

STAFF REPORT
City of Lancaster, California

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Date: May 22, 2007

To: Mayor Hearn and City Council Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Acceptance of reimbursement from the EDI-Special Project No. B-05-SP-CA-0385 Grant Agreement between the Department of Housing and Urban Development and the City of Lancaster for the acquisition of property located at 45159 Sierra Highway as part of an affordable housing project**

Recommendation:

- A. Acceptance of reimbursement from the EDI-Special Project No. B-05-SP-CA-0385 Grant Agreement between the Department of Housing and Urban Development and the City of Lancaster for the acquisition of property located at 45159 Sierra Highway as part of an affordable housing project. The amount allowed for reimbursement is \$248,000.
- B. Appropriate funds in the amount of \$248,000 to revenue account number 382-3301-100 and to expenditure account number 382-4542-770, to reimburse the Redevelopment Housing Fund.

Fiscal Impact:

The City will receive the reimbursement of funds in the amount of \$248,000 from the EDI-Special Project Grant Agreement between the Department of Housing and Urban Development and the City of Lancaster for the acquisition of property located at 45159 Sierra Highway as part of an affordable housing project. The City will reimburse the Redevelopment Housing Fund in the amount of \$248,000 for project costs incurred.

Background:

On July 24, 2001, the City Council directed staff to undertake actions necessary to implement and complete the North Downtown Transit Village (NDTV). The NDTV is generally bounded by Avenue I, Kettering Avenue, Sierra Highway, and Fern Avenue.

One significant component of the removal of blight and revitalization of the North Downtown Transit Village is the construction of affordable housing for families of various ages and incomes in the community. One area that has been selected in the NDTV for affordable housing is along Avenue I. Redeveloping Avenue I with affordable owner-occupied housing will improve the aesthetic appearance of the area and create a land use pattern compatible with the revitalized housing area to the south. This will help citizens feel a sense of belonging to the community and

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foster commitment to the geographic locale. The affordable housing to be constructed within the NDTV will be for low or moderate-income persons. 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 September 13, 2005, the City Council directed staff to acquire a commercial property located at 45159 Sierra Highway for the acquisition price of \$625,000 where the construction of the affordable housing and retail development will occur.

On September 20, 2005, Agency staff applied for Federal assistance for the acquisition of the property located at 45159 Sierra Highway to be used as part of the affordable housing project along Avenue I under the Special Project Grant Program that is funded by the Congress in the VA HUD-Independent Agencies Appropriations Act for Fiscal Year 2005. On October 29, 2006, the Department of Housing and Urban Development announced the award of the grant in the amount of \$248,000 to the City of Lancaster for the acquisition of the property located at 45159 Sierra Highway.

Therefore, staff recommends the acceptance of reimbursement of funds from the EDI-Special Project Grant, which shall be appropriated to revenue account number 382-3301-100 and expenditure account number 382-4542-770 to reimburse the Redevelopment Housing Fund.

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