

STAFF REPORT

City of Lancaster

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08/25/09
MVB

Date: August 25, 2009

To: Mayor Parris and City Council Members

From: Elizabeth Brubaker, Housing and Neighborhood Revitalization Director

Subject: **Correction of Agreement of Acquisition of Real Property located at 3603 Balmont Avenue (Trend)**

Recommendation:

Approve revised agreement of Acquisition of Real Property for 3603 Balmont Avenue between the City of Lancaster and Deutsche Bank National Trust Company. The staff report dated July 28, 2009 referenced the Lancaster Redevelopment Agency in the Acquisition Agreement. The revised agreement is between the City and the seller.

Fiscal Impact:

The purchase price of \$70,000.00 plus closing costs will come from the Community Development Block Grant (CDBG) Funds Fiscal Year 2008-2009 Neighborhood Stabilization Program Account No. 363-4542-770.

Background:

In September 2008, pursuant to the Housing and Economic Recovery Act of 2008, the U.S. Department of Housing and Urban Development allocated a total of \$3.92 billion to the Neighborhood Stabilization Program (NSP). This program, similar in nature to Lancaster's Neighborhood Foreclosure Preservation Home Ownership Program, assists cities with federal funds for addressing the effects of abandoned and foreclosed properties in the nation's communities.

On December 9, 2008, the City of Lancaster appropriated \$6,983,533.00 in NSP funds from the U.S. Department of Housing and Urban Development. These funds must benefit persons of low-to moderate-income in areas within the community with the greatest percentage of home foreclosures, homes financed by subprime mortgage related loans and areas likely to face a significant rise in the rate of home foreclosures.

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The Trend neighborhood, a neighborhood located within the urban core of the City of Lancaster, is designated as a low- to moderate-income block group and contains a large percentage of foreclosed homes. Acquisition of the property located at 3603 Balmont Avenue will assist the City in stabilizing the Trend neighborhood and in addressing the negative effects of abandoned and foreclosed upon homes.

Various local commercial lending institutions (the “Banks”) own and are contracting to have real estate firms represent them in the sale of property (see the Site Map). Staff has since determined that the purchase price was fair and equitable for both buyer and seller.

EB:CS:de

Attachment(s): Site Map