

STAFF REPORT

Lancaster Housing Authority

LHA CC 1
3/14/2023
JC

Date: March 14, 2023

To: Chair Szeto and Authority Members

From: Larissa De La Cruz, Community Development Director
Chenin Dow, Real Estate & Economic Development Assistant Director
Chris Aune, Housing Manager

Subject: Exclusive Negotiating Agreement with Ravello Holdings, Inc.

Recommendations:

1. Authorize the Executive Director or his designee to negotiate, finalize and execute an Exclusive Negotiating Agreement with Ravello Holdings, Inc. to enter into negotiations for a six-month period for the potential disposition of property owned by the Lancaster Housing Authority, requiring a deposit of \$50,000.00.
2. Authorize the Executive Director or his designee to negotiate, finalize and execute all related documents in a form approved by the City Attorney.
3. Find that this item is not subject to the California Environmental Quality Act.

Fiscal Impact:

\$50,000.00 shall be deposited to the Lancaster Housing Authority by Ravello Holdings, Inc. as consideration for entering into the proposed Exclusive Negotiating Agreement.

Background:

The Lancaster Housing Authority (“Authority”) owns a number of properties intended for affordable housing development. One such property, “HNR-4,” is an assemblage of 17 parcels comprised of approximately 66.3 acres immediately north of Whit Carter Park.

The Authority now has the opportunity to take the first steps toward the development of this property. Ravello Holdings, Inc., has expressed interest in purchasing the land in order to develop approximately 360 units of affordable housing for seniors age 55+. Units would be approximately 650-1,200 square feet and provide one or two bedrooms with a den. While precise Area Median Income (AMI) levels for the subject units are yet to be determined, the developer envisions that AMIs will range from 30% to 80%. The project would be gated, with private roads and sewers. Amenities would potentially include paseos, a recreation center, and pickleball courts,

among other items.

The proposed Exclusive Negotiating Agreement (ENA) would enable staff and the developer to enter into formal negotiations with the goal of crafting a Disposition and Development Agreement (DDA) for the sale and development of the property. The ENA term would be up to six months, during which time the DDA would be drafted. If the parties are unable to reach mutually agreeable terms during the ENA period, the property could again be marketed to other potential developers. The ENA does not bind the Authority to sell the property. The resulting DDA would be subject to approval by the Authority.

The envisioned project has incredible potential to meet a significant need in our community: affordable housing for seniors. Safety features, such as a gated community and enhanced accessibility, together with quality-of-life features fostering mobility and recreation, will make this a sought-after destination for the senior set. These homes will serve a need in Lancaster for generations to come.

CD/sm