

STAFF REPORT

City of Lancaster

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12/08/09
MVB

Date: December 8, 2009

To: Mayor Parris and City Council Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Acquisition of Real Property located at 3622 West Avenue K-12**

Recommendation:

Approve Agreement for Acquisition of Real Property between the City of Lancaster and The Bank of New York Mellon fka The Bank of New York as trustee for the Certificateholders of CWMBS 2005-03 for property located at 3622 West Avenue K-12 as part of the approved Neighborhood Stabilization Program.

Fiscal Impact:

The purchase price of the residence is \$70,000.00, plus closing costs will come from the Community Development Block Grant (CDBG) Funds Fiscal Year 2009-2010 Neighborhood Stabilization Program Account No. 363-4542-770.

Background:

In September 2008, pursuant to the Housing and Economic Recovery Act of 2008, the U.S. Department of Housing and Urban Development allocated a total of \$3.92 billion to the Neighborhood Stabilization Program. This program, which is similar in nature to Lancaster's Neighborhood Foreclosure Preservation Home Ownership Program, assists cities with federal funds for the purpose of addressing the effects of abandoned and foreclosed properties in the nation's communities.

On December 9, 2008, the City of Lancaster appropriated \$6,983,533 in NSP funds from the U.S. Department of Housing and Urban Development. These funds must benefit persons of low- to moderate-income in areas within the community with the greatest percentage of home foreclosures, homes financed by subprime mortgage related loans and areas likely to face a significant rise in the rate of home foreclosures.

The Trend neighborhood, a neighborhood located within the urban core of the City of Lancaster (see attached Site Maps marked as part of Exhibit "A"), is designated as a low- to moderate-income block group and contains a large percentage of foreclosed homes. Acquisition of the property located at 3622 W. Avenue K-12 will assist the City in stabilizing the Trend neighborhood and in addressing the negative effects of abandoned and foreclosed upon homes.

Various local commercial lending institutions (the “Banks”) own and are contracting to have real estate firms represent them in the sale of property. Staff has since determined that the purchase price was fair and equitable for both buyer and seller.

EB:LA:de

Attachment(s): Site Map