

STAFF REPORT
Lancaster Housing Authority

HA NB 1
3/27/12
MVB

Date: March 27, 2012

To: Housing Authority Members

From: Elizabeth Brubaker, Housing & Neighborhood Revitalization Director

Subject: **Disposition strategy for properties acquired by the Lancaster Redevelopment Agency and Transferred to the Lancaster Housing Authority under the approved Neighborhood Stabilization Program**

Recommendation:

Adopt **Resolution No. HA 03-12**, approving a disposition strategy for the sale of single-family residences acquired by the Lancaster Redevelopment Agency and transferred to the Housing Authority.

Fiscal Impact:

Properties are to be sold for appraised value. Homebuyers will obtain financing to purchase the homes and the Housing Authority will pay their share of the closing costs and may provide up to \$3,000.00 in homebuyer assistance. Revenue from the home sales will be deposited into Account Number 306-3603-100.

Background:

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, 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).

On January 24, 2012 the Lancaster City Council, adopted Resolution 12-08 assigning the housing functions of the former Lancaster Redevelopment Agency to the Lancaster Housing Authority and making certain findings in connection therewith.

The Lancaster Redevelopment Agency purchased and rehabilitated one hundred three properties under the Neighborhood Foreclosure Program and those properties have been assigned to the Lancaster Housing Authority. These properties will be marketed and sold to potential

homeowners who agree to purchase the properties for appraised value and agree to the recording of Declaration of Covenants, Conditions, and Restrictions. The Affordability Covenants, Conditions, and Restrictions contain affordability requirements and restrict the resale of the property to be owner occupied for forty-five years. The properties will be listed and sold through the Greater Antelope Valley Association of Realtors members, via the local area Multiple Listing Service 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 Agency has purchased and substantially rehabilitated several vacant and foreclosed properties. 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. The properties have been substantially rehabilitated with energy efficient features, such as dual pane windows, Energy Star appliances, and drought tolerant landscaping, 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 properties to homeowners will also help provide a better balance of homeowner to investor in the neighborhoods. 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 these properties is further bolstered with the real potential of providing long-term affordable homeownership.

Attachments:

Listing of Properties

Resolution No. HA 03-12