

STAFF REPORT
Lancaster Redevelopment Agency

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Date: October 9, 2007

To: Chairman Hearn and Agency Board Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Approve Agreement for Acquisition of Real Property between the Lancaster Redevelopment Agency and First Filipino Baptist Church of Lancaster for property located at 45417 Sierra Highway**

Recommendation:

Approve Agreement for Acquisition of Real Property between the Lancaster Redevelopment Agency and First Filipino Baptist Church of Lancaster for property located at 45417 Sierra Highway.

Fiscal Impact:

The purchase price of \$341,000 plus closing costs and tenant relocation costs will come from the Lancaster Redevelopment Agency's Low and Moderate Income Housing Fiscal Year 2007-2008 Budget Fund 960-9402-942 designated for the Northeast Gateway Corridors Affordable Housing Project on the west side of Sierra Highway north of Avenue I.

Background:

On February 24, 2004, the City Council directed staff to undertake actions necessary to implement and complete the Northeast Gateway Corridors Plan (NGCP). The NGCP is generally bounded by 10th Street West, Avenue H-8, Challenger Way and Avenue I.

A significant component of the removal of blight and revitalization of the Northeast Gateway Corridors Plan is the construction of affordable housing for families of various ages and incomes in the community. One area within the NGCP planned for affordable housing is located on Sierra Highway between Avenues H-8 and H-12 adjacent to the proposed single-family residential development on Beech Avenue. Redeveloping this area with owner-occupied housing will improve the aesthetic appearance of the area and create a land use pattern compatible with the housing area to the north and to the west. The Agency anticipates that the affordable housing within the NGCP will be for low or moderate-income persons. Such units would be subject to occupancy and affordability restrictions recorded against the property as required by Health & Safety Code 33334.2(e)(2).

The First Filipino Baptist Church of Lancaster owns the commercial property located at 45417 Sierra Highway, which will be combined with adjacent properties and developed with single-family homes. A licensed appraiser valued the property at \$310,000. During negotiations staff determined that the purchase price of \$341,000 was fair and equitable for both buyer and seller,

taking into consideration the additional cost to the Agency, if the property had to be acquired through condemnation.

Agency staff believes that purchasing the properties at 45417 Sierra Highway is in harmony with the Northeast Gateway Corridors Plan and, therefore, is recommending that the Agency Board approve the proposed acquisition of property.