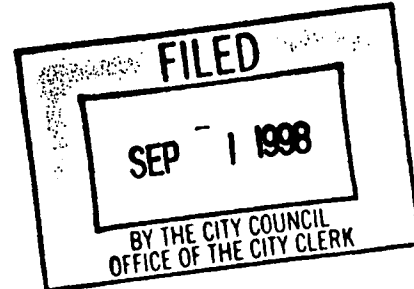




September 1, 1998

5.1

City Council  
of the City of Sacramento



Honorable Members in Session:

SUBJECT: 27<sup>th</sup> and V Streets Report

LOCATION AND COUNCIL DISTRICT: 27th and V Streets, 4th Council District

RECOMMENDATION:

This item is for informational purposes only

CONTACT PERSONS: Beverly Fretz-Brown, Director of Housing Development, 440-1357  
Lisa Bates, Program Manager, Housing Development, 440-1350

SUMMARY

This report provides information on the potential rehab-for-ownership project of the five homes located at 27<sup>th</sup> and V Streets in the Newton Booth neighborhood, originally part of the Jones & Stokes office expansion.

BACKGROUND:

At its August 5<sup>th</sup> meeting, the Sacramento City Council requested preliminary cost estimates for rehabilitation of the single-family properties at 2217, 2205, and 2215 27<sup>th</sup> Street and 2700 and 2706 V Street (see Attachment I and II). The properties are privately owned and the owner's intentions for their disposition are uncertain. The 40' x 80' sites are zoned R1B, which allows single family units by right and two family units subject to special permit approval. The homes range in size from 900 to 1320 square feet and are in various states of disrepair. The rehabilitation costs are rough estimates due to the inability to perform destructive testing for dry rot, termites, and hazardous materials. Inspections and cost-estimates were carried out by a licensed contractor, hired by Neighborhood Housing Services, and Agency rehabilitation staff.

Attachment III illustrates the cost and scope of two levels of rehabilitation and a new construction alternative. The new construction figures are based on two market rate homeownership developments in the Southside Park neighborhood (Sixth and S Streets and Fourth and T Streets), which are 3-bedroom 2-bath homes starting at 1,414 square feet. The proposed sales price for a home with these characteristics in Southside Park is \$130,000, or \$90/square foot. We estimate that hard construction costs and building fees for new quality construction on the Newton Booth site would average \$70/square foot( not including financing fees, closing costs and marketing, and overhead and profit).

The rehabilitation cost estimates vary by house as shown on Attachment III, and by level of rehabilitation. Our estimates of market sales prices for existing single-family housing are based on recent sales (last six months) in the immediate area for houses with similar bedroom/bath configurations and similar age.

2214 24 <sup>th</sup> Street	2/1	\$93,000
2430 V Street	2/1	\$50,000
2427 W Street	2/1	\$76,500
2400 25 <sup>th</sup> Street	2/1	\$40,000
2030 26 <sup>th</sup> Street	3/1	\$93,500
2118 26 <sup>th</sup> Street	2/1	\$98,000
2005 26 <sup>th</sup> Street	2/1	\$85,500

Based on these comparables, Agency staff estimates that an investment in substantial rehabilitation could be covered by market sales prices ranging from \$65,000 to \$85,000. Other benchmarks for comparable existing homes' sales prices citywide are the median sales prices for homes sold to first-time buyers under the Agency's Downpayment Assistance Program, which is \$105,319 and the median after-rehabilitation sales prices of boarded/vacant properties under the Agency's incentive program, which is \$ 74,115.

#### FINANCIAL CONSIDERATIONS

The Agency offers a variety of rehabilitation loan programs for owner-occupancy, including downpayment assistance, below-market financing, and developer incentives for the rehabilitation of boarded/vacant homes. For new construction, limited financing is available in target area neighborhoods to fund the gap between the cost of new home construction for owner occupancy and the market sales price. This report does not include any Agency commitment for financial assistance.

City Council  
of the City of Sacramento  
September 1, 1998  
Page 3

POLICY CONSIDERATIONS

There are no policy actions considered for this report.


ENVIRONMENTAL REVIEW

There is no environmental review considered for this report

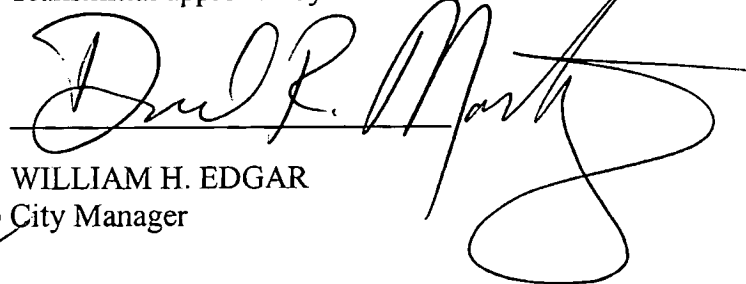
M/WBE REVIEW

There are no M/WBE considerations for this report.

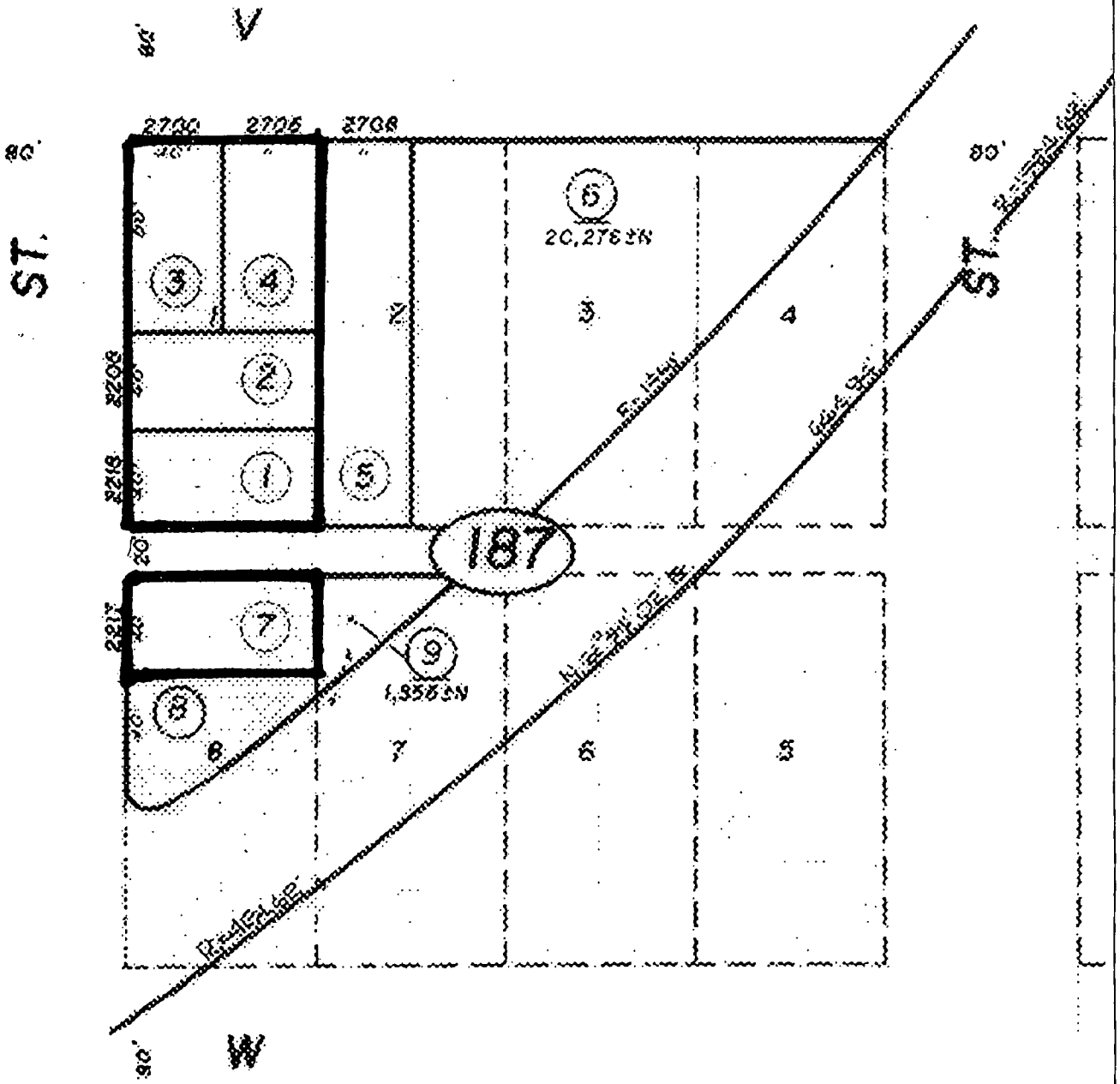
Respectfully submitted by,

  
ANNE M. MOORE  
Acting Executive Director *for*

Transmittal approved by:

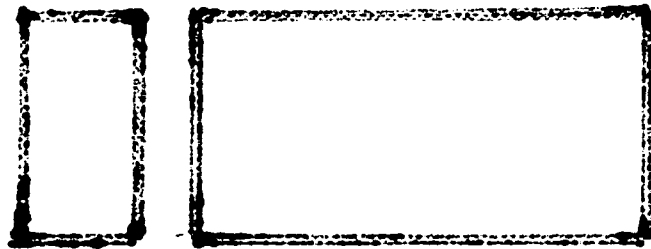
  
WILLIAM H. EDGAR  
City Manager

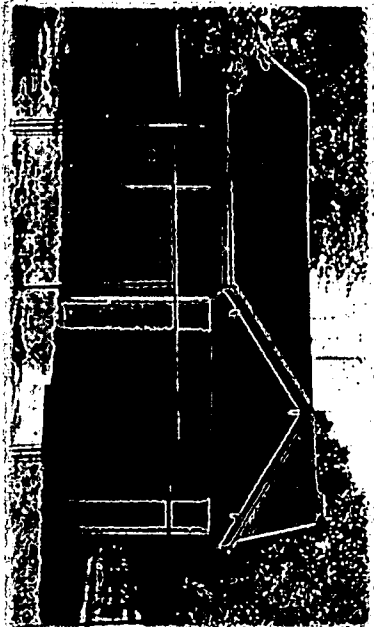
*for*



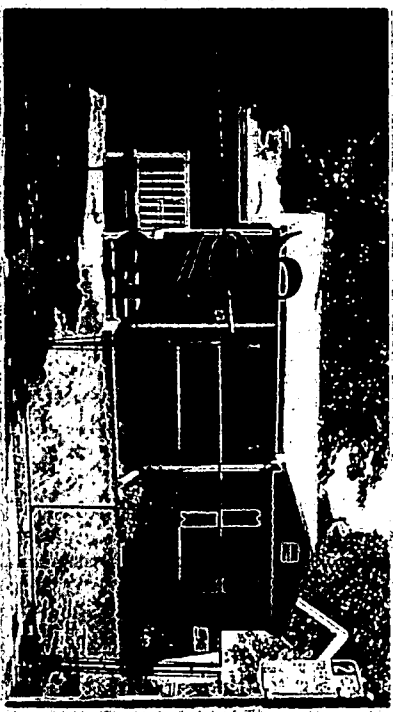
INTERSTATE BUSINESS

80

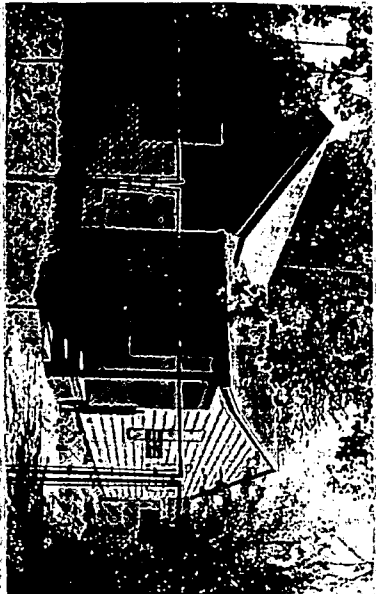




2700 V st.



2706 V st.



2205 27th st.



2215 27th st.



2217 27th st.



2217 Alley view

**ATTACHMENT III**

Milton & Pat Gottlieb Trust Properties  
27<sup>th</sup> & V Street

**CONSTRUCTION COST ESTIMATES**

	STANDARD REHAB	ENHANCED REHAB	NEW CONSTRUCTION
2217 27 <sup>th</sup> St 2 bed 1 bath 985 SF	\$47,335 cinder block building on slab	\$72,335 add partial bath, stucco ext., kit. & landscape upgrades, dual pane windows	\$98,000 market rate type unit approx. \$70.00 sq. ft. 1400 square feet 3bd/2ba
2215 27 <sup>th</sup> St. 2 bed 1 bath 1355 SF	\$83,005 fire damaged wood framed, raised floor	\$98,005 add partial bath, upgrade landscape, central HVAC	\$98,000 – same as above
2205 27 <sup>th</sup> St. 2 bed 1 bath 972 SF	\$41,198 wood framed, raised floor, vinyl siding	\$66,198 Kit., bath & landscape upgrades, central HVAC, garage reconstruct.	\$98,000 – same as above
2700 V St 2 bed 1 bath 929 SF	\$42,133 wood framed, raised floor, wood siding	\$62,198 Kit, bath & landscape upgrades, central HVAC	\$98,000 – same as above
2706 V St 2 bed 1 bath 966 SF	\$29,025 wood framed, raised floor, stucco exterior	\$49,025 kitchen & lndry reconstruct, lndscpe upgrades , central HVAC	\$98,000 – same as above

**STANDARD REHAB**

Repair and replace, as needed all electrical, plumbing, and mechanical systems, new floor coverings, new appliances, new interior and exterior paint throughout, front yard landscaping and sprinklers.

**ENHANCED REHAB**

Standard rehab *plus* new dual pane windows, all new kitchen and bathroom cabinets and fixtures, all new appliances, central heat & air, functional design changes, enhanced front and back landscaping, use of upgraded materials from standard rehab.

**NEW CONSTRUCTION**

Based on \$70 sq. ft. for a 1400 square foot single-family home. (R1B zoning allows two units per lot. New construction cost would increase with additional units and/or square footage with additional fees for: school impact, sewer, water, and special use planning, etc.)