

STAFF REPORT

City of Lancaster

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MVB

Date: October 11, 2011

To: Mayor Parris and City Council Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Acquisition of Real Property located at 408 East Nugent Street**

Recommendation:

Approve an agreement for acquisition of real property between the City of Lancaster and Federal National Mortgage Association for property located at 408 East Nugent Street, as part of the approved Neighborhood Stabilization Program (NSP 3).

Fiscal Impact:

The purchase price of \$82,900.00, plus closing costs, will come from the Community Development Block Grant (CDBG) Fund's Fiscal Year 2010-2011 Neighborhood Stabilization Program Account No. 363-4542-772.

Background:

In February 2011, pursuant to the Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act), the U.S. Department of Housing and Urban Development (HUD) allocated \$1.5 billion in federal Neighborhood Stabilization Program (NSP3) grant funds to address the effects of abandoned and foreclosed properties in the nation's communities. The City of Lancaster, as a CDBG entitlement municipality, received and appropriated \$2,364,566 in NSP3 funds on March 9, 2011, for the purpose of addressing abandoned, vacant, and foreclosed homes in our neighborhoods.

The El Dorado neighborhood, located in a designated low- to moderate-income block group and within the City's urban core, was selected as one of the NSP3 focus neighborhoods. Revitalization efforts to improve the stability of the neighborhood through strategic acquisition and rehabilitation will promote home ownership, assist in eliminating blight, and provide much needed affordable homeownership for families. Acquisition of the property at 408 East Nugent Street will assist the City with revitalization efforts aimed at restoring a balance to the neighborhood.

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