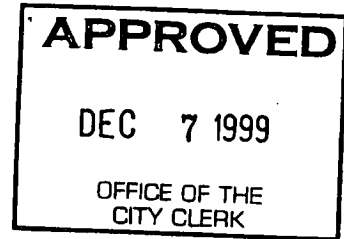




5.2

December 7, 1999



Redevelopment Agency of the City of Sacramento  
Sacramento, California

Honorable Members in Session:

SUBJECT: Acquisition of 31-37 Coral Gables Court

**LOCATION & COUNCIL DISTRICT**

South Sacramento, District 8

**RECOMMENDATION**

Staff recommends adoption of the attached resolution which authorizes the Executive Director or her designee to acquire a boarded and vacant four-plex property at 31-37 Coral Gables Court from Freddie Mac, a secondary mortgage market lender.

**CONTACT PERSONS**

John Dangberg, Director, Community Development, 440-1357  
Lisa Bates, Program Manager, Development Services, 440-1328

**FOR COUNCIL MEETING OF** December 7, 1999

**SUMMARY**

Six of eight privately owned four-plex properties located on Coral Gables Court and Meadowview Road have been taken back in foreclosure and are being resold. The properties are in deteriorated condition and affect the security and livability of seven public housing duplex properties and the Villa Jardin apartments located immediately adjacent to them. Staff recommends that City of Sacramento Home Investment Partnership (HOME) funds in the amount of \$100,000 be used to acquire and investigate the rehabilitation costs of the four-plex at 31-37 Coral Gables Court. Funds are available in the HOME Multifamily Housing Acquisition and Rehabilitation Program for these purposes.

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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### COMMISSION ACTION

At its meeting of December 1, 1999, the Sacramento Housing and Redevelopment Commission received information on the recommendation of the attached resolution. The Agency Loan Committee also reviewed the proposed acquisition on December 2, 1999, as an information request.

### BACKGROUND

The small area surrounding Coral Gables Court has been the site of multifamily problem properties for over a decade. (Please see Attachment I – Location Map.) In early 1990, the City of Sacramento Housing Authority acquired seven boarded and vacant four-plex properties from (then) American Savings Bank, converted them into duplex units, and completely rehabilitated them with public housing funds. At the same time, the Agency and the Sacramento Valley Organizing Community (SVOC) negotiated with World Savings Bank for the acquisition of a 44-unit apartment complex, whose owner had declared bankruptcy after default. With Agency financing, SVOC purchased and rehabilitated the apartments, now known as Villa Jardin.

Five of the eight four-plex rental properties immediately adjacent to Villa Jardin and the public housing duplexes have fallen into disrepair and were foreclosed upon by their lenders. (SVOC was able to acquire one through a conventional sale and the remaining two are not actively on the market.) Three four-plexes ultimately devolved to Freddie Mac, a national secondary mortgage market lender, which had previously acquired their mortgages from the originating lender. The Agency has been able to place a purchase contract on only one of the three, located immediately to the east of Villa Jardin at 31-37 Coral Gables Court (APN 049-0250-019). The Agency is committed to working with the sole purchaser of the other properties to ensure the adequacy of rehabilitation and pursue a common management program for tenant screening and property maintenance.

The terms of the purchase contract with Freddie Mac are as follows: \$72,500 purchase price; \$5,000 good faith deposit, refundable if governing board approval is not obtained by December 9, 1999; and close of escrow by December 15, 1999. This is an extremely short performance period for public agency purchase, but longer than that generally required for competitive market sales in recognition of the City's Alliance Agreement with Freddie Mac.

### FINANCIAL CONSIDERATIONS

City of Sacramento HOME funds in Agency's HOME Multifamily Acquisition and Rehabilitation Program are available for the purchase of 31-37 Coral Gables Court. Staff requests \$100,000 for the following purposes: \$72,500 for acquisition, \$1,500 for closing costs, and up to \$3,000 for the early investigative work for rehabilitation (asbestos and lead-based paint

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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testing, sewer scope, structural pest report, etc.), with the balance to be applied to rehabilitation. The rehabilitation plan and cost-estimates will be taken to the SHRA Loan Committee for approval. The Agency will either keep and rehabilitate the property or sell the property to a responsible owner for rehabilitation and management.

### POLICY CONSIDERATIONS

The acquisition and rehabilitation of problem multifamily properties is one of the highest housing priorities of the City of Sacramento. It is consistent with the City's Consolidated Plan and Action Plan for the years 1999 and 2000.

### ENVIRONMENTAL REVIEW

The proposed actions are exempt from CEQA per Guidelines Section 15301, 15304, and 15210, and they are categorically excluded from NEPA per 24 CFR Part 58.35(a)(6).


### M/WBE CONSIDERATIONS

The Agency will comply with its M/WBE policy.

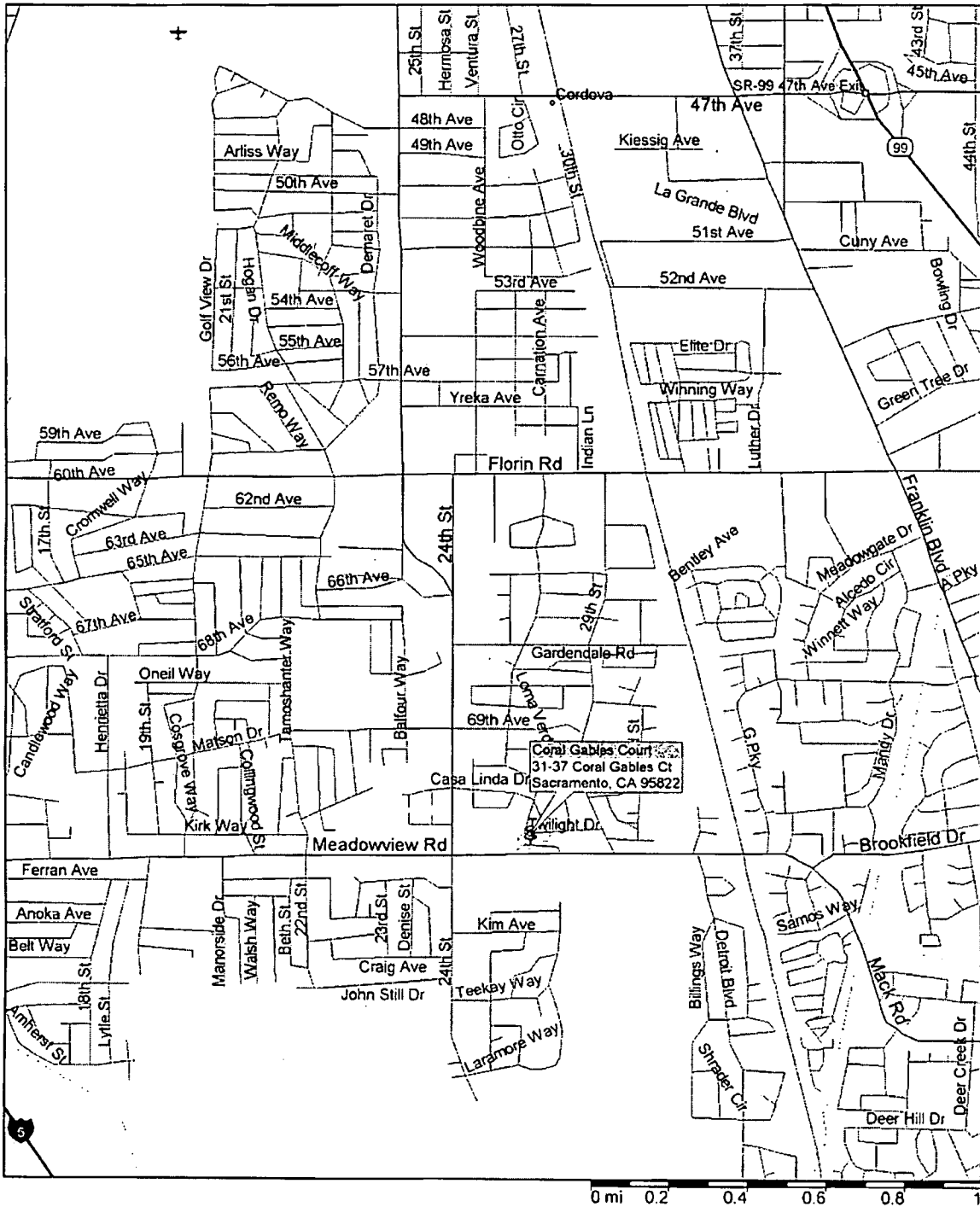
Respectfully submitted,

  
ANNE M. MOORE  
Executive Director

Transmittal approved,

  
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ROBERT P. THOMAS  
City Manager

### 31-37 Coral Gables Court



**APPROVED**  
DEC 7 1999  
OFFICE OF THE  
CITY CLERK

RESOLUTION NO. 99-043

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO  
ON DATE OF

**ACQUISITION OF 31-37 CORAL GABLES COURT, SACRAMENTO; RELATED  
BUDGET AMENDMENT FOR HOME PROGRAM FUNDS**

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF  
SACRAMENTO:

Section 1. The Executive Director is authorized to transfer One Hundred Thousand Dollars (\$100,000.00) from the HOME Multifamily Housing Acquisition and Rehabilitation Program to be used for acquisition of, investigation of rehabilitation costs for, and loan for rehabilitation of that certain real property ("Property") located at 31-37 Coral Gables Court, in the City of Sacramento.

Section 2. The Executive Director is authorized to acquire the Property in accordance with the terms of the Purchase and Sale Agreement, a copy of which is on file with the Agency Clerk.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_