelter and services for the homeless in the Antelope Valley Service Population Area (SPA 1). Its jurisdiction includes the cities of Lancaster and Palmdale and the unincorporated areas of Los Angeles County. The City will budget approximately \$40,000 in set-aside housing funds in the upcoming year for building maintenance and staff support for the shelter. In addition, the City of Lancaster will continue to support the Coalition's grant efforts in order develop additional transitional family units for homeless and/or "at risk" families in the Antelope Valley.

2. Job Creation/Job Training

- a. Job Creation - During this program year, the City will continue its economic development efforts in the Fox Field Industrial area to support the creation of new jobs for area residents.

Through Federal Section 108 Loan funding, the City of Lancaster and the Lancaster Redevelopment Agency will continue to provide for economic development expansion and the opportunity for gainful employment to targeted income groups. These opportunities will be supported through the construction of basic infrastructure for new and/or expanding manufacturing and light industrial companies within the Avenue H Industrial Corridor.

The City has allocated \$31,055 in new funding for the repayment of a \$320,000 Section 108 Loan secured to assist the City of Lancaster with

economic development activities and the construction of public improvements in the Fox Field Industrial area to support job creation. This loan was secured to augment the \$500,000 in loan funding that was received as part of a \$3.1 million Section 108 Loan. It is estimated that during the 2005 program year an additional 50 new jobs for low and moderate-income residents will be created in the coming year by the relocation of new industry to the area.

- b. Job Training - The City of Lancaster will continue to work with local training providers, Antelope Valley Community College, surrounding jurisdictions, and the Los Angeles County Workforce Investment Board in developing and implementing programs for the purpose of job training and job placement for local residents. To enhance the success of this effort, the City will also continue to work with the WorkSource California Antelope Valley One-Stop Career Center and area businesses to provide employment opportunities through the State Enterprise Zone Program.

- c. Preservation and Provision of Housing

In the 2005 program year, as in prior years, the City will continue its efforts toward the direct preservation and provision of housing through its CDBG and/or Redevelopment Housing programs. Along with coordinated programs undertaken by other public agencies, service providers, and private industry, the City of Lancaster's current and proposed programs will continue to preserve and produce housing units intended for lower-income individuals and families.

- i. Housing Restoration/Preservation and New Housing - One phase of the City's long-range, comprehensive North Downtown Neighborhood Revitalization/Transit Village plan involves the restoration and preservation of approximately 48 existing homes in the North Downtown Neighborhood Revitalization area known as Arbor Village as well as providing for the construction of new infill housing for low-income and senior residents. Through the provisions of housing and other related services, these combined efforts will help to incrementally assist in the reduction of poverty level individuals and families (see Section VII-B "Foster and Maintain Affordable Housing" and Attachment 7c for housing project locations).

- ii. Low-Income Housing - As part of the City's North Downtown Neighborhood Revitalization/Transit Village project effort, the Redevelopment Agency in partnership with a private developer, will

begin construction on 54-unit low-income multi-family housing project (see Attachment 7c).

- iii. Senior Housing - In addition, the Redevelopment Agency, in conjunction with a private developer, will complete the construction of 76 multi-family units in the Downtown Revitalization/Transit Village area (see Attachment 7c) for very low-income seniors (less than 50% of Los Angeles County median as determined by HUD). The construction will be completed by July 2005. In addition, the Agency in conjunction with the developer will rehabilitate 40 multi-family units for seniors adjacent to the 76-unit new construction for a total of 116 units. The rehabilitation work is expected to commence in July 2005 and be completed in January 2006.

I. Develop Institutional Structure

The primary components of the institutional structure continue to be the Lancaster Redevelopment Agency and the City of Lancaster. While several non-profit organizations provide ancillary support to the City's housing and economic development efforts, the vast majority of the financial assistance and other efforts are provided by these two governmental agencies. The solvency of the Lancaster Redevelopment Agency and the City of Lancaster has been, and will continue to be, the major strength of the permanent housing delivery system. However, maintaining the strength to meet the housing and economic needs of the community poses a challenge in the coming year with cities and redevelopment agencies continuing to face the uncertainty of the ongoing State budget crises.

Both the City and the Redevelopment Agency have a long history of commitment to addressing the housing needs of the community. The continuation of this commitment is evidenced by the long-range housing programs the City has outlined in its five-year Consolidated Plan, by the programs outlined in the City's General Plan, and by the adopted Redevelopment Plans of the various redevelopment project areas within the City.

Under these plans, it is the intent of the City and the Redevelopment Agency to continue to encourage and provide incentives, when feasible, for private investment. This public-private partnership will continue to (a) provide for the reduction of blight; (b) stimulate industrial, commercial, residential, and public development; (c) increase the local employment base; and (d) enhance the opportunities for the development of lower-income housing. All of these efforts support the major statutory goals of Lancaster's Consolidated Plan and are being realized through various long-term projects during the 2005 program year such as the North Downtown Neighborhood Revitalization/Transit Village project.

In addition to housing efforts, the City continues to maintain partnerships with outside agencies in its continuing economic development and job creation efforts. The Greater Antelope Valley Economic Alliance, the Los Angeles Economic Development Commission, along with the real estate and broker communities work closely with the City and Redevelopment Agency staff to bring new industry to the city in order to create local jobs for area residents. This is evidenced by the number of business developments that are proposed in the Fox Field Industrial area during the coming year.

The City of Lancaster has been very successful in obtaining Section 108 Loan Guarantee funding to leverage local resources in order to accomplish long-range planning for job creation, public facilities, and housing. The City recently completed payment on a \$4 million Section 108 Loan Guarantee that was used for the construction of an overpass to provide emergency access from the west side of the City to the east side as well as provide freeway access to encourage development and create local jobs in the area. As a result of this construction and the other infrastructure improvements in the area, over 1,000 jobs have been created for local residents.

During the 2005 program year, the City of Lancaster will pay approximately \$561,016 in loan repayments for four Section 108 Loans. These loans constitute an additional \$6.37 million in Section 108 Loan Guarantee funds that have been used for the construction of additional public improvements in the Fox Field Industrial area in order to encourage development, create jobs, and aid low and moderate-income residents in securing and retaining employment. In addition, loan funds have been used for the acquisition of property for the construction of affordable housing at the previous state fairgrounds site and the elimination of blighting conditions through the development of neighborhood recreational facilities (soccer complex) on the east side of the City.

Of the \$6.37 million in Section 108 Loan funding received, \$1.45 million will be used for the construction of a new and expanded Mental Health facility within the North Downtown Neighborhood Revitalization/Transit Village project area. An additional loan for \$1.5 million will be used for the construction of a new and expanded Antelope Valley Child Abuse Center (Children's Center) which will also be located within the North Downtown Neighborhood Revitalization/Transit Village project area.

Gaps, or weaknesses, in the City's delivery system are primarily related to declining state and federal funding resources as well as fluctuations in the level of economic and development growth that occurs within the community. These conditions affect the delivery systems of both the City and private non-profit agencies in their ability to provide all the programs that are needed in the community. With the state and federal economic conditions in turmoil, the upcoming year poses great challenges for all sectors in providing much needed programs to area residents.

Even though the City leverages resources through partnerships with outside agencies, gaps still remain. As a result, the gaps in the provision of supplemental monetary assistance received by outside agencies from the City must be accepted or supplemented by the non-profit and charitable organizations themselves. However, to support their efforts in closing these gaps, the City will continue to work with outside agencies in locating additional funding sources to support and enhance their individual programs as was noted under Section VII-H-1. "Continuum of Care." To enhance these efforts and provide support to the many needs of the housing and service providers, City staff will continue to work closely with The Fair Housing Center to maintain and promote fair housing services available to all residents as well as work with the Regional Homeless Coalition and the Los Angeles Homeless Services Authority to meet the needs of its "at risk" residents.

The City and Redevelopment Agency's financial commitment of approximately \$40,000 to the support of the Lancaster Community Shelter will continue to remain stable, since this facility is recognized as a priority recipient of housing assistance resources and the only dedicated homeless shelter in the Antelope Valley region.

J. Enhance Coordination Between Public and Private Housing and Social Service Agencies

The City recognizes the importance of coordinating its planning efforts with other public and private service agencies in order to accomplish the programs necessary to meet the community's needs of providing decent housing, providing a suitable living environment, and expanding economic opportunities particularly for low/moderate-income persons.

In order to prevent the haphazard expenditures of housing funds in the future, the City has initiated the development of a Housing Needs Assessment. The Housing Needs Assessment will assist the City in prioritizing the future use affordable housing funds to provide for the highest and best use of the funds.

In FY 2000, the U. S. Department of Housing and Urban Development implemented the "Sell Homes to Local Governments for \$1 each" program. Although the number of homes in Lancaster available through this program was minimal, the City will continue to participate in purchasing, rehabilitating, and providing these homes to first-time homebuyers if this program is restored in the 2005 program year.

In addition, the City's mobile home parks will continue to be managed through the Lancaster Housing Authority and maintained through the Lancaster Redevelopment Agency Housing Division. This program is designed to protect and maintain the City's affordable housing stock, stabilize and limit current rents and future rent increases, and provide well-managed and maintained mobile home parks.

In concert with this program, the City will continue to apply all State HOME program income funds towards the purchase of new mobile homes for placement in the existing Redevelopment Agency and Housing Authority-owned mobile home parks. These mobile homes are then made available on a lease/purchase arrangement to low-income home buyers (see Attachment 7c). Approximately five individuals/families will be assisted with the purchase of new mobile homes and an additional 25 individuals/families assisted with the purchase of substantially rehabilitated mobile home housing through the Redevelopment Agency's housing set-aside funds in the upcoming program year.

During FY 2005-2006, the Redevelopment Agency, in conjunction with a private developer, will complete the construction and rehabilitation of Arbor Gardens a 116 senior housing complex in the City's North Downtown Neighborhood Revitalization/Transit Village area. The new construction will consist of 76-unit multi-family units for very low-income seniors (less than 50% of Los Angeles County median as determined by HUD). The new construction portion of the project is schedule for completion in July 2005. In addition to developer financing, project funding will also be leveraged with \$3.3 million in State Home funds. The developer will also complete rehabilitation on 40 multi-family senior units (adjacent to the new 76-unit senior complex) using \$475,000 in State HOME funds. While all 40 units will be restricted, 11 units will be restricted to low-income senior residents. This new and revitalized complex will provide 116 additional senior housing units to the North Downtown Neighborhood Revitalization/Transit Village Project area (see Attachment 7c).

The Redevelopment Agency will also work with a private developer to build a 54-unit, multi-family low-income housing complex within the area of Jackman Street, Beech Avenue, Ivesbrook and Sierra Highway within the North Downtown Neighborhood Revitalization/Transit Village project area (see Attachment 7c). This project will be funded through State HOME Funds, MHP funds, and private and public funds.

In addition, the City will sell land to a private developer who will build 79 single-family homes in a blighted, previously high-crime area of the city. The homes will be sold to low/moderate-income families. This development will enhance the existing residential area and bring the pride of home-ownership to new homeowners. These homes will be offered to potential homeowners with incomes ranging from 60% to 120% of median income. Construction is scheduled to begin in summer 2005 (see Attachment 7c for location).

The City relies on non-profit agencies to provide social services to the community. In the upcoming program year, the City will continue to work with the Department of Social Services, Catholic Charities, and the Antelope Valley Homeless Coalition to provide assistance to families and individuals who are homeless or threatened with homelessness.

Since the Lancaster Community Shelter, operated by Catholic Charities, is the only dedicated facility that provides shelter and services for the homeless in the Antelope Valley Service Population Area (SPA 1), the City will continue to provide financial and staff assistance for the maintenance of the facility

The Antelope Valley Homeless Coalition has identified transitional housing for families as a high priority need within the community. While developing additional housing is a long and costly process, the City of Lancaster will continue to support the Coalition's efforts in securing additional family housing for the Antelope Valley.

The City of Lancaster will also continue to be an active partner with the WorkSource California Antelope Valley One-Stop Career Center in providing training and employment support services to area residents.

In addition, the State Enterprise Zone program hiring tax credit will continue to be offered to qualifying area businesses. This hiring tax credit allows a qualifying business to take a state business income tax credit of over \$31,000 (over five years) for each new employee hired who is eligible for the Workforce Investment Act (WIA), the Greater Avenues for Independence Program (GAIN), and/or is a resident of a Targeted Employment Area (TEA). This program provides an incentive for local businesses to hire new employees, thereby, creating a job creation tool for unemployed residents. It is anticipated that during the upcoming year, the Enterprise Zone incentive will create approximately 300 new jobs citywide.

Also in an effort to expand its ongoing continuum of care for the needy and enhance and expand the provision of social service benefits for the community, the City will work in partnership with two local non-profit organizations in an effort to relocate and expand their services for the residents of the Antelope Valley.

The City has been awarded a \$1.5 million Section 108 Loan Guarantee for the construction of a new Antelope Valley Child Abuse Center (Children's Center), providing services to abused and neglected children. In addition, a \$1.45 million Section 108 Loan Guarantee has been awarded to assist in the relocation and expansion of the Antelope Valley Mental Health Association which will continue during the 2005 program year. Both facilities will be located in the North Downtown Neighborhood Revitalization/Transit Village project area (see Attachment 7a, Nos. 11 and 12).

The City will also continue coordination efforts with the various agencies that provide housing services to the community including the County of Los Angeles Housing Authority which provides Section 8 assistance to meet the needs of lower-income renter households.

On July 1, 2003, the City began a three-year, annual renewable contract with the Housing Rights Center to provide fair housing services for Lancaster residents. The

Housing Rights Center's contract for 2005 is \$20,050 and will include training and informational meetings with civic groups, landlords, and resident; information materials in Spanish, English and Asian languages; public service announcements; counseling; mediation; on-site counseling clinics; monitoring/reporting; a toll-free telephone line for contact/message accessibility; and discrimination testing when required. Based on current statistics, it is estimated that approximately 300 residents will receive fair housing assistance during the 2005 program year.

K. Restoration/Preservation of Housing

As part of the City's comprehensive, multi-year North Downtown Neighborhood Revitalization/Transit Village project, a portion of the project area known as the Arbor Village Neighborhood Revitalization area will involve the restoration and preservation of approximately 48 existing mixed single-family and duplex residences as well as the construction of in-fill housing for low-income and senior residents where warranted (see Attachment 7a, No. 14). The City has received a Cal HOME award in the amount of \$500,000 towards this project and will augment the project cost with City housing bond funds.

L. Foster Public Housing Improvements and Resident Initiatives

The City of Lancaster does not have a Public Housing Authority and does not have public housing units within the City other than Section 8 housing which is administered through the Los Angeles County Housing Authority.

However, as is evidenced in this Action Plan, the City of Lancaster takes an active role in working with private developers to construct and provide affordable housing for its residents.

One of the most important activities in fostering public housing improvements is the City's participation and assistance in working with private industry and local residents to facilitate development projects that will benefit the community and provide additional housing opportunities for qualifying individuals and/or families. This has been recently evidenced by the completion of a 132-unit affordable senior housing complex that restricts 65 units to very low-income seniors, 65 units to low-income seniors, and 2 units to moderate-income seniors; a private single-family housing development recently completed consisting of 86 homes of which 17 were restricted to low/moderate-income home buyers; and the housing rehabilitation, low-income multi-family housing, and senior housing proposed in the City's multi-year North Downtown Neighborhood Revitalization/Transit Village plan during the coming year.

As noted previously in Section VII-J, "Enhance Coordination between Public and Private Housing and Social Service Agencies," the City and the Redevelopment

Agency, through the use of various funding sources, will continue to work with private contractors to construct new, affordable housing for low/moderate-income residents, housing for senior citizens, and rehabilitation activities.

VIII. PUBLIC HOUSING

The City of Lancaster does not have a public housing authority. Public housing issues and assistance are handled through the County of Los Angeles.

IX. HOME PROGRAM FUNDS

The City of Lancaster does not participate in the Federal HOME Program. It will be receiving \$3.3 million in State HOME funds for the construction of a 76-unit, lower-income senior complex during the upcoming program year.

X. CITIZEN COMMENTS

A Public Comment/Review Period notice outlining the Proposed Use of Funds for the Consolidated Plan Annual Action Plan for the 2005 Program Year was published March 25, 2005, allowing for a 30-day review/comment period ending April 25, 2005. This notice was made in compliance with the Department of Housing and Urban Development guidelines and the City of Lancaster's approved Citizen Participation Plan. (See Attachment 11).

A notice of public hearing on the Proposed Consolidated Plan Annual Action Plan for the 2005 Program Year was published on March 25, 2005, 31 days in advance of the public hearing in compliance with the Department of Housing and Urban Development guidelines and the City of Lancaster's approved Citizen Participation Plan. (See Attachment 11)

A public hearing was held April 26, 2005, to hear public comment on the proposed 2005-2009 Consolidated Plan and 2005-2006 One-Year Action Plan and receive City Council action (see Attachment 12). No public comment was received at the public hearing relative to the City of Lancaster's Consolidated Plan 2005-2006 One-Year Action Plan. In addition, no public comment was received during the 30-day public comment period prior to the public hearing.

XI. OTHER COMMENTS

During the upcoming year, the City of Lancaster will not be receiving program income, surplus from urban renewal settlements, grant funds returned to a line of credit, or income from float-funded activities. In addition, the City does not foresee initiating “urgent need” projects or activities.

The City of Lancaster will be self-loading its 2005 program year projects into the IDIS system for monitoring, reporting, and drawdown purposes.