

STAFF REPORT
City of Lancaster

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MVB

Date: June 24, 2014

To: Mayor Parris and City Council Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Acquisition of Real Property located at 44044 Buttercup Way**

Recommendation:

Approve an agreement for the acquisition of real property between the City of Lancaster and Federal National Mortgage Association for property located at 44044 Buttercup Way, as part of the approved Neighborhood Stabilization Program (NSP 3).

Fiscal Impact:

The purchase price of \$159,900, plus closing, rehabilitation and maintenance costs, will come from the Community Development Block Grant (CDBG) Fund's Fiscal Year 2013-2014 and 2014-2015 Neighborhood Stabilization Program Account No. 363-4542-771.

Background:

On February 22, 2011, pursuant to the Dodd-Frank Act of 2010, the City Council received and appropriated \$2,364,566 for the Neighborhood Stabilization Program from the U.S. Department of Housing and Urban Development for NSP 3. The City received \$1,096,136 in Program Income revenues from the sales of the NSP 3 homes which will be used to acquire, rehabilitate, and then resell the foreclosed homes. In addition, the City has \$492,959 available from the original NSP 3 award, both of which will be used to purchase, rehabilitate, and then resell foreclosed homes in the expanded target areas as outlined in the Second Substantial Amendment to the Community Development Block Grant (CDBG) Consolidated Annual Action Plan approved May 27, 2014.

Various local commercial lending institutions (the "Banks") own and are contracting with real estate firms to represent them in the sale of distressed properties. Staff has since determined based on comparable sales that the purchase price is fair and equitable for both the buyer and seller.

Attachment:

Site Map