



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



8

April 16, 1991

Transportation/Community Development
and Budget & Finance Committees
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Amendment to Disposition and Development Agreements with
Habitat for Humanity and Sacramento Neighborhood Housing
Services

SUMMARY

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

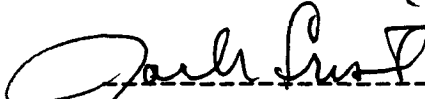
RECOMMENDATION

The staff recommends approval of the attached resolution amending
the agreements and approving the funding.

Respectfully submitted,


JOHN E. MOLLOY
Acting Executive Director

TRANSMITTAL TO COMMITTEE:



JACK R. CRIST
Deputy City Manager

Attachment



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



April 16, 1991

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Amendment to Disposition and Development Agreements with
Habitat for Humanity and Sacramento Neighborhood Housing
Services

SUMMARY

This report requests authorization to amend: 1) the Disposition and Development Agreement (DDA) with Habitat for Humanity (Habitat) to allow for the construction of a single family home at 3953 3rd Avenue rather than the relocation of UCD Medical Center house as called for in the original DDA; and 2) the Disposition and Development Agreement (DDA) with Sacramento Neighborhood Housing Services (NHS) to rehabilitate and expand a relocated house at 4432 7th Avenue in the Oak Park Redevelopment Project Area. The staff recommends adoption of the attached resolution authorizing the Acting Executive Director to amend the DDA's.

BACKGROUND

In October of 1990, the Redevelopment Agency of the City of Sacramento authorized the Executive Director to enter into two separate DDA's to provide for Habitat and NHS to purchase land owned by the Agency for the relocation of homes donated by the University of California at Davis (UCD) Medical Center. Habitat and NHS now wish to alter the conditions of their respective DDA's.

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Habitat for Humanity Proposal

Habitat decided not to move a UCD Medical Center home to the parcel provided by the Agency. This decision was made because the overall timing of the move did not correspond to the availability of the labor force. The home had to be moved during February because the UCD Medical Center had to prepare the site for construction of the Shriner's Hospital. Habitat proposes instead to build a new home on the Agency-owned site at 3953 3rd Avenue. Pursuant to the original DDA, Habitat will purchase the lot from the Agency for \$200. The home will be a 1,300 square foot, four bedroom, two bath home with a two car garage (see plans in Exhibit 1). Habitat expects to complete the home by July of 1991. The home will be marketed to very low income families (less than 50% of the County median) who meet Habitat's selection criteria (see Exhibit 2).

Habitat estimates that the proposed home will be sold at a cost not to exceed \$45,000. Habitat will act as a mortgage lender to sell the home, entering into a 0% twenty (20) year note with the homebuyer. The monthly payments will be approximately \$300 including principal, taxes, and insurance. As a condition of the Disposition and Development Agreement, the Agency will request that Habitat provide evidence of having sufficient funds on deposit to complete the project.

NHS Proposal

NHS has relocated a house from UCD Medical Center project but is requesting a \$22,000 construction loan from the Agency for its rehabilitation and expansion. The home has been moved to an Agency-owned site at 4432 7th Avenue. NHS will rehabilitate the two bedroom, one bath home and add a bedroom, one-half bath and a one car detached garage (see plans in Exhibit 3). The residence will be marketed and sold to a low to moderate income family who has not previously owned a home.

The project is estimated to cost \$71,350 (see cost breakdown in Exhibit 4). NHS has secured \$50,000 in financing for the project, but is requesting a \$22,000 construction loan along with a \$2,000 grant from the Agency to cover administrative costs.

NHS will repay the 0% Agency loan out of the sale proceeds. In the event that the project cost is greater than the home's appraised value, the amount of the loan to be repaid shall be reduced by the amount that the cost of the home exceeds its appraised value.

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While there is some risk that the Agency may not recover the full loan amount, a staff survey of comparable sales in the area indicates that homes in Oak Park are selling in a range equivalent to the anticipated cost of the NHS home. In addition, a portion of the loan to NHS may be assumed by the homebuyer, if needed to help them qualify for financing to purchase the home. The loan to the homebuyer will be in the form of a deferred loan secured by a second deed of trust.

The Agency participated in a similar project with NHS in July of 1990. NHS completed the expansion and rehabilitation of a former UCD Medical Center owned house that was relocated to its present location at 4535 11th Avenue. The house was expanded from a 2 bedroom, 1 bath unit to a 3 bedroom, 2 bath unit with a newly constructed two-car garage. The Agency assisted with that house move project by making a \$37,000 rehabilitation loan to NHS at no interest and a \$1,500 grant for administrative cost to pay for a portion of NHS staff time necessary to complete the project. As per the agreement in the DDA, the amount of the loan that was repaid was reduced by the difference between the project cost and the home's appraisal value. Since that difference was \$4,409, NHS repaid \$32,591 of the original loan amount of \$37,000.

FINANCIAL DATA

NHS requests funds totaling \$24,000: a loan of \$22,000 for rehabilitation and remodeling and a grant of \$2,000 for administration. The total project cost is estimated at \$71,350.

Use of SHRA Funds Requested:

Rehabilitation	\$ 9,500
Bedroom/Bath Addition	12,500
Grant for Administration	2,000
	<hr/>
	\$ 24,000

These funds are available from Oak Park Tax Increment resources designated for residential rehabilitation. Habitat for Humanity is not seeking Agency funding for their project.

ENVIRONMENTAL REVIEW

The proposed administrative actions are exempt from environmental review per CEQA Guidelines Section 15378(b)(3); NEPA does not apply.

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MBE\WBE REVIEW

The recommended action has no MBE\WBE policy impact.

POLICY IMPLICATIONS

The above recommended actions are consistent with the adopted Oak Park Redevelopment Plan and the Oak Park Housing Market Study which both recommended that the Agency acquire land to develop owner-occupied infill housing.

VOTE AND RECOMMENDATION OF THE OAK PARK PROJECT AREA COMMITTEE (PAC)

At its meeting of February 6, 1991 the Oak Park Project Area Committee (PAC) voted in favor of adopting the staff recommendation to amend the DDA's with Sacramento Habitat for Humanity and Sacramento Neighborhood Housing Services.

VOTE AND RECOMMENDATION OF THE COMMISSION

At its meeting of April 3, 1991, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Cespedes, Moose, Pernell, Simon, Simpson, Wooley, Yew, Strong

NOES: None

NOT PRESENT TO VOTE: Amundson

ABSENT: Diepenbrock, Williams

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RECOMMENDATION

Staff recommends adoption of the attached resolution which authorizes the Acting Executive Director to amend the terms of the Disposition and Development Agreements with Habitat for Humanity and Sacramento Neighborhood Housing Services.

Respectfully submitted,


JOHN E. MOLLOY
Acting Executive Director

TRANSMITTAL TO COUNCIL

WALTER J. SLIPE
City Manager

Contact Person: Leslie Fritzsche
440-1315

F:\JR\KEN\NSHAP.EPT

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENTS (DDA'S) WITH SACRAMENTO NEIGHBORHOOD HOUSING SERVICES (NHS) SACRAMENTO HABITAT FOR HUMANITY

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

Section 1: The Executive Director is authorized to amend the terms of the Disposition and Development Agreement with Sacramento Neighborhood Housing Services to provide a \$22,000 construction loan for improvements to the residential unit located at 4428 7th Avenue and to provide a grant of \$2,000 for administrative expenses.

Section 2: The Executive Director is authorized to amend the terms of the Disposition and Development Agreement with Sacramento Habitat for Humanity to permit construction of a new single family home on the site at 3953 3rd Avenue instead of relocation and rehabilitation of an existing structure.

CHAIR

ATTEST:

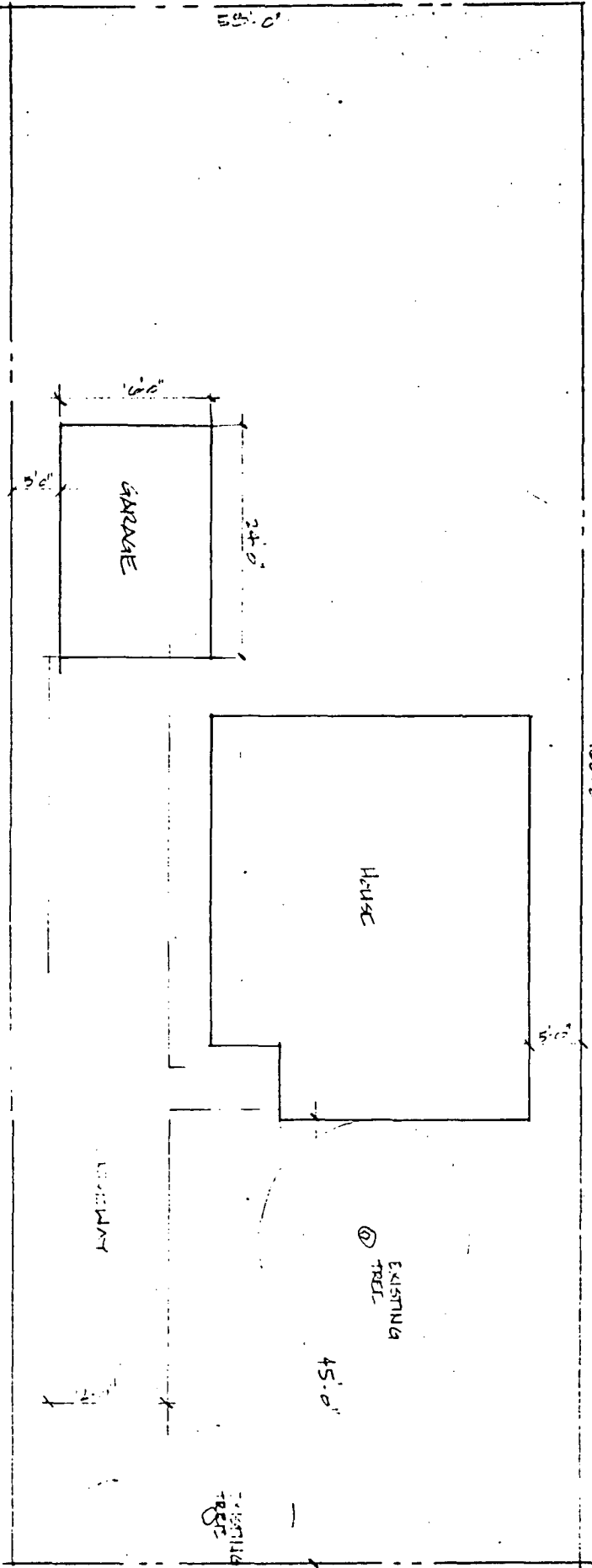
SECRETARY

P:\SHARE\RESO\HABITUM.391

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

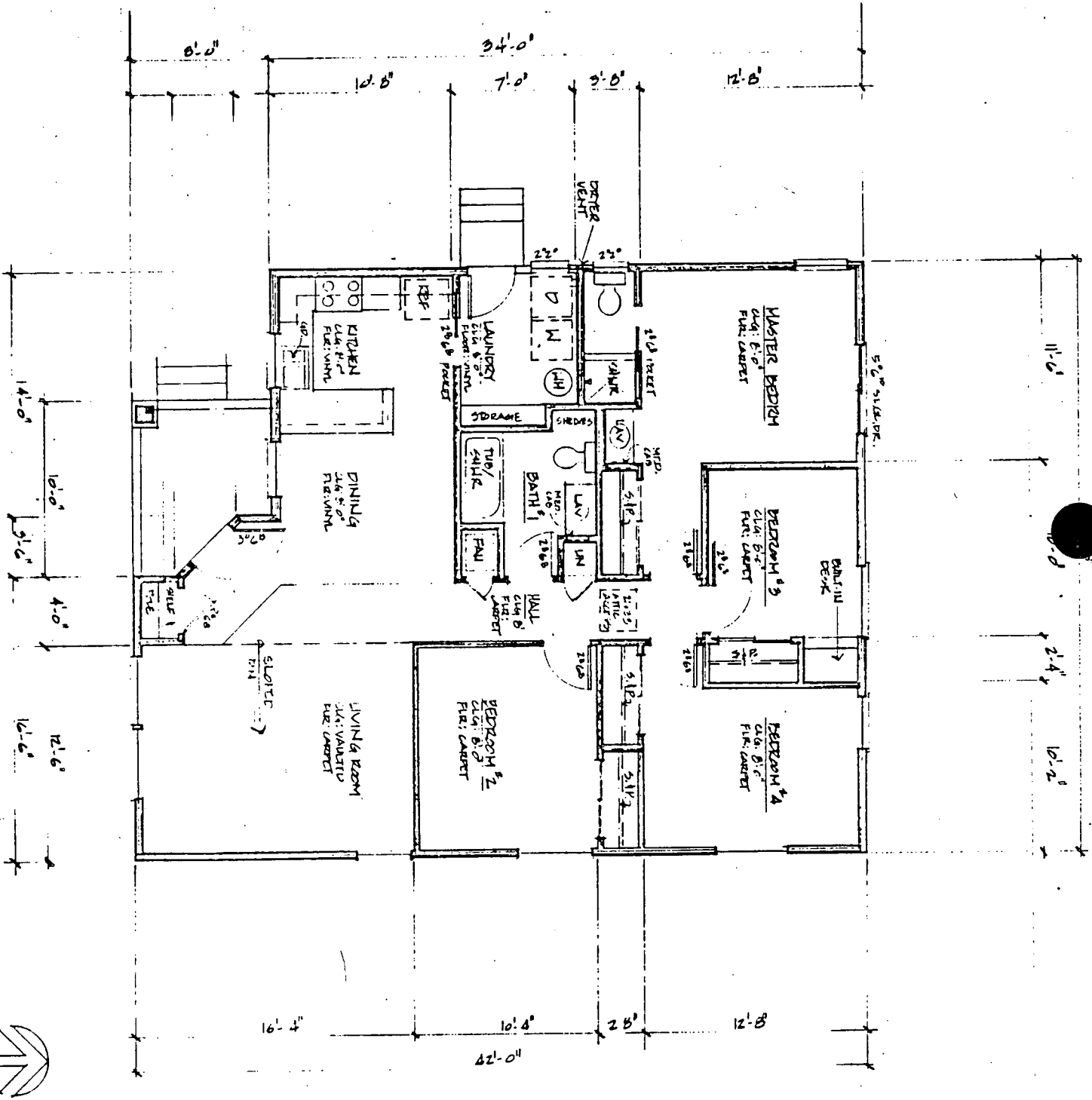


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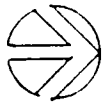
HABITAT FOR HUMANITY
890 MARSE AVE.
SACRAMENTO, CA 95825

A NEW HOME FOR
3953 2ND AVE.
SACRAMENTO, CA.

FLOOR PLAN



SCALE: 1/8" = 1'-0"

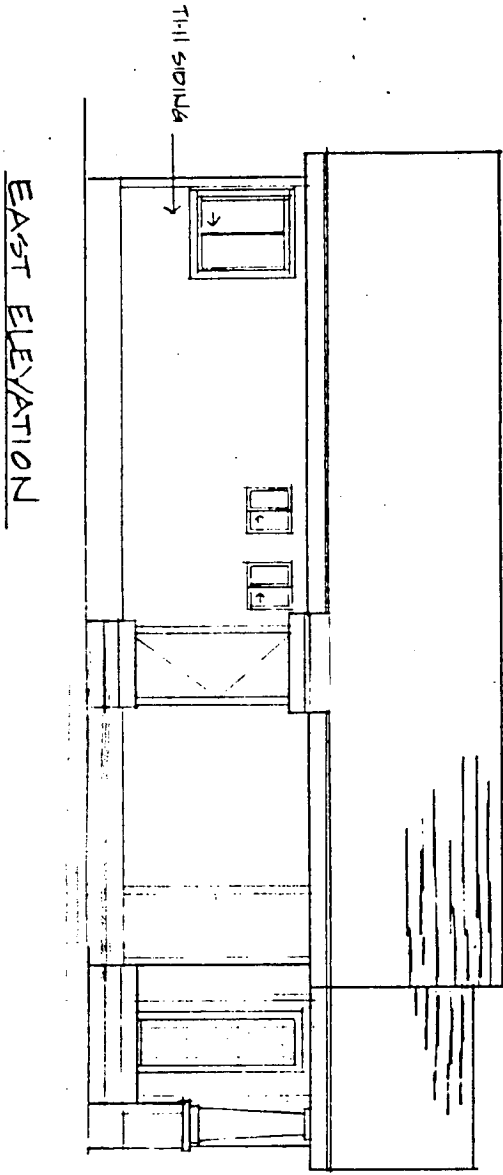


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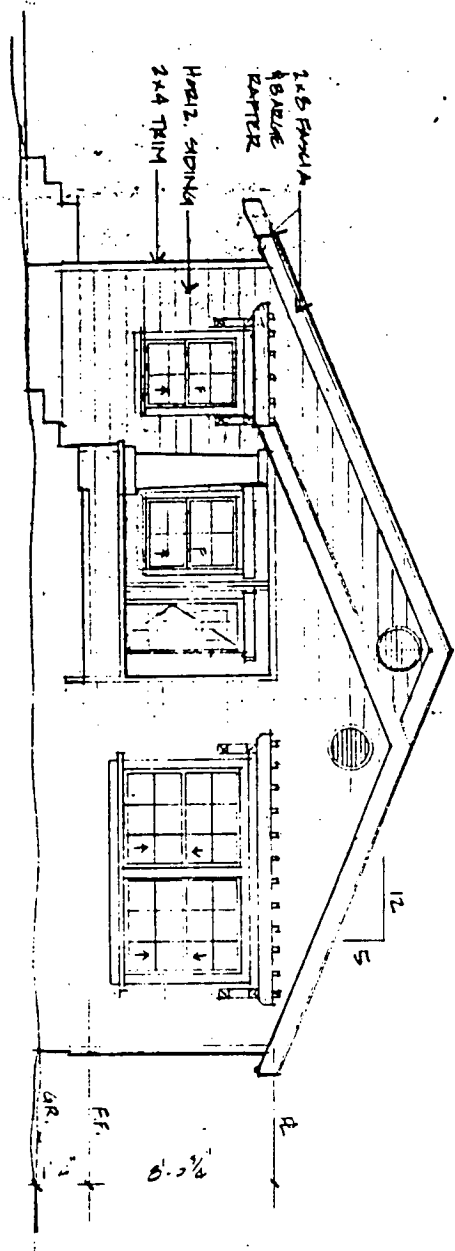
HABITAT FOR HUMANITY
890 MORSE AVE.
SACRAMENTO, CA. 95825

A NEW HOME FOR
3953 3rd AVE.
SACRAMENTO, CA.

DATE	BY



SOUTH ELEVATION
SCALE: 1/4" = 1'-0"

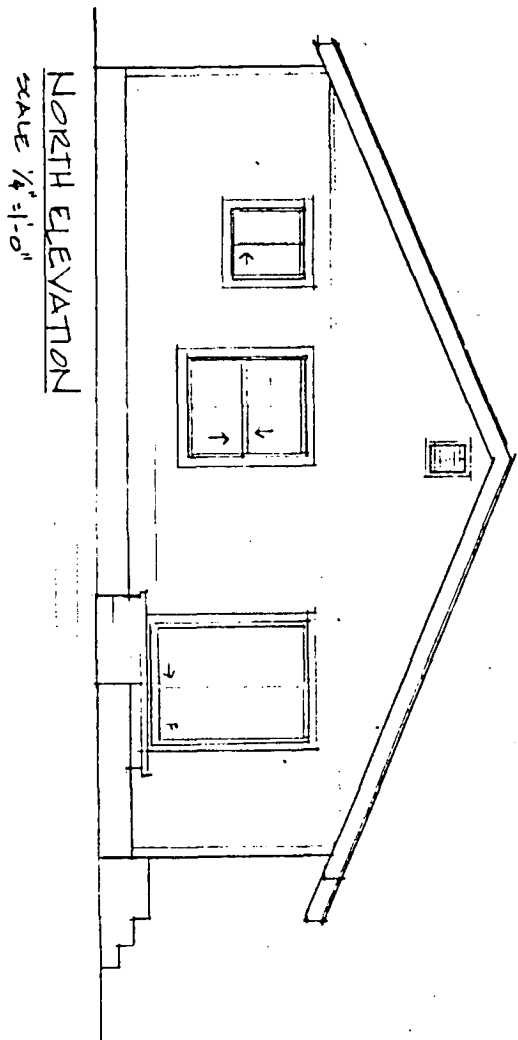


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HABITAT FOR HUMANITY
890 MORSE AVE.
SACRAMENTO, CA. 95825

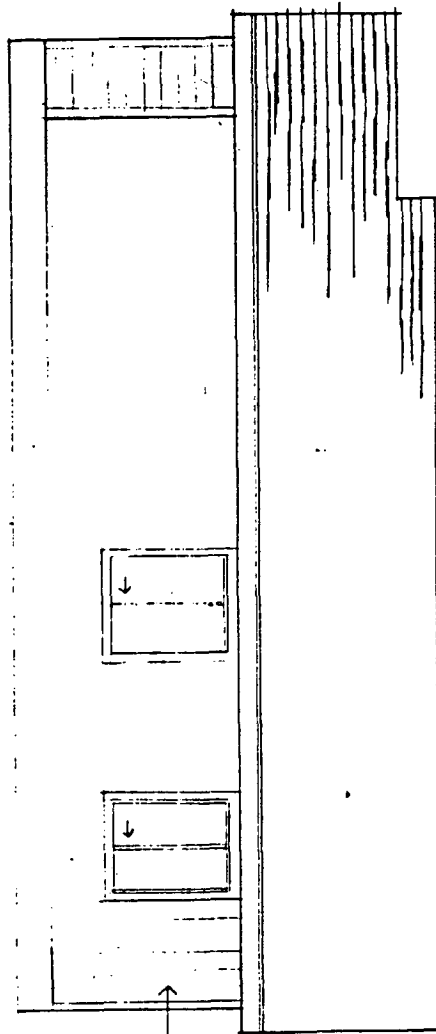
A NEW HOME FOR
3953 3rd AVE
SACRAMENTO, CA.

DATE	



NORTH ELEVATION
SCALE 1/4" = 1'-0"

WEST ELEVATION

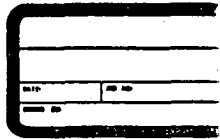


T-11 SIDING
TOP @ SIDES
& REAR



HABITAT FOR HUMANITY
890 MORSE AVE.
SACRAMENTO, CA. 95825

NEW HOME FOR
3-153 2nd AVE.
SACRAMENTO, CA.



FAMILY SELECTION CRITERIA

1. The need for a decent house is the most important criteria in the selection of a family. Those living in substandard housing will be given preference.
2. Only those families who do not qualify for conventional real estate financing will be considered. Those who are not "low-income" as set by the income guidelines in the Questions and Answers will not be considered.
3. Preference will be given to families living the Sacramento metropolitan area.
4. Applicants must be able to demonstrate a history of financial responsibility. Credit references will be requested and verified.
5. Family size and composition are important. Subject to special exceptions, a family unit:
 - a. Shall not exceed the capacity of the house (not more than two persons per bedroom);
 - b. Shall be either the "traditional" family unit of mother, father and children, or a single parent or grandparent with children, or some reasonable combination of the above.
 - c. Shall not include an un-wed couple.

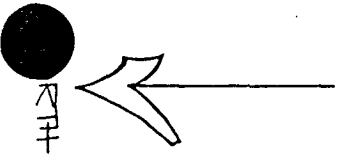
The number of children will be an important factor, with some preference given to the family with the greater number of children as long as it does not exceed the limit of two persons per bedroom.
6. There must be a willingness, desire and commitment by the family to participate in the planning and building of the house and in the building of Habitat houses for others.
7. There must be visible evidence of the family's concern for the proper maintenance and cleanliness of its present living quarters.
8. There must be a willingness to live in an integrated neighborhood anywhere in the immediate Sacramento area.
9. There must be an interest in the neighborhood and in the community activities where the house will be one of a number in a Habitat neighborhood.
10. Applicants shall agree to commit a reasonable amount of time, energy, and other personal resources to the finishing of the house.
11. In the recruitment and selection process with applicant families, Sacramento Habitat for Humanity, Inc. will not discriminate on the basis of age, race, sex, religion, national origin or ancestry.

5. WHAT ARE THE INCOME GUIDELINES FOR CONSIDERATION?

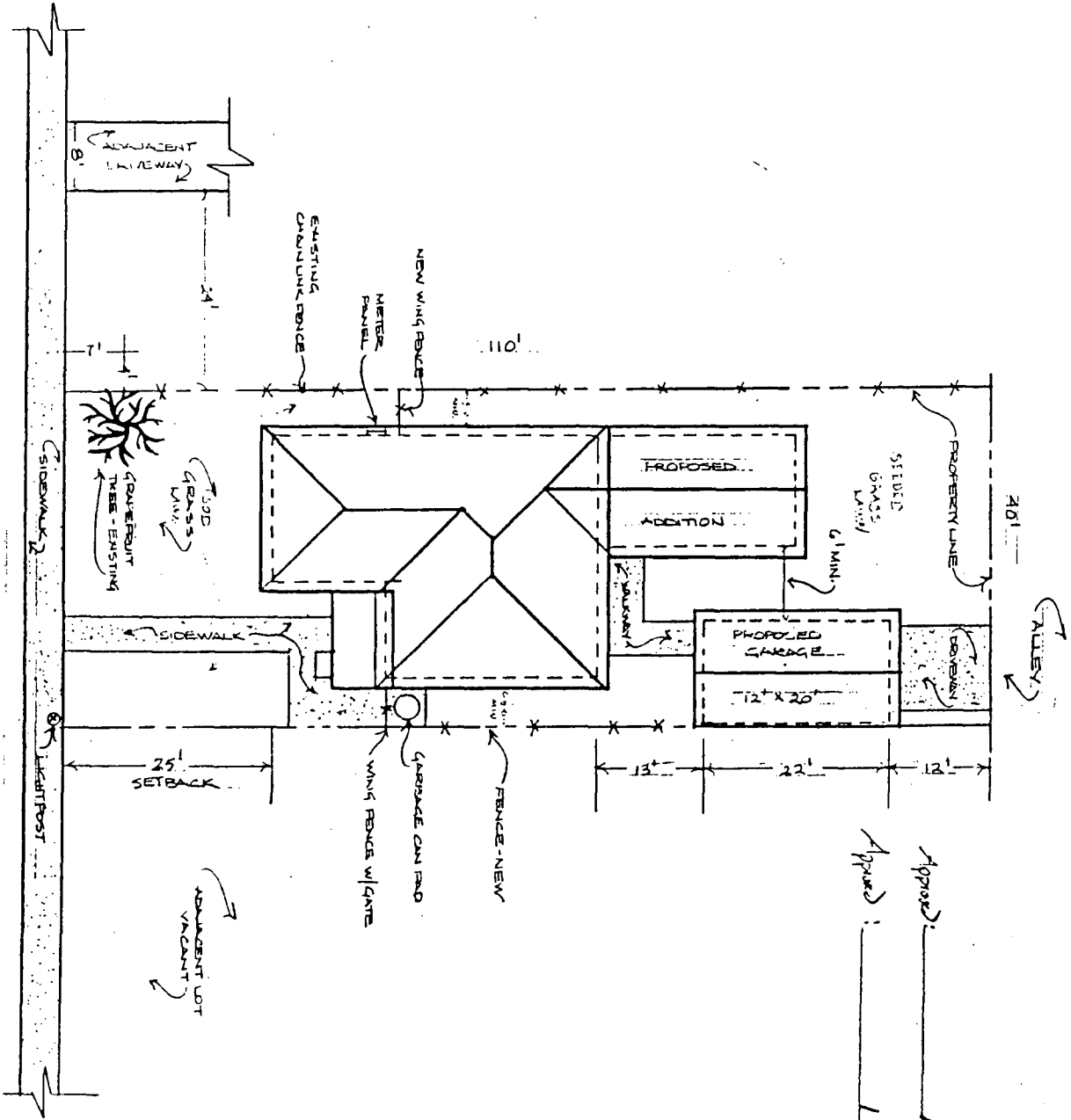
The family must have sufficient monthly income from a relatively stable source to be able to meet the obligation to repay Habitat. The minimum requirement is based on the family income, size of family and other family indebtedness. The maximum allowable income is as follows:

FAMILY SIZE	MAXIMUM MONTHLY GROSS INCOME	MAXIMUM YEARLY GROSS INCOME
1 person	\$ 650.00	\$ 7,800.00
2 persons	800.00	10,200.00
3 persons	1,050.00	12,600.00
4 persons	1,225.00	14,700.00
5 persons	1,400.00	16,800.00
6 persons	1,600.00	19,200.00
7 persons	1,800.00	21,600.00
8 persons	2,000.00	24,000.00
9 persons	2,200.00	26,400.00
10 persons	2,800.00	28,000.00

6. IN THE RECRUITMENT AND SELECTION PROCESS WITH APPLICANT FAMILIES, SACRAMENTO HABITAT FOR HUMANITY, INC. WILL NOT DISCRIMINATE ON THE BASIS OF AGE, RACE, SEX, RELIGION, NATIONAL ORIGIN OR ANCESTRY.



4432 7TH AVENUE



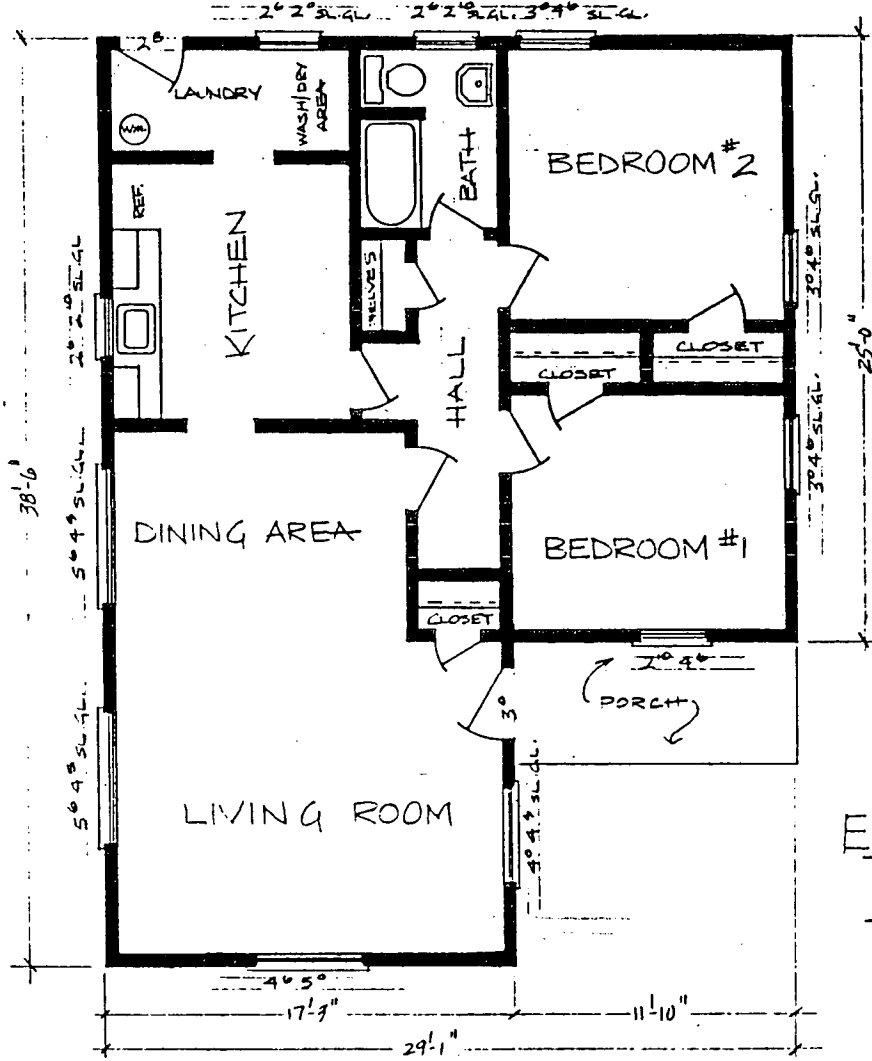
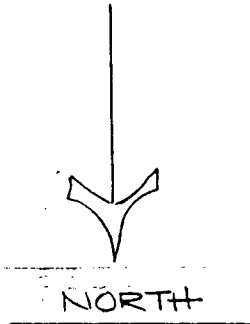
SITE PLAN

PROPOSED

Approved: _____
Approved: _____

4432 7th Ave NMS HOUSE MOVE
COMPLETE PLANS

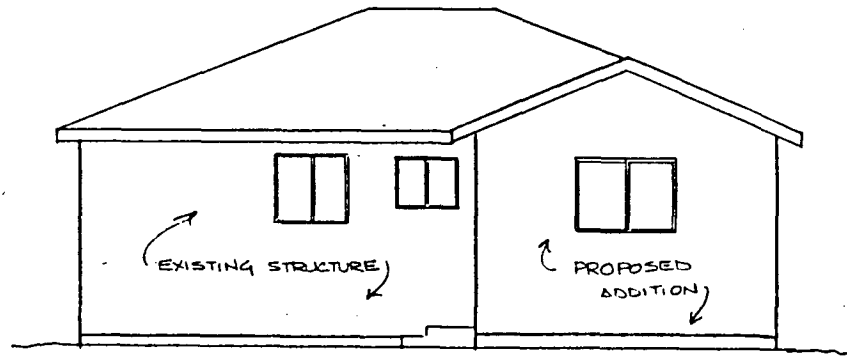
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Drawn	K. Caldwell
Job	
Sheet	
Of	8 Sheets



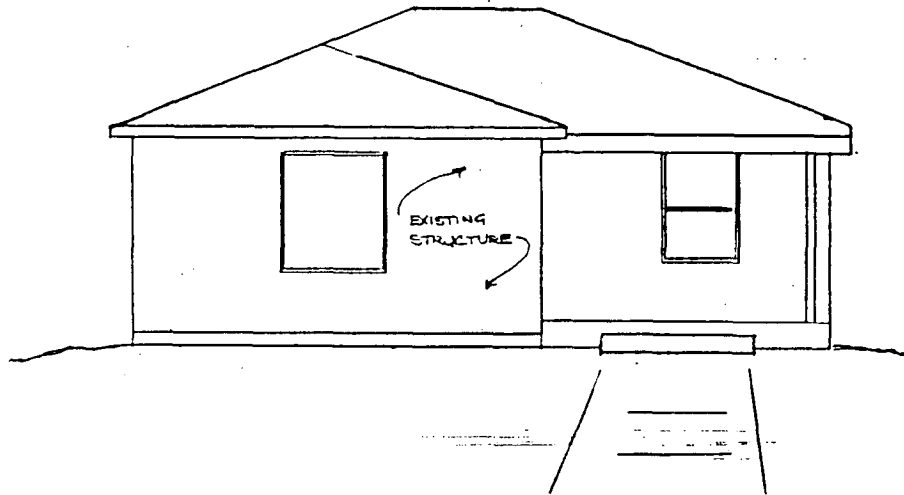
EXISTING
FLOOR PLAN

4416 "X" STREET

Date	9-9-90
Scale	1/4" = 1'-0"
Drawn	REQUANT
Job	
Sheet	2
Of	8 Sheets



SOUTH ELEVATION



NORTH ELEVATION

4416 'X' ST. / 4432 7TH AVE

Date 9-10-90

Scale 1/4" = 1'-0"

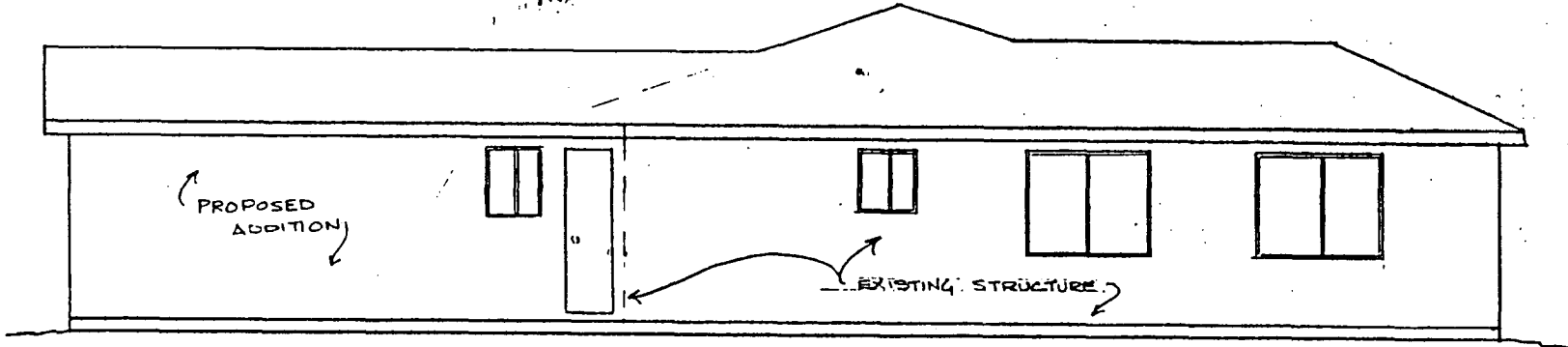
Drawn KACQUAN

Job

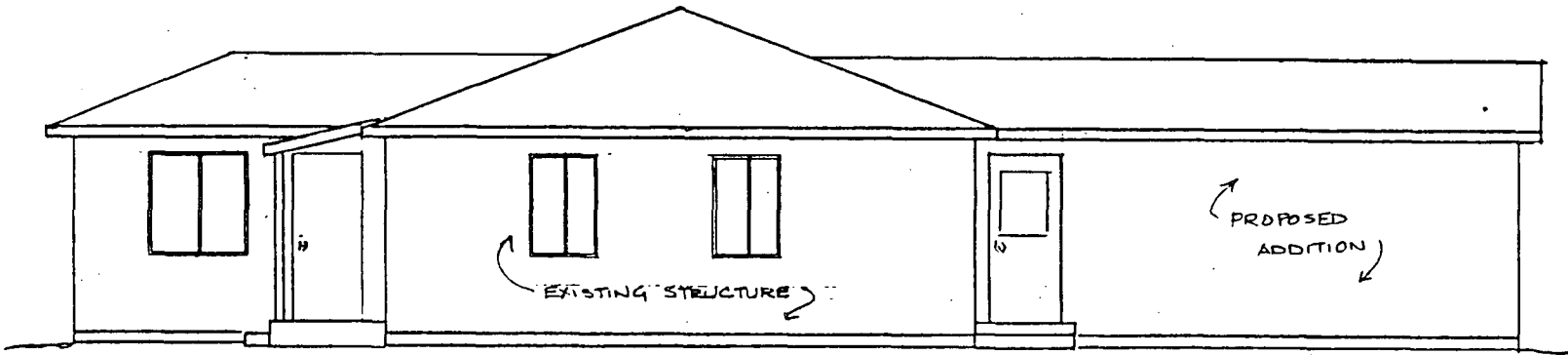
Sheet

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Of 8 Sheets



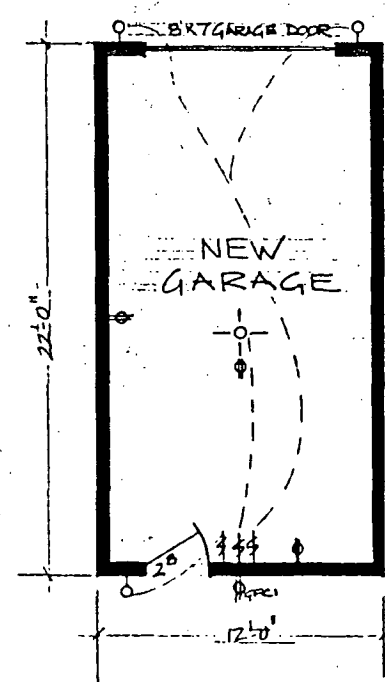
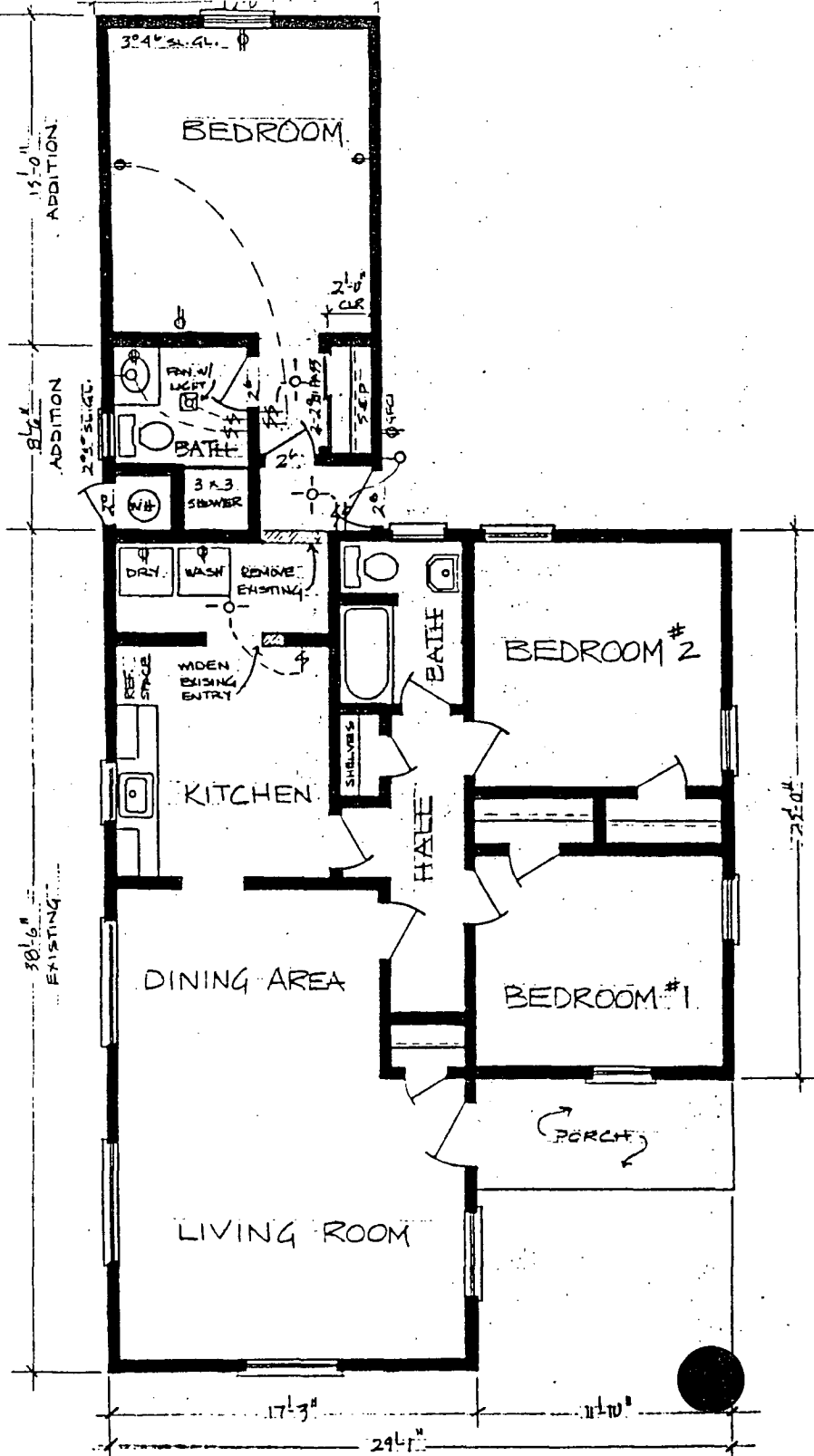
EAST ELEVATION



WEST ELEVATION

4416 X ST. / 4432 7TH AVE.

Date 9-10-20
Scale 1/8"=1'-0"
Drawn KEDDAN
Job
Sheet 5
Of 8 Sheets



FLOOR PLAN
EXISTING / PROPOSED

(17)

Date	7-16-90
Scale	1/4" = 1'-0"
Drawn	K. COVAT
Job	4432 TTHAVE
Sheet	6
Of	8 Sheets



4548 14th Avenue
Sacramento, CA 95820
(916) 452-5356

PRELIMINARY PROFORMA HOUSE MOVE PROJECT

The proposed project involves the move of an existing 2 bedroom 1 bath home from its location at 4416 "X" Street to its new location at 4432 - 7th Ave. and the addition of a bedroom and 1/2 bath and a new one car garage.

I. Land and Permits

Lot Purchase	15,000.00	
Permits & fees	1,000.00	
Plans	350.00	
Insurance	300.00	
		16,650.00

II. House move and Foundation

Lot prep	1,300.00	
House Move	7,000.00	
Tree work	600.00	
Foundation	3,500.00	
Underfloor Pl. & El.	2,500.00	
Garage Foundation	1,800.00	
		16,700.00

III. Rehab of existing Structure

Stucco Repair	1,800.00	
Roof (incl. addition)	4,000.00	
Exterior Paint	1,000.00	
Interior Repair/Paint	1,800.00	
Plumbing	1,600.00	
Electric (incl. fixtures)	1,800.00	
HVAC Repair	600.00	
Floor Coverings	1,600.00	
Cabinets	500.00	
Appliances (range & hood)	600.00	
		15,300.00

IV. Addition (bedroom & 1/2 bath)

All costs	12,500.00	
		12,500.00

V. Site work

Concrete Flatwork	2,000.00	
Fencing	1,200.00	
Landscaping	1,000.00	
		4,200.00

Subtotal:		65,350.00
Contingency @ 5%:		3,500.00
TOTAL COST:		68,850.00
Cost of sale		2,500.00
SALE PRICE		71,350.00
ESTIMATED APPRAISED VALUE		75,000.00