

STAFF REPORT
Lancaster Housing Authority

LHA CC 2
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

Subject: Acquisition of Property

Recommendations:

1. Authorize the Executive Director, or his designee, to negotiate, finalize, and execute an Agreement to Purchase Los Angeles County Tax Defaulted Property for APNs 3138-036-015, 3138-036-014, 3138-036-013, 3170-006-014, and 3170-006-009 in a form approved by the City Attorney.
2. Adopt **Resolution No.** , authorizing purchase of tax-defaulted property (APNs 3138-036-015, 3138-036-014, 3138-036-013, 3170-006-014, and 3170-006-009).
3. Find that the California Environmental Quality Act does not apply to this item.
4. Authorize the Executive Director, or his designee, to finalize and execute all related documents.
5. Appropriate \$60,000 from Account No. 306-2900-000, Fund Balance to operating Account No. 306-4792-912.

Fiscal Impact:

Minimum bid fees of \$50,898.00 total for the five parcels, plus accrued interest of 1.5% per month as of the date of purchase. It is anticipated that the total cost for all parcels will not exceed \$60,000.00.

Background:

As a public entity, the Lancaster Housing Authority (“Authority”) has the opportunity to acquire tax-defaulted properties through the Los Angeles County Chapter 8 Agreement Sale Program before they are sold via public auction.

Staff has identified five parcels in the latest listing of available tax defaulted properties that would be useful for the Lancaster Housing Authority's envisioned initiatives. These are:

- APNs 3138-036-015, 3138-036-014, and 3138-036-013, three contiguous parcels in the Herald Tract area of the Transit Oriented Development zone totaling 6,260 square feet.
- 3170-006-014 and 3170-006-009, two parcels totaling 20 acres on 20th Street East and Avenue K-4.

In 1910, the Los Angeles Evening Herald gave away parcels in Lancaster measuring 25 feet by 100 feet with a year-long subscription to the newspaper. Dubbed "the Herald Tract," the heavy parcelization and small lot sizes of this area have rendered the bulk of parcels within it undevelopable. Recognizing this, Lancaster's former Redevelopment Agency worked to acquire several dozen Herald Tract parcels in an effort to ultimately assemble a single contiguous, developable site. Acquisition of the three recommended parcels would allow the Authority to continue this effort toward assembly, with the goal of creating a viable site for a mixed-use development featuring mixed-income housing within the City's Transit-Oriented Development zone.

APNs 3170-006-014 and 3170-006-009 also represent an opportunity to meet the Lancaster community's housing needs. Together, these parcels total 20 acres ripe for workforce housing development.

Acquisition of the proposed parcels would provide new real estate assets to further the Authority's efforts to provide a wide array of affordable housing options for Lancaster residents. Acquisition costs are substantially below market value for the parcels, leading to significant savings as the Authority works to achieve these goals.

CD/sm

Attachment:
Resolution No.