

STAFF REPORT

City of Lancaster

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MVB

Date: January 26, 2010

To: Mayor Parris and City Council Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Extend the time to hold certain real property purchased using Low- and Moderate-Income Housing Funds by the Lancaster Redevelopment Agency**

Recommendation:

Adopt **Resolution No. 10-04**, approving a five (5)-year extension in order to provide additional time to develop Agency-owned properties under the Agency low- and moderate-income housing programs.

Background:

Over the last several years, the Lancaster Redevelopment Agency (the "Agency") has been acquiring real property with funds deposited in the restricted Low- and Moderate-Income Housing Fund. These funds have been used to assemble properties for the purpose of promoting redevelopment projects on blighted and underutilized parcels of land within each of the Redevelopment Project Areas in support of providing affordable housing within the community. Since acquiring these properties, the Agency has continuously worked with developers and brokers to market, dispose, and develop many of these properties for low- and moderate-income housing, and has been reasonably successful in these efforts; however, some properties still remain in the Agency's inventory after the initial five (5) years. The subject properties are identified in the list of Agency-owned properties outline under their respective Redevelopment Project Area within the attached Exhibit "A"

Due to circumstances that exist in the current real estate market, and a generally unfavorable and overall sluggish economy for developing smaller single family and apartment units, there have existed a number of "roadblocks" that are beyond the Agency's control forcing the Agency to retain several of these properties longer than expected. Under California Redevelopment Law, properties purchased with low- and moderate-income housing funds are to be either sold or are to be utilized for redevelopment purposes within five (5) years of their purchase.

In order to ensure the Agency's efforts for providing the state mandated levels of affordable housing for low- and moderate-income families, it is essential to retain the inventory into the future for an additional five (5)-year term for an opportunity to benefit from a more stabilized market. To achieve this, the Council needs to exercise its authority to retain the properties for an additional period of time by granting a five (5)-year extension, as provided by law.

Attachment:

1. Resolution No. 10-04
2. Exhibit A