

STAFF REPORT

Lancaster Redevelopment Agency

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05/13/08
MVB

Date: May 13, 2008

To: Chairman Parris 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 Naim Mashhour and Eyda Mashhour, Trustee(s) of the Naim Mashhour and Eyda Mashhour Family Trust dated June 17, 2006 for property located at 548 West Avenue I**

Recommendation:

Approve Agreement for Acquisition of Real Property between the Lancaster Redevelopment Agency and Naim Mashhour and Eyda Mashhour, Trustee(s) of the Naim Mashhour and Eyda Mashhour Family Trust dated June 17, 2006 for property located at 548 West Avenue I.

Fiscal Impact:

The purchase price of \$775,500 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 930-9002-942 designated for the North Downtown Transit Village Affordable Housing Project on the south side of Avenue I.

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 owner-occupied workforce 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 owner-occupied workforce 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 foster commitment to the geographic locale. The owner-occupied workforce 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).

The Naim Mashhour and Eyda Mashhour Family Trust owns the commercial property located at 548 West Avenue I, which will be combined with adjacent properties and developed with owner-occupied housing. A licensed appraiser valued the property at \$705,000. During negotiations staff determined that the purchase price of \$775,500 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 property at 548 West Avenue I is in harmony with the North Downtown Transit Village Plan and, therefore, is recommending that the Agency Board approve the proposed acquisition of the property.