

STAFF REPORT

Lancaster Redevelopment Agency

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MVB

Date: November 12, 2008

To: Chairman Parris and Agency Board Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Approve Agreements for the Acquisition of Real Properties between a) the Lancaster Redevelopment Agency and Antelope Valley Investment Group, Incorporated, a California Corporation for property located at 44245 Kingtree Avenue and b) the Lancaster Redevelopment Agency and Playa Azul Investments, LLC for property located at 44259 Kingtree**

Recommendation:

Approve Agreements for the Acquisition of Real Properties between the Lancaster Redevelopment Agency and Antelope Valley Investment Group, Incorporated, a California Corporation for property located at 44245 Kingtree Avenue and the Lancaster Redevelopment Agency and Playa Azul Investments, LLC for property located at 44259 Kingtree

Fiscal Impact:

The purchase price of \$2,650,000.00 plus closing costs for the property located at 44245 Kingtree and \$2,670,000.00 plus closing costs for the property located at 44259 Kingtree will come from the Lancaster Redevelopment Agency's Low- and Moderate-Income Housing Fund.

Background:

On September 27, 2005, the City Council directed staff to undertake actions necessary to implement and complete the Lowtree Neighborhood Project (LNP). The LNP is generally bounded by West Avenue J, 15th Street West, West Avenue K and 10th Street West.

A significant component of the removal of blight and revitalization of the Lowtree Neighborhood Project is the construction of affordable housing for families of various ages and incomes in the community. 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 LNP 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).

Antelope Valley Investment Group, Incorporated owns a thirty unit apartment complex located at 44245 Kingtree. Hanes Investment Realty, aware of the Lowtree Neighborhood Vision Project, contacted staff after the subject property had been listed with their firm. During negotiations,

staff determined that the purchase price of \$2,500,000 was fair and equitable for both buyer and seller based on customary documentation in staff files.

Playa Azul Investments, LLC owns a thirty three unit apartment complex located at 44259 Kingtree. Re/Max Commercial Investments, aware of the Lowtree Neighborhood Vision Project, contacted staff after the subject property had been listed with their firm. During negotiations, staff determined that the purchase price of \$2,550,000 was fair and equitable for both buyer and seller based on customary documentation in staff files.

Agency staff believes that purchasing the property at 44245 Kingtree and 44259 Kingtree is in harmony with the Lowtree Neighborhood Vision Project and therefore, is recommending that the City Council approve the proposed acquisition of the properties.

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Attachment(s):

1. Site Maps