

STAFF REPORT

City of Lancaster

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MVB

Date: May 25, 2010

To: Mayor Parris and City Council Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Acquisition of Real Property located at 717 East Oldfield Street**

Recommendation:

Approve agreement for acquisition of real property between the City of Lancaster and Federal National Mortgage Association for property located at 717 East Oldfield Street as part of the approved Neighborhood Stabilization Program (NSP).

Fiscal Impact:

The purchase price of \$80,000.00, plus closing costs, will come from the Community Development Block Grant (CDBG) Fund's 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 (HUD) 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 HUD. 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 El Dorado neighborhood, located within the urban core of the City of Lancaster (see Site Map), is designated as a low- to moderate-income block group and contains a large percentage of foreclosed homes. Acquisition of the property at 717 East Oldfield Street will assist the City in stabilizing the El Dorado 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.

Attachment: Site Map