

APPROVED
SACRAMENTO HOUSING AUTHORITY

Date 6/2/81



21 ~~30~~

*Subject to
Report on Rental Structure*

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

May 26, 1981

CITY MANAGER'S OFFICE
RECEIVED
MAY 20 1981

Redevelopment Agency of the
City of Sacramento
Housing Authority of the
City of Sacramento
Sacramento, California

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY

Date 6/2/81

APPROVED
SACRAMENTO HOUSING AUTHORITY

*Referred to
Bud Fin. Comm.
Cont to*

Date 5-26-81 6-2-81

Honorable Members in Session:

SUBJECT: Agency Space Utilization Study

SUMMARY

The Agency staff has recently completed a Space Utilization Study which takes into account relocation of specific Agency divisions in accordance with acceptable space allocation standards, recognizing program budgetary constraints.

This study was completed as a result of recommendations which were made in the Agency's Management Study Report No. 2, adopted January 20, 1981 and Management Study Report No. 3, adopted March 17, 1981 by the governing boards regarding problems with existing space utilization as they relate to program relationships within the Agency.

The study concludes that Agency usage of the Ping Yuen Center commercial area at Fourth and I Streets (1) represents an efficient use of per capita planning space; (2) provides a more stable economic base for the Ping Yuen project when commercial rents are raised to reflect current market rates; and (3) permits effective program organization in line with management goals and objectives presented in Management Study Reports Nos. 2 and 3.

The staff recommends approval of the Agency Space Utilization Study, including the specific recommendations contained therein.

BACKGROUND

In order to assess the impact of staffing allocations and program space needs, staff has inventoried all Agency-owned office space as to square footage and applied architectural planning space/person allocation guides to arrive at an acceptable space allocation plan for individual programs. The result of this investigation indicated (1) a need for additional square footage for certain

5-26-81
All Districts

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programs to operate effectively and (2) a need to consolidate certain functions and divisions (E.G. Section 8 and Central Eligibility) as previously outlined in approved management goals.

EXISTING FACILITIES, PROGRAMS AND STAFFING

A. 630 I Street

1. Existing Programs

Third Floor: Administration, Legal, Finance, Real Estate, Agency Clerk

Second Floor: Housing Production, Redevelopment, Technical Services, Rehabilitation

First Floor: Loans

2. Existing Staffing

83 positions

B. Ping Yuen Center

1. Existing Programs

Section 8
Central Eligibility
Housing Management
Modernization
Personnel
Foster Grandparents/
Senior Companion

Action Bail Bonds
LuShan Smorgy Storage
Sacramento Engineer's Club
Senior Job Mart
Volunteer Bureau of Sacramento

2. Existing Staffing

37.5 positions - Agency

11 persons - private lessees

C. New Helvetia Eight-Plex

1. Existing Programs

* County Health Department and Asian Health Services Resident's Committee; New Helvetia Laundry, Senior Community Services Employment Program, Vacant Units (two), Pre-School Toy Storage.

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2. Existing Staffing

0 positions - Agency

8 persons - community groups

D. SENP Central Kitchen

1. Existing Programs

SENP Program Staff

2. Existing Staffing - Office Area only

10 positions

DIRECTION OF THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION

A major concern expressed by the Housing and Redevelopment Commission was the future use of the Ping Yuen commercial area. As a result, the staff was directed to analyze two major options regarding possible relocation of Agency programs.

The first option included marketing the Ping Yuen commercial area to the private sector in order to obtain revenue which might offset expenditures incurred as a result of a private lease arrangement for the Rehabilitation Division.

The second option provided for relocation of the Rehabilitation Division within Ping Yuen Center in order to take advantage of the low market rental rates of \$.50/square foot and its proximity to Central Office which would enhance the Division's ability to carry out program functions.

At the same time, two additional Agency-owned facilities were assessed by program staff; namely, the SENP Central Kitchen at 3013 D Street and the New Helvetia Eight-Plex at 776 Revere Street. A third facility, the privately owned Crosstown Building at 1405 21st Street, was also considered as a possible location for the Rehabilitation Division.

The outcome of the Commission's review at its regular meeting of May 4, 1981, was to reject the use of the Crosstown Building in view of the proposed increase in rental costs which would raise the administrative costs of all Rehabilitation programs. The Central Kitchen was eliminated due to its location in a light industrial neighborhood, having poor public transportation and lack of parking; and the New Helvetia Eight-Plex was eliminated due to structural deficiencies which would have required substantial renovation costs.

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USE OF PING YUEN CENTER

A thorough investigation of the Ping Yuen site by program operators and administrative staff determined that sufficient space was available to meet staff needs as well as carry out management goals and objectives related to consolidation of similar services and program efficiency. Technical staff worked with program staff to determine actual space allocation as well as renovation costs. The specific programs which were selected for operation from Ping Yuen Center were: (1) Foster Grandparent/Senior Companion; (2) Community Services Administration; (3) Rehabilitation; (4) Housing Management; and (5) Section 8/Central Eligibility. The Agency currently occupies 63% of the available space at Ping Yuen Center. Implementation of this recommendation will raise Agency occupancy to 69%. (See Attachment B).

Advantages to Agency utilization of the Center included proximity of program operations to Central Office; maintenance of established program identities with clients in the case of Section 8/Central Eligibility, Housing Management and Foster Grandparent/Senior Companion programs; minimization of moving costs, renovation work and telephone modifications since some programs are already in place; location of the Center is central to public transportation and freeways; and finally, utilization of the Ping Yuen commercial area as an extension of Central Office administration accomplishes a number of goals and objectives set forth in Management Study Report No. 3.

Staff has further determined that long range disadvantages are related to the lack of adequate on-street parking for homeowners and public housing clients who visit the office and the lack of accessible employee parking for key staff whose duties require that they be in the field, i.e., Property Rehabilitation Specialists and Housing Inspectors. The Agency is committed to find a long-term parking solution which is in the best interests of program efficiency.

Implementation of this recommendation will result in the displacement of two privately occupied areas. The Sacramento Engineer's Club leases 1739 square feet at \$.29, and the Senior Job Mart leases 1468 square feet at \$.32. Both groups are currently on a month-to-month lease. It would be staff's recommendation that the Senior Job Mart be offered "first right of refusal" on all or a portion of the 1933 square feet currently occupied by the Section 8 program. It is not recommended that the Sacramento Engineer's Club be offered alternate space due to the chronic delinquency of the account. This matter is currently under review by the Agency's Legal Division.

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USE OF 630 I STREET

The relocation and/or consolidation of specific programs outlined above in Ping Yuen Center, permits the following reorganization within the Agency's administrative offices in accordance with identified management goals.

630 I Street

Proposed Programs

Third Floor: Administration, Legal, Finance, Housing Management, Agency Clerk

Second Floor: Housing Production, Redevelopment, Technical Services, Policy and Planning and Central Services

First Floor: Personnel

See Attachment C1, 2 and 3.

FINANCIAL DATA

The Agency currently expends \$48,168 annually for program rent at Ping Yuen Center; at the same time it receives revenue of \$21,096 from private leases. It is proposed that all rents in the 14,438 square foot center be raised to market rate of \$.50 square foot resulting in an Agency expenditure of \$59,350 annually and annual revenue of \$27,276 from private leases. A 'short-fall' of \$4,992 results due to the increased rents as well as the Agency's acquisition of an additional 713 square feet needed for proper space allocation for programs. One time expenses associated with moving, telephone modifications and minor renovation have been estimated at \$10,900. Funding for one-time expenses has been identified in the Agency's Emergency Reserve Fund. Both these funds and the \$4,992 detailed above will eventually be recaptured from on-going program operations. (See Attachment A).

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of May 18, 1981, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the Agency Space Utilization Study by the following vote:

AYES: Fisher, Knepprath, Luevano, Serna, Walton

NOES: Teramoto

ABSENT: Coleman, A. Miller, B. Miller

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RECOMMENDATION

The staff recommends that the City Council approve the following actions relative to the Agency Space Utilization Study:

1. Authorize the Interim Executive Director to raise rental costs within Ping Yuen Center to \$.50/square foot effective July 1, 1981.
2. Authorize Agency staff to market 2305 square feet of Ping Yuen Center which will be vacant following program reorganization. The "first right of refusal" to be given to the Senior Employment Job Mart.
3. Authorize the Interim Executive Director to utilize the Emergency Reserve Fund to pay for one-time expenses of \$10,900 for relocation of Agency programs.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slise

WALTER J. SLISE, City Manager

Contact Person: Andy Plescia

FINANCIAL IMPACT---USE OF PING YUEN CENTER

ATTACHMENT A

EXISTING USAGE ^{1/}		PROPOSED USAGE ^{2/}		CHANGE		
Agency Annual Expenditure	Annual Revenue from Private Leases	Agency Annual Expenditure	Annual Revenue from Private Leases	Increased Agency Expenditure	Additional Revenue	Difference
\$ 48,168 for 9,178 s.f. (63%)	\$ 21,096 for 5,260 s.f. (37%)	\$ 59,340 for 9,891 s.f. (69%)	\$ 27,276 for 4,547 s.f. (31%)	\$ 11,172	\$ 6,180	\$ 4,992 Net in- creased cost to Agency 713 s.f. (6%)
<p>^{1/} Based on existing variable rent schedules.</p> <p>^{2/} Based on rent at \$.50/square foot.</p>						

"I"

ST.

ST.

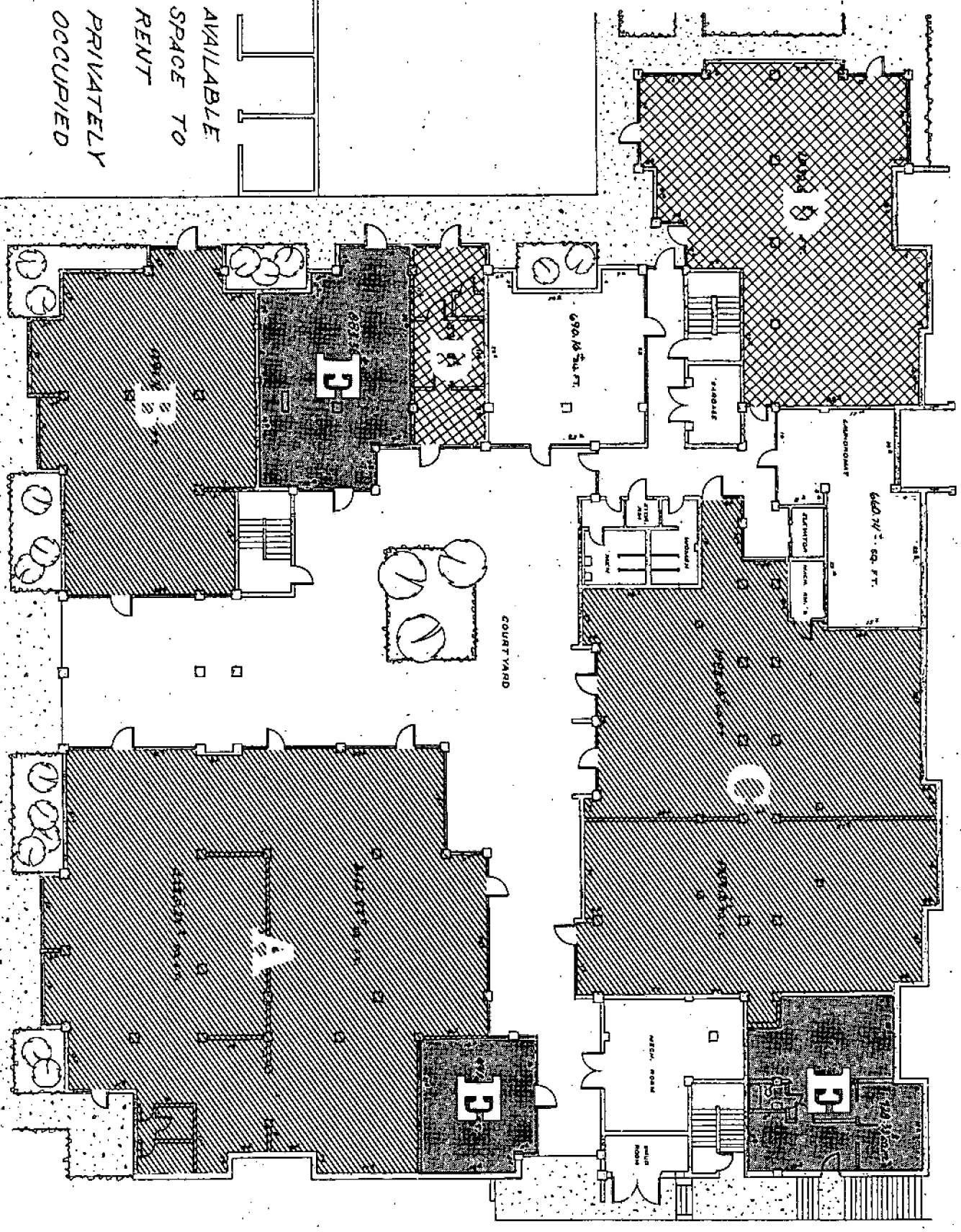
5th

PROPOSED USE

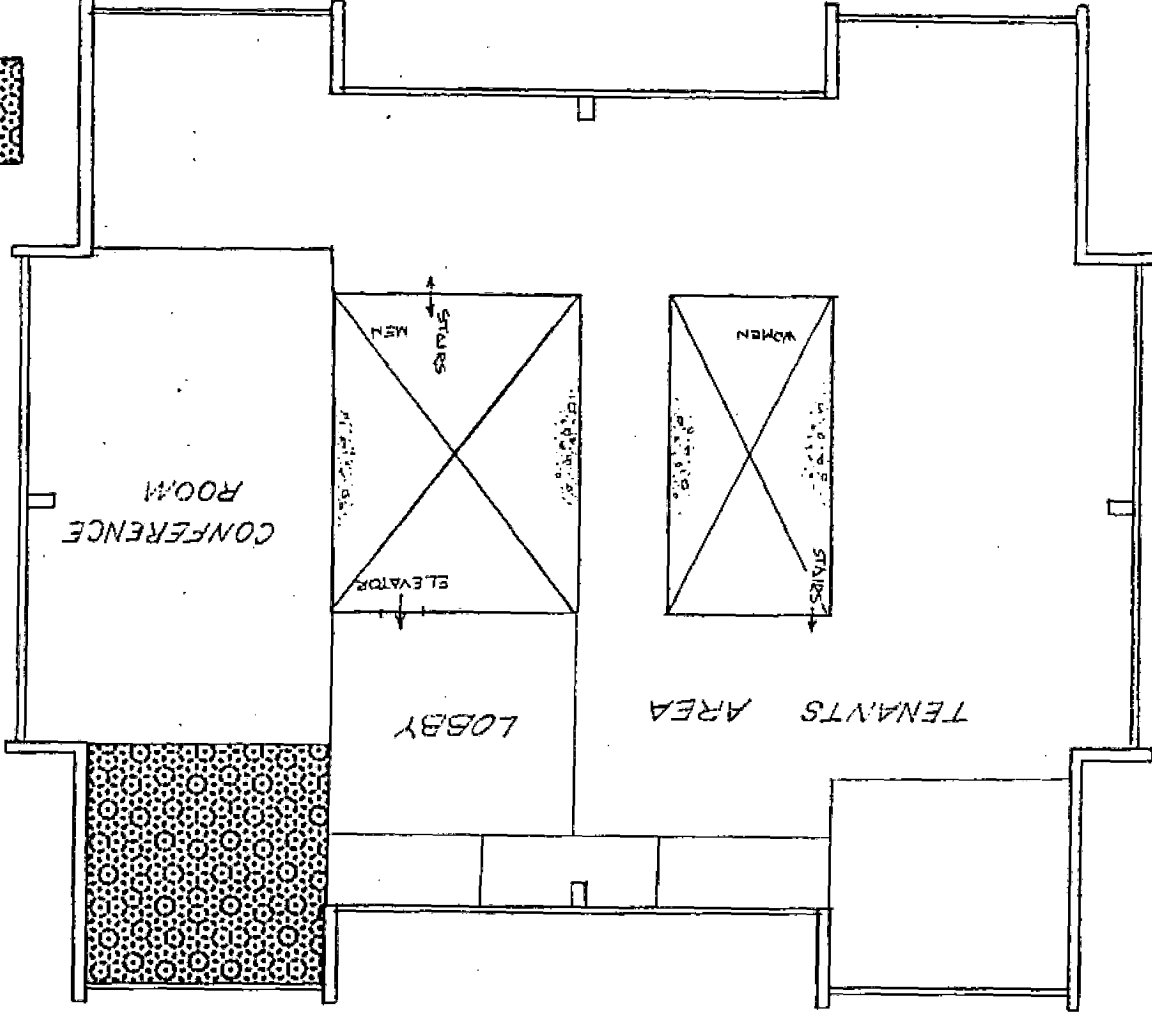
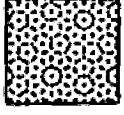
PING YUEN CENTER
(COMMERCIAL LEVEL, ROOM 2141)
[RENDERING BY W&A]

5-13-81 DKA

 AGENCY OCCUPIED
 PRIVATELY OCCUPIED
 AVAILABLE SPACE TO RENT

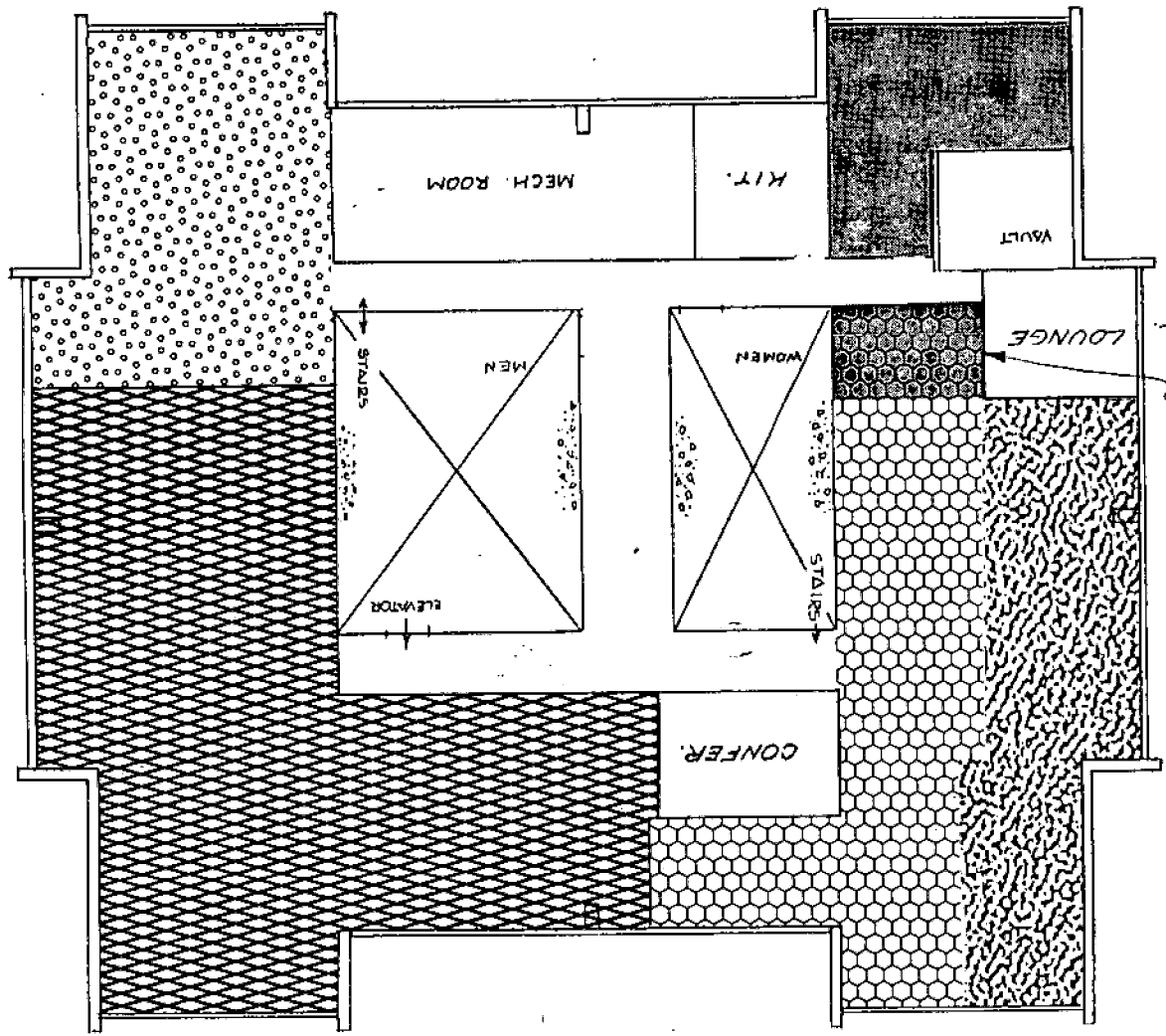



PERSONNEL
DIVISION



PROPOSED
1ST FLOOR
4-27-81 DKA

- TECHNICAL SERVICES DIVISION
- DIVISION SERVICES & POLICY
- DIVISION PLANNING
- REDEVELOPMENT DIVISION
- DIVISION HOUSING
- DIVISION PRODUCTION
- CENTRAL SERVICES DIVISION
- DIVISION



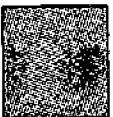
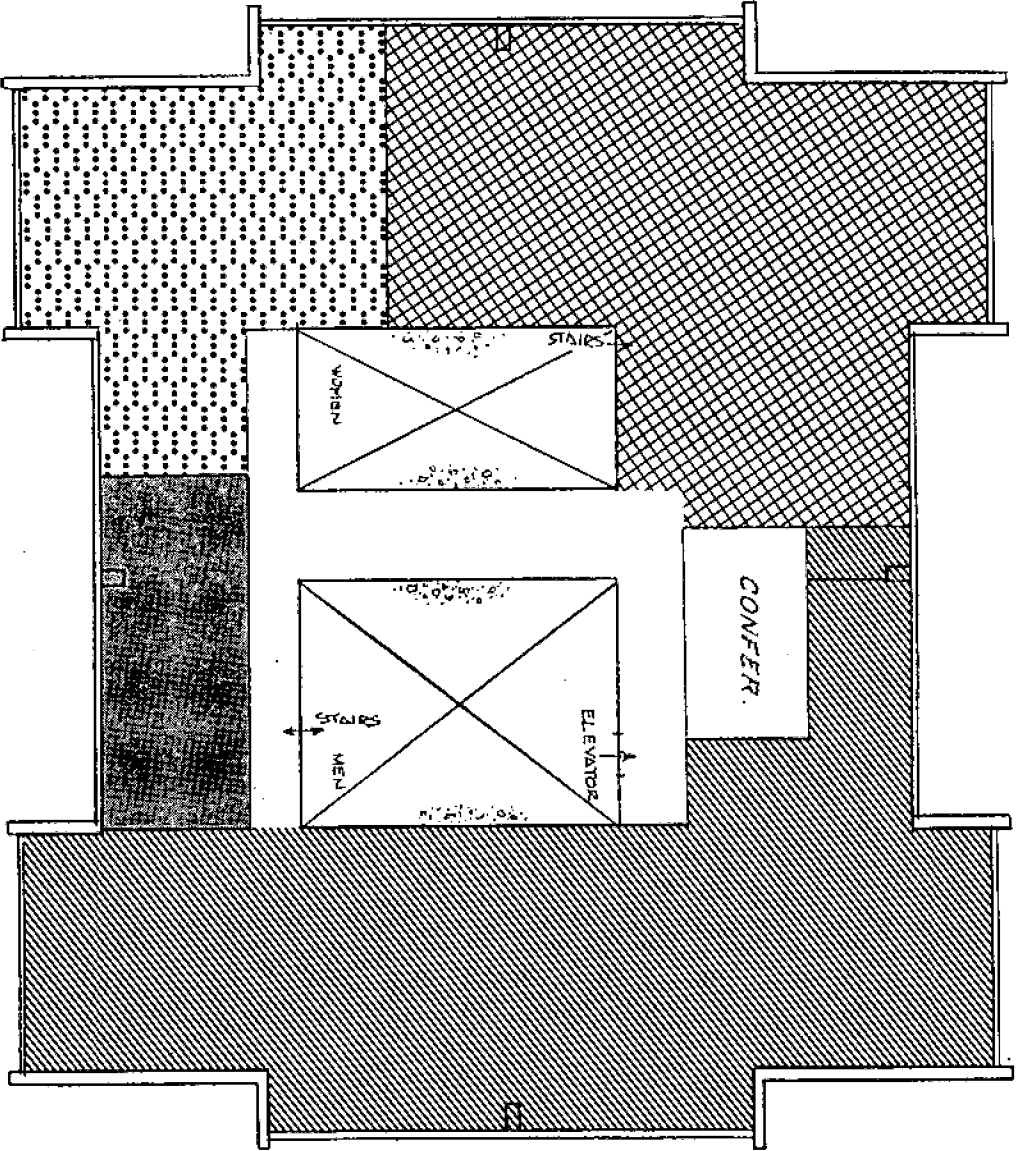
PROPOSED
2nd FLOOR
4-27-81 OK

AREA FOR
FUTURE DIRECT-
TOP OF CENTRAL
SERVICES DIV.

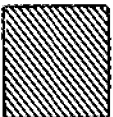
PROPOSED

3rd FLOOR

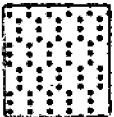
4-27-81 DKA



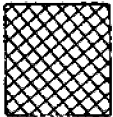
HOUSING MAN-
AGEMENT DIV.



FINANCE
DIVISION



LEGAL
DIVISION



ADMINISTRATION
DEPARTMENT

27A



CITY OF SACRAMENTO

OFFICE OF THE CITY CLERK

915 I STREET
CITY HALL ROOM 203

SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 449-5426

LORRAINE MAGANA
CITY CLERK

MEMORANDUM

TO: JIM JACKSON, CITY ATTORNEY

FROM: LORRAINE MAGANA, CITY CLERK *LM*

SUBJECT: REFERRAL OF ITEM NO. 27A, AGENDA OF JUNE 2, 1981

DATE: JUNE 2, 1981

Pursuant to Council Action, the following matter was referred to you:

Councilperson Pope requested preparation of an ordinance relative to Special Permit process for medical facilities in general area of H Street to Folsom and Alhambra to 65th Street, for report to Planning and Community Development Committee.

LM:sj

cc: Planning & Community Development Committee Chr.
Councilperson Pope
Planning