



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



October 17, 1989

Budget and Finance Committee  
of the City Council  
Sacramento, CA

Honorable Members in Session:

SUBJECT: Additional Funding for New Modular Units

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Redevelopment Agency of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolution approving the funding.

Respectfully submitted,

ROBERT E. SMITH  
Executive Director

TRANSMITTAL TO COMMITTEE:

**FOR** JACK R. CRIST  
Deputy City Manager

Attachment



# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



October 26, 1989

Redevelopment Agency of the  
City of Sacramento,  
Sacramento, California

**SUBJECT:** New Modular Units Additional Costs

**SUMMARY:**

This report regards additional costs associated with the construction and operation of the modular units installed at 1220 North "A" Street to house the homeless.

Pursuant to City Council directive, Agency staff has taken all steps necessary to construct and operate the new homeless shelter approved by the City Council on June 27, 1989. During the process, some unexpected construction and programmatic costs were encountered, requiring an additional \$51,985 to complete the project. The first phase of the new shelter was completed and in operation on September 22, 1989. The balance, 20 beds for single women and administrative support offices will be open October 13, 1989. (Homeless single women have been accommodated by means of a voucher program in the interim.)

The staff recommends approval of the attached resolution amending the Agency budget to cover the additional cost.

**BACKGROUND**

On June 27, 1989 the City Council authorized the construction of a new 80 bed homeless shelter to be located at 1220 North "A" Street, directly behind the Salvation Army Men's Lodge. Staff has leased/purchased the necessary modular units and entered into the contracts necessary for the operation of the shelter program. Agency staff has also been diligently working with various city departments and negotiating with neighborhood groups and businesses to mitigate their security related and programmatic concerns. In particular, staff has met with representatives from General Produce Company (adjacent to the shelter property) and Richard's Boulevard Trade Association to discuss and resolve their program/security concerns.

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To alleviate the adjacent property owner's concerns, and as directed by your Council, the Agency is proposing an eight foot high 234 foot long masonry wall between the modular unit, and the General Produce Company, and the construction of a walkway between the Salvation Army property on North "B" Street and the new shelter on North "A" Street, to allow for foot traffic between the two buildings without having to walk down 14th Street to North "B" Street.

The Sacramento City Fire Department has also required upgraded water lines which were beyond our originally envisioned scope.

Finally, neighbors are demanding increased security at the Modular Units Shelter site.

In addition to these issues, five families unexpectedly sought shelter at the National Guard Armory. Since the new shelter will not accommodate families, the staff is requesting \$6,000 to cover the cost of placing homeless women and children into housing after the National Guard Armory was closed.

The net cost of all of these additional items is \$51,985. A detailed breakdown of these items is shown on Attachment A.

Offsetting some of these costs is the fact that under the agreed upon lease/purchase structure, some of the 1989 modular lease payments are deferred into 1990, resulting in a savings in 1989 of \$30,504. (Funding for the 1990 lease payments has been requested as part of the 1990 budget. Overall, the lease obligation to the Agency is unchanged.)

## FINANCIAL

The cost of the construction and programmatic additions to the new homeless shelter located at 1220 North "A" Street is \$51,985. Staff recommends the appropriation of Downtown Tax Increment Fund Low/Moderate Housing Fund for this purpose.

(We are also reviewing the possibility of a claim against the modular facilities contractor for costs incurred because of the 22+ day delay in delivery of the units.)

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## POLICY IMPLICATION

The recommendation is consistent with the policies of the June 27, 1989 staff report.

## MBE/WBE

None required beyond that previously approved since originally approved contractor will perform work.

## ENVIRONMENTAL REVIEW

The proposed action involves no changes to the approved project, thus the previously approved Negative Declaration is still adequate and complete, and no new environmental documentation is required.

## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of October 16, 1989, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

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## RECOMMENDATION

The staff recommends adoption of the attached resolution approving the use of \$51,985 in Downtown Tax Increment Fund Low/Moderate Housing Fund Balance to meet the unforeseen additional construction and programmatic costs.

Respectfully submitted,



ROBERT E. SMITH  
Executive Director

TRANSMITTAL TO COUNCIL:

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WALTER J. SLIPE  
City Manager

Contact Person: Tom Lee  
440-1357

2110WWP(218)

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# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF \_\_\_\_\_

REPORT BACK ON THE NEED FOR ADDITIONAL FUNDING  
FOR THE COMPLETION OF THE MODULAR UNIT  
HOMELESS SHELTER TO BE LOCATED AT 1220 NORTH "A" STREET

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

Section 1: The budget for construction of the modular unit homeless shelter at 1220 North A Street by the Agency of the City of Sacramento is hereby amended to add the sum of \$51,985.00 from Downtown Tax Increment for Low/Moderate Housing funds balance to meet additional project construction and programmatic requirements.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

1100WPP2(458)

FOR CITY CLERK USE ONLY

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

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

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ATTACHMENT "A"

Additional Funds Needed to Complete and Operate Modular Units Homeless Shelter

Construction	
(including construction of masonry wall, fencing, walkway, and fees)	\$38,489.00
Water Lines Required by Sacramento Fire Department	8,000.00
Security	
(As requested by Richard's Boulevard Trade Association and General Produce Company)	30,000.00
Placement of Homeless Families	6,000.00
Less: 1989 Modular lease cost savings	<u>30,504.00</u>
TOTAL ADDITIONS TO CONSTRUCTION AND OPERATING BUDGET	\$51,985.00