

STAFF REPORT
City of Lancaster
Lancaster Redevelopment Agency

Date: April 26, 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 in the South Downtown Neighborhood**

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4/26/11
MVB

City Recommendation:

Adopt **Resolution No. 11-20**, a resolution of the City Council of the City of Lancaster, California, approving a disposition strategy for the sale of single-family residences acquired under the Neighborhood Foreclosure Home Preservation Program in the South Downtown Neighborhood.

Agency Recommendation:

Adopt **Resolution No. 08-11**, a resolution of the Lancaster Redevelopment Agency, Lancaster, California, approving a disposition strategy for the sale of single-family residences acquired under the Neighborhood Foreclosure Home Preservation Program in the South Downtown Neighborhood.

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. 938-3620-107.

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.

In 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, 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 Lancaster Redevelopment Agency owns several parcels 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.

One significant component of the removal of blight and revitalization of mature neighborhoods is the rehabilitation of older housing stock. During the current economic downturn, there have been a substantial number of foreclosures on mortgages throughout the City. The Redevelopment Agency has purchased and substantially rehabilitated several vacant foreclosed properties in the South Downtown neighborhood. The homes purchased are typically those in need of the most assistance and not purchased by homeowners or investors when listed on the local Multiple Listing Service (MLS.) The properties have been substantially rehabilitated with energy efficient features, such as dual paned windows, Energy Star appliances, and drought tolerant landscaping was installed: all in an effort to reduce the maintenance cost of the home to the new homeowners.

The Neighborhood Foreclosure Program helps to eliminate blight in the neighborhoods, and it assists the community by providing much needed affordable homeownership for families. Sale of the rehabilitated South Downtown properties to homeowners will also help provide a better balance of homeowners to investors in this neighborhood. 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. City Resolution No. 11-20
3. Agency Resolution No. 08-11
4. Listing of Properties