

STAFF REPORT

City of Lancaster

CC 8
2/27/2024
JC

Date: February 27, 2024

To: Mayor Parris and City Council Members

From: Larissa De La Cruz, Director – Community Development
Chenin Dow, Assistant Director – Housing & Economic Development

Subject: Consideration for approval of actions in connection with Successor Agency-owned parcels related to compliance with the Surplus Land Act and a Purchase and Sale Agreement with the City of Lancaster

Recommendations:

1. Adopt Resolution No. , approving the proposed purchase and sale agreements for various Successor Agency-owned properties between the Successor Agency and the City of Lancaster.
2. Appropriate \$540,000 from General Fund to Account No. 101-24000-8010.
3. Authorize the City Manager, or his designee, to execute all related documents.

Fiscal Impact:

Total land acquisition costs of \$2,007,000. \$1,467,000 of this amount will be sourced from previously appropriated Community Development Block Grant (CDBG) funds for parcels to be utilized for affordable housing, while \$540,000 will come from the General Fund for parcels to be utilized for economic development.

Background:

Since the State of California's dissolution of Redevelopment Agencies in 2011, City staff have worked to wind down Lancaster's former Redevelopment Agency (LRA). This included the disposition of several hundred parcels acquired throughout the LRA's existence, not counting those held by the Lancaster Housing Authority for affordable housing development.

While hundreds of parcels have been disposed of to date, approximately 130 parcels remain in the hands of the Successor Agency. A number of these parcels represent a unique opportunity to solve a long-term development challenge for the City of Lancaster, while also providing new assets for affordable housing and economic development.

Ninety-eight of the subject parcels lie in the area known as the "Herald Tract," located in the Transit-Oriented Development Zone adjacent to the Lancaster Metrolink Station and The

BLVD. In 1910, the Los Angeles Evening Herald newspaper offered free parcels of land in Lancaster as an enticement to purchase a year's subscription of the Herald. At just 25 feet by 125 feet, these lots are too small to accommodate most uses and require assembly in order to make development feasible. While a handful of sites have been assembled in the last century to develop homes and businesses, the bulk of these parcels remain frozen in the year 1910.

Like the Successor Agency, the Lancaster Housing Authority also holds a number of Herald Tract parcels. By leveraging CDBG funds intended to further affordable housing, the City can combine both entities' parcels and continue the work to assemble additional parcels within this area, ultimately creating one or more contiguous, developable sites. This will establish new opportunities to build mixed-use sites featuring a variety of affordable housing options, providing much-needed housing units while also fulfilling the long-term vision of fostering transit-oriented development in this key area of the City.

In addition to the Herald Tract parcels, staff proposes the acquisition of ten additional residentially-zoned parcels on scattered sites throughout the City. Staff will explore opportunities for infill residential projects to provide affordable housing on these sites, with a focus on homeownership programs. These parcels, along with those in the Herald Tract, will be funded through previously appropriated CDBG funds for affordable housing.

The Successor Agency also holds two parcels comprising a 10.46-acre site in the Fox Field Industrial Corridor. Staff is proposing the acquisition of these parcels via General Fund for future economic development purposes.

CD/js

Attachments:

Exhibit A: List of Properties
Purchase and Sale Agreement