

STAFF REPORT
City of Lancaster
Lancaster Redevelopment Agency

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MVB

Date: February 22, 2011

To: Mayor Parris and City Council Members
Chairman Parris and Agency Directors

From: Elizabeth Brubaker, Housing & Neighborhood Revitalization Director

Subject: **Disposition strategy for properties acquired by the Lancaster Redevelopment Agency under the Neighborhood Foreclosure Homeownership Preservation Program and the North Downtown Transit Village Vision Plan Infill Development Housing Project**

Agency Recommendation:

Adopt **Resolution No. 05-11**, a resolution of the Lancaster Redevelopment Agency, approving a disposition strategy for the sale of single-family residences acquired under the Neighborhood Foreclosure Home Preservation Program and North Downtown Transit Village Vision Plan Infill Development Housing Project.

City Recommendation:

Adopt **Resolution No. 11-11**, a resolution of the City Council of the City of Lancaster, approving a disposition strategy for the sale of single-family residences acquired under the Neighborhood Foreclosure Home Preservation Program and North Downtown Transit Village Vision Plan Infill Development Housing Project.

Fiscal Impact:

Property sales will not be less than appraised value plus closing costs. Homebuyers will provide funding to purchase the homes. Revenue from the home sales will be deposited into account no. 938-3540-101.

Background:

On November 25, 1984, the City Council directed staff to undertake actions necessary to implement and complete the approved redevelopment plans for Redevelopment Project Areas No. 5 (the "Redevelopment Plan"), which was approved and adopted by the Lancaster City Council by Ordinance No. 360, as amended, to assist with the redevelopment of this project area.

On July 24, 2001, the City Council directed staff to undertake actions necessary to implement and complete the approved North Downtown Transit Village (NDTV). The NDTV is bounded by Avenue I, Kettering Avenue, Sierra Highway, and 10th Street West. A major focus of the North Downtown Transit Village is the revitalization of a four-block area of residential properties bounded by Avenue I, Sierra Highway, Jackman Street, and Elm Avenue. The plan emphasis in this particular area is for the retention and rehabilitation of the existing stock and the construction

of infill housing to 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) and will be owner-occupied for forty-five years.

On August 14, 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. The Program as approved by the City Council, for the acquisition of foreclosed homes to rehabilitate or demolish and construct infill housing. The Program is designed to preserve sustainable homeownership for Lancaster residents by reclaiming foreclosed homes as neighborhood assets.

Discussion:

One significant component of the removal of blight and revitalization of mature neighborhoods is the demolition of older housing stock and the construction of safe and healthy work force housing. Another very important component of the removal of blight and revitalization of mature neighborhoods is to change the use of properties that have become obsolete over time to be compatible with the evolving and current use of properties within neighborhoods.

The Lancaster Redevelopment Agency pursuant to the approved NDTV vision plan acquired several properties for the infill housing development project over a span of ten years because the use of the properties were no longer compatible and other properties were being underutilized in the area. In addition, as the economy weakened the Agency had the opportunity to acquire foreclosed properties that were not structurally feasible to rehabilitate for the infill housing development project in the NDTV project area.

The Lancaster Redevelopment Agency has constructed ten single family residences for the infill housing development project and will be marketing and selling each to potential homeowners agreeable to purchasing the property for the appraised value, including 45-year Covenants, Conditions, and Restrictions (CC&R’s) with affordability requirements and restrictions on the resale of the property. The properties will be listed and sold through the Greater Antelope Valley Association of Realtors members, via the local area Multiple Listing Service (MLS) to qualified homebuyers.

The NDTV infill housing development project has removed blight, created beautiful homes that meet the California’s Green Building Standard Codes, (reducing greenhouse gas emission, energy consumption and water use), reduced crime, created jobs and created affordable safe and healthy homes. By encouraging homeownership, the value attributed to the land as a resource increases, as the conditions of physical deterioration and blight due to poor use of the property, squatting and illegal dumping have been removed. The rejuvenation of this property is further bolstered with the real potential of providing long-term affordable homeownership.

Attachments:

1. 33433 Report
2. Agency Resolution No. 05-11
3. City Resolution No. 11-11
4. Listing of Properties