

STAFF REPORT
Lancaster Redevelopment Agency

RCC 3
6/24/08
MVB

Date: June 24, 2008

To: Chairman Parris and Agency Board Members

From: Elizabeth Brubaker, Director of Housing and Neighborhood Revitalization

Subject: **Approve Agreement for Acquisition of Real Property between the Lancaster Redevelopment Agency and Josephine Pocino and Patrick F. Larkin, Co-Trustees of the Josephine Pocino Trust, for property located on northeast corner of 22nd Street East and Kettering Street**

Recommendation:

Approve Agreement for Acquisition of Real Property between the Lancaster Redevelopment Agency and Josephine Pocino and Patrick F. Larkin, Co-Trustees of the Josephine Pocino Trust, for property located on northeast corner of 22nd Street East and Kettering Street.

Financial Impact:

The purchase price of \$1,200,000 plus closing costs will come from the Lancaster Redevelopment Agency's low- and moderate-income housing fiscal year 2007-2008 budget fund account no. 910-6660-942. The account has a balance of \$3,749,000, sufficient to cover this purchase.

Background:

On February 26, 2008, the Lancaster City Council and the Lancaster Redevelopment Agency adopted Resolution No. 08-20 approving the agreement for the sale of Desert Sands Mobilehome Park between the Lancaster Redevelopment Agency and Oasis National, Inc.

Prior to Oasis National, Inc. obtaining a loan to acquire the mobilehome parks, a survey was required by the trustee. The survey revealed that the mobilehome park encroached upon property lines of the adjacent subject parcel located at the northeast corner of 22nd Street East and Kettering Street.

Upon investigation of ownership of the subject parcel, the Agency discovered that the City had already initiated condemnation proceedings for a portion of the subject property located at northeast corner of 22nd Street East and Kettering Street for public necessity to provide the necessary right-of-way for required street improvements. These street improvements were a condition of approval of tract no. 54274, located on the northeast corner of 20th Street East and Kettering Street.

The Agency researched and determined that acquiring the land provided a benefit to the City and Agency at many different levels. The condemnation proceeding to conduct a partial taking of the property for the encroachment is an expensive, lengthy and disruptive process that creates an adversarial relationship amongst the Agency and property owner. The acquisition of the land by the Agency would also forego the need to finalize the City's condemnation proceeding for the portion required for street improvements. Condemnation, moreover, does not foster a spirit of cooperation that is so vital to the Agency's efforts to revitalize the community. The creation of sustainable communities requires an amicable partnership between citizens, property owners, businesses and government. Furthermore, the proposed acquisition also fulfills the Agency's requirement to increase inclusionary housing as required by California Redevelopment Law.

The Deputy City Attorney for the City of Lancaster approached the owners of the subject property, Josephine Pocino and Patrick F. Larkin, Co-Trustees of the Josephine Pocino Trust, with an offer to purchase the property at an appraised value of \$1,200,000, as determined by a licensed appraiser. Based upon the analysis, the negotiated price of \$1,200,000 represents the fair market value and is equitable for both buyer and seller.

Agency staff believes that purchasing the subject property at the northeast corner of 22nd Street East and Kettering Street precludes the City and Agency from condemnation proceeding and is in harmony with the Agency's inclusionary housing goals and, therefore, is recommending that the Agency Board approve the proposed acquisition of property.

Attachments:

Site Map