

# STAFF REPORT

## City of Lancaster

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3/10/09
MVB

Date: March 10, 2009

To: Mayor Parris and City Council Members

From: Elizabeth Brubaker, Housing & Neighborhood Revitalization Director

Subject: **Approve Impact Fee Deferral for Lean Mean Fighting Machine L.P. for the Sagebrush Development**

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### **Recommendation:**

Approve Impact Fee Deferral for Lean Mean Fighting Machine L.P. (Developer) to construct the Sagebrush housing projects in Downtown Lancaster, in accordance with the provisions of Section 15.64.210C of the Lancaster Municipal Code. The City will defer developer impact fees totaling \$192,440, to be paid at the start of construction and no later than March 10, 2010. The deferred fees include: street improvements fees, traffic signalization fees and drainage/flood control improvement fees.

### **Financial Impact:**

The Developer is requesting the City approve a deferral of impact fees on the Sagebrush housing projects for up to one year, to fund the gap between the payment of building permit impact fees to pull construction permits, and the receipt of project funding by the State of California. The project has been approved for 2008 CTCAC (California Tax Credit Allocation Committee) funding and the plans have been approved by the City for construction.

### **Background:**

In recent years, City and Agency staff has been refocusing public and private redevelopment efforts in the downtown with an emphasis on creating a more "pedestrian-oriented" environment through the North Downtown Transit Village Plan and the "Visioning Plan" for the Downtown Lancaster Specific Plan (the "Downtown Specific Plan"). The proposed project is centrally located within the Downtown Specific Plan's "Boulevard District" and is an essential element for pedestrian related uses and activities in the downtown.

### **Recommendation:**

Once this project is completed, benefits will include: (a) infill development on valuable underutilized land; (b) additional rental property options for local residents; and (c) increased tax increment revenues. Therefore, City staff believes that deferring impact fee payment will allow the project to obtain funding and begin construction in the near future, meeting the 2020 Vision Goals of the City Council, the Five-Year Implementation Plan and the Downtown Specific Plan and therefore is recommending that the City Council approve impact fee deferment.