

STAFF REPORT

Lancaster Redevelopment Agency

RCC 2
12/08/09
MVB

Date: December 8, 2009

To: Chairman Parris and Agency Directors

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Acquisition of Real Property located at 557, 561, 565 Jackman Avenue and 45108 Cedar Avenue, Lancaster, California**

Recommendation:

Approve the Agreement for the Acquisition of Real Property between the Lancaster Redevelopment Agency and Deutsche Bank National Trust Company as Indenture Trustee in trust for the benefit of the note-holders for Argent Mortgage Loan Trust 2005-W1, Asset-Backed Notes, Series 2005-W1 for property located at 557, 561, 565 Jackman Avenue and 45108 Cedar Avenue, Lancaster, California. Funds will be appropriated from the Housing Bond proceeds.

Fiscal Impact:

The total purchase price is \$220,000.00, plus closing costs, will come from the Lancaster Redevelopment Agency's Low- and Moderate-Income Housing Fund, Account No. 930-9002-942.

Background:

The Agency is required to deposit not less than 20% of its tax increment revenues in the low- and moderate-income housing fund and to expend the monies in the housing fund only for the purpose of increasing, improving or preserving the supply of low- and moderate-income housing within the city. Failure to spend monies in the housing fund in a timely manner could result in penalties against the Agency. These penalties could prevent the Agency from undertaking any economic development activities and require the expenditure of non-housing money for housing purposes.

In August 2007, the Agency Board approved the implementation of the Neighborhood Foreclosure Preservation Home Ownership Program (the "Program") citywide. The goal of the Program is to reclaim vacant, abandoned properties for affordable housing, to strengthen blocks and neighborhoods by eliminating the blighting effects of vacant properties, and enforce the city codes and city building code requirements. The Program is designed to preserve sustainable homeownership for Lancaster residents by reclaiming foreclosed homes as neighborhood assets. The owner-occupied housing will be for qualifying low- or moderate-income families. Such units will be subject to occupancy and affordability restrictions recorded against the property as required by Health & Safety Code 33334.2(e)(2).

The targeted areas for acquisition of foreclosed homes are in areas designated as having key and negative contributing indicators identified in the Housing Needs Assessment. Key and negative contributing indicators include high crime, excessive code violations, low/very low wealth, high rental housing, high Section 8 housing, and advanced age of housing stock.

This property has been foreclosed upon and is located in the North Downtown neighborhood within the urban core of the City of Lancaster (see attached Site Map). Various local commercial lending institutions (the “Banks”) own and are contracting to have real estate firms represent them in the sale of the property. Staff has since determined that the purchase price was fair and equitable for both buyer and seller.

EB:LA:de

Attachments:

1. Site Map