

## RESOLUTION NO. 15-03

### 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 APPROVED NEIGHBORHOOD STABILIZATION PROGRAM

WHEREAS, the City of Lancaster (the “City”) is authorized and empowered, to enter into agreements for the acquisition, disposition of real property and otherwise to assist in the redevelopment of real property within redevelopment project areas in conformity with a redevelopment plan adopted for such area, to acquire real and personal property in redevelopment project areas, to receive consideration for the provision by the City of redevelopment assistance, to make and execute contracts and other instruments necessary or convenient to the exercise of its powers; and

WHEREAS, the City owns residential property in the City of Lancaster, Los Angeles County, State of California, further described shown in Exhibit “A” (the “Subject Property”), and is engaged in activities necessary to execute and implement the Redevelopment Plans; and

WHEREAS, the City desires to enter into California Residential Purchase Agreement and Joint Escrow Instructions (the “Agreement”) in order to implement the provisions of the Redevelopment Plan by providing for the sale of the Subject Property generally, located in the City of Lancaster Redevelopment Project Areas, further described in Exhibit “B” (the Information Summary Report), and which development of the Subject Property is consistent with previous uses of the Property as well as existing uses of other real property in the surrounding neighborhood; and

WHEREAS, the Agreement does not create any new or additional environmental impacts than were considered in the Redevelopment Plans, or any environmental requirements applicable to the proposed use of the Subject Property pursuant to the City’s Zoning Ordinance. The Agreement to dispose of the Subject Property and the intended use of the real property is similar in nature to the previous uses of the Property. The use is permitted and is consistent with the General Plan land use designation. The proposed project is not expected to produce any significant impacts to the environment; and

WHEREAS, the disposition of this Subject Property within the Redevelopment Plan areas is being considered pursuant to the terms of the Agreement, is in the vital and best interest of the city, and the health, safety, morals and welfare of its residents. Furthermore, this project is in accordance with the public purposes and provisions of Redevelopment Plan and applicable state and local laws and requirements; and

WHEREAS, the City is authorized, with the approval of the City Council, to sell or lease the Subject Property for development pursuant to the redevelopment plan upon a determination by the City Council that the disposition of the property will assist in the elimination of blight and is consistent with the implementation plans adopted for the Redevelopment Project pursuant to CRL Section 33490 and that the fair consideration of such disposition is not less than either the fair market value or fair reuse value of the Subject Property in accordance with the covenants and conditions governing the disposition and the development costs required thereof; and

WHEREAS, the City has duly considered all terms and conditions of the proposed Agreement and believes that the disposition of the sites pursuant thereto is in the best interests of the City of Lancaster the health; safety, and welfare of its residents, and in accord with the public purposes and provisions of applicable state and local laws and requirements.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF LANCASTER, DOES HEREBY RESOLVE, DETERMINE AND ORDER, AS FOLLOWS:

Section 1. The City Council hereby finds and determines that based upon substantial evidence provided in the record before it, (i) the disposition of the Subject Properties pursuant to the Agreement is in accordance with the covenants and conditions governing the transfer of the Subject Property, and complies with the purposes of the Redevelopment Plans for the use and maintenance of the Subject Property, which is in the best interest of the community, and (ii) the consideration for the disposition of the Subject Properties pursuant to the terms and conditions of the Agreement is not less than either the fair market value or the fair reuse value in accordance with the covenants, conditions and restrictions imposed under the Agreement and the costs required under the Agreement. The City Council further finds and determines that the disposition of the Subject Property pursuant to the Agreement (i) will assist in the elimination of blight by requiring redevelopment of the Subject Property in accordance with the Agreement as residential workforce housing, including affordable housing and (ii) is consistent with the implementation plan for the Redevelopment Project adopted by the City pursuant to Health and Safety Code Section 33490.

Section 2. The disposition of the Properties by the City to potential homebuyers pursuant to the Agreements and any changes mutually agreed upon by the homebuyers and the Housing and Neighborhood Revitalization Director, in substantial conformance with the Agreements for the Subject Properties herewith, which establishes terms and conditions for the transfer of the Subject property, are hereby approved by the City Council.

Section 3. The City Council concurs in authorizing the City Manager or a designee thereof to execute the Agreements and to take all steps, and to sign all documents (including the Grant Deed) necessary to implement and carry out the Agreements on behalf of the City.

Section 4. The City Council hereby finds and determines that the environmental status of the project remains consistent with the environmental impact reports (EIR) prepared for Project Area 5 and the Agreement does not add new environmental impacts and neither a supplemental nor a subsequent EIR is required.

PASSED, APPROVED, and ADOPTED this \_\_\_\_ day of \_\_\_\_\_, 2015, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

\_\_\_\_\_  
BRITT AVRIT, CMC  
City Clerk  
City of Lancaster

\_\_\_\_\_  
R. REX PARRIS  
Mayor  
City of Lancaster

STATE OF CALIFORNIA            )  
COUNTY OF LOS ANGELES    )    ss  
CITY OF LANCASTER            )

CERTIFICATION OF RESOLUTION  
CITY COUNCIL

I, \_\_\_\_\_, \_\_\_\_\_ City of Lancaster, California, do hereby certify that this is a true and correct copy of the original Resolution No. 15-03, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE CITY OF LANCASTER, on this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

(seal)

\_\_\_\_\_

**EXHIBIT "A"**  
**SUBJECT PROPERTY LIST**

<b>Property Address</b>	<b>NSP</b>	<b>APN</b>
44305 Palm Vista	3	<u>3148-003-008</u>
44044 Raysack	3	<u>3141-019-034</u>
44044 Buttercup	3	<u>3148-044-027</u>
869 W. Holguin	3	<u>3135-002-032</u>
45634 Fig	3	<u>3135-031-001</u>
45514 10 <sup>th</sup> st W	3	<u>3135-016-006</u>
45040 8th St. E.	3	<u>3146-023-051</u>

**EXHIBIT “B”**

**INFORMATION SUMMARY REPORT FOR THE SALE OF REAL PROPERTY  
WITH PROPOSED HOMEBUYERS**

1, Cost of Project to the City:

The Sale of Real Property California Residential Purchase Agreement and Joint Escrow Instructions between the City of Lancaster and proposed homebuyers requires the City to transfer property to the homebuyer to complete acquisitions of the properties. The cost of the properties to the City is determined based on the following information:

- a. The Acquisition costs of a foreclosed upon residential property is limited a one percent (1%) percent discount from the current market appraised value per Section 2301(d)(1) of HERA. The project homes are bank-foreclosed or short sale properties acquired for the purpose of creating affordable homeownership and revitalizing the neighborhood.
- b. There are no clearance costs for this project.
- c. There are no relocation costs for this project.
- d. Improvement costs to the project homes include rehabilitation including drought tolerant landscaping to meet the new California landscape standards, increased hardscape, energy efficient dual paned windows, and energy efficient appliances to assist and reduce the long-term costs for the new homeowners. Property rehabilitation costs average between \$57,475 and \$110,000.
- e. There are no finance costs for this project.

2. Estimated value of interest to be conveyed by the City to proposed homebuyers determined at highest and best:

The estimated value of the interest to be conveyed at its “highest and best use” is based on the appraised value of each home upon entering into a California Residential Purchase Agreement and Joint Escrow Instructions. The appraised values of the homes will range from \$150,000 - \$200,000. The value is based on an independent appraisal of the property valued at the time of sale.

3. The estimated value of interest to be conveyed at the use and with the conditions, Covenants and Restrictions (CC&R’s) required by the transfer of the property:

The City’s properties are and will remain fully restricted for a 45-year affordability period.

4. The acquisition price which the homebuyer will be required to pay during the terms of the California Residential Purchase Agreement and Joint Escrow Instructions:

The homebuyer will receive title to the property subject to the terms and conditions as outlined within the California Residential Purchase Agreement and Joint Escrow Instructions. The disposition price of these properties, with a declaration of affordable housing and Conditions, Covenants and Restrictions (CC&R’s) limiting the future sale of these properties, may range from \$120,000 to \$200,000.

5. Explanation as to the reason why the sale of the property will assist in the elimination of blight:
- (a) The prevalence of depreciated values, impaired investments and social and economic maladjustments.
  - (b) The improvement and expansion of the community's supply of housing (inside or outside the project area), including opportunities for very low, low and moderate-income households.

The basic goals for the project are as follows:

To retain by means of rehabilitation as many existing residences and businesses as possible.

To eliminate and prevent the spread of blight and deterioration and to conserve, rehabilitate, and redevelop the Project are in accordance with the Redevelopment Plans and the Annual Work Programs.

To achieve an environment reflecting a high level of concern for architectural, landscape, and urban design principles appropriate to the objectives of the Redevelopment Plans.

To make provisions for housing as it is required to satisfy the needs and desires of the various age, income and ethnic groups of the community, maximizing the opportunity for individual choice.

To alleviate overcrowded, substandard housing conditions and to promote the development of a sufficient number of affordable housing units for low and moderate income households.

To coordinate the revitalization efforts in the Redevelopment Project with other public programs in the city of Lancaster.

The Neighborhood Stabilization Program preserves housing and removes blight in the city's mature neighborhoods through rehabilitation. It also provides affordable homeownership opportunities for those who qualify. Without encouraging homeownership, the value attributed to the land as a resource would otherwise continue to experience conditions of physical deterioration and blight due to poor use of the property, squatting and illegal dumping.

Additionally, the transfer of these properties will also help to eliminate blight by promoting rehabilitation of not only the Agency's project homes, but those around them. Sale of the rehabilitated homes is the second phase of a multi-pronged approach to revitalizing this neighborhood.