



**Sacramento  
Housing &  
Redevelopment  
Agency**

**REPORT TO COUNCIL AND  
HOUSING AUTHORITY  
City of Sacramento**

915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

Consent  
**December 5, 2006**

**Honorable Mayor and Members of the City Council  
Honorable Chair and Members of the Board**

**Title:** Disposition of Housing Authority Parcel on Cotton Lane

**Location/Council District:** Cotton Lane, Sacramento (District 8)

**Recommendation:** Adopt a) **Housing Authority Resolution** which authorizes the Executive Director to declare the Housing Authority owned vacant lot on Cotton Lane, Sacramento (APN 117-0182-023), as surplus and authorizes the sale of the lot for fair market value; and b) **City Council Resolution** amending the 2006 Action Plan and Sacramento Housing and Redevelopment Agency budget to receive all sale proceeds as program income.

**Contact:** La Shelle Dozier, Director of Housing Operations, 440-1335; Larry Goins, Director, Real Estate & Construction Services, 440- 1314

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue:** This report recommends that a vacant parcel, purchased in 1989 with Housing and Urban Development (HUD) Section 108 funds to allow for construction of public housing units, be declared surplus and sold. The sale of this property will allow the Housing Authority to reduce costs related to the maintenance and management of this vacant property, and generate revenue for eligible activities to support Housing Authority property.



Cotton Lane Disposition

**Committee/Commission Action:** At its meeting of November 15, 2006, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

- AYES: Burns, Burruss, Fowler, Gore, Hoag, Piatkowski, Shah, Simon, Stivers
- NOES: None
- ABSENT: Coriano

**Policy Considerations:** The actions recommended in this report are consistent with previously approved policies and federal requirements related to the disposition of surplus Housing Authority property.

**Environmental Considerations:** The sale of a vacant parcel of land is not a project subject to environmental review under California Environmental Quality Act (CEQA) per the Guidelines Section 15378 (a). The sale of surplus vacant property is not an action subject to environmental review because the contract does not obligate the buyer to develop the property for a project.

The developer of the site will be subject to environmental review under CEQA as part of the standard City approval process.


**Rationale for Recommendation:** Adoption of the resolutions will allow the Housing Authority to make surplus vacant land available for productive use and reduce costs related to maintenance and management of the vacant parcels. The property was purchased through an application to HUD to allow for development of new Housing Authority units. HUD discontinued the program which would have provided construction financing and the property was never developed. The Housing Authority is now identifying opportunities to invest in or dispose of Housing Authority properties in order to sustain our existing inventory, and when possible increase the housing supply for extremely-low income, very-low income and low income households.

**Financial Considerations:** The Housing Authority has entered into a contract to sell the property to Tim Lewis Communities (through STL Company, LLC., a limited liability company). The disposition of the vacant lot will generate net proceeds of \$1,430,000 to the Sacramento Housing and Redevelopment Agency (SHRA). All proceeds received from the sale of this property will be returned as program income to the CDBG program. In keeping with the intent of the initial allocation, the Housing Authority will return to the City Council with a recommendation for the use of this program income to sustain the existing public housing inventory and possibly increase its supply of affordable housing.


**M/WBE Considerations:** Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Cotton Lane Disposition

**SBE Considerations:** SHRA will comply with current Small Business Enterprise policy, as applicable.

Respectfully Submitted by:   
ANNE M. MOORE  
Executive Director

Recommendation Approved:

  
for RAY KERRIDGE  
City Manager

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**Background**

This report recommends the disposition of a vacant lot on Cotton Lane (APN 117-0182-023), approximately five (5) acres, in the City of Sacramento owned by the Housing Authority of the City of Sacramento (Housing Authority). Attachment 2 contains a map of the site.

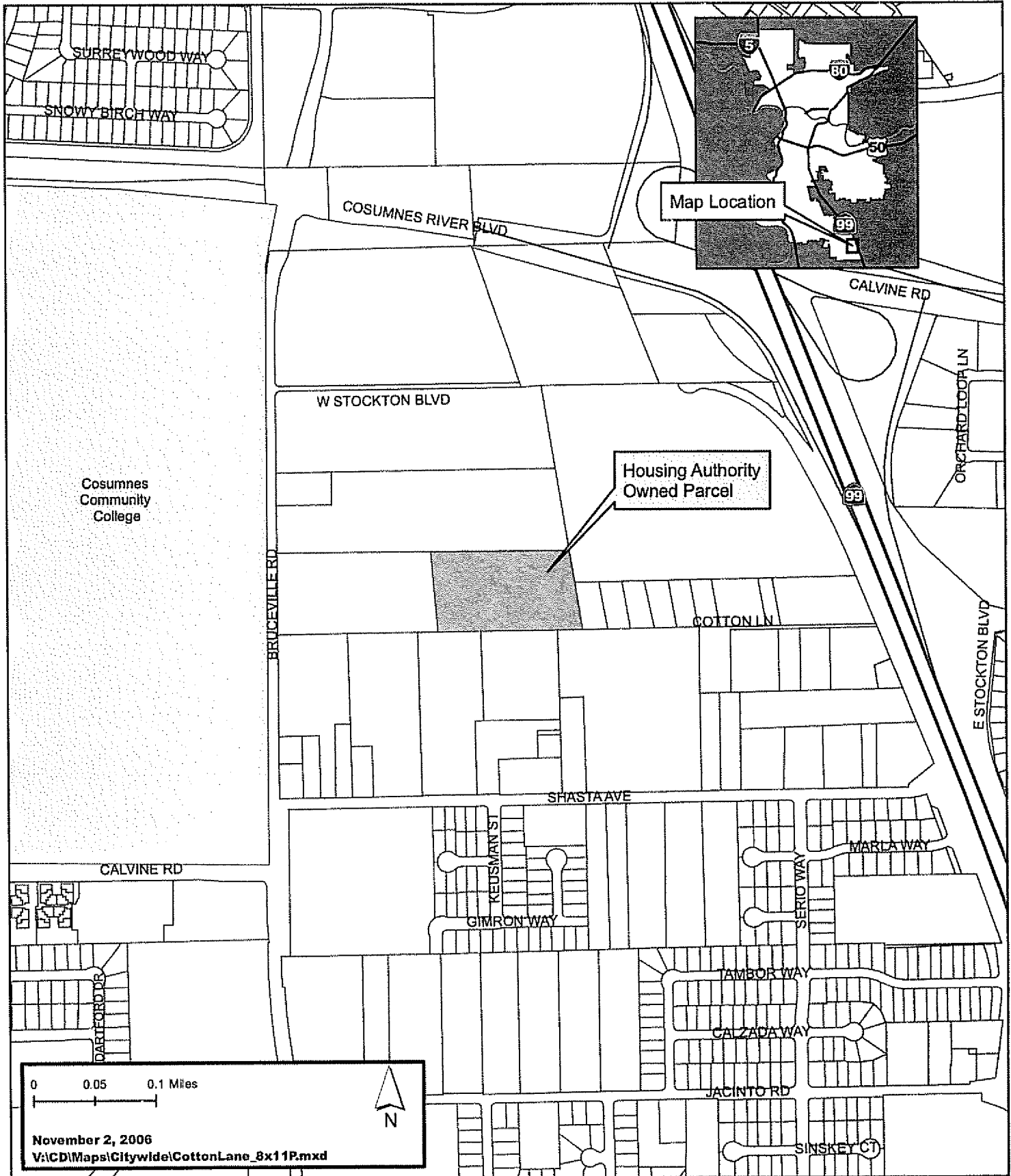
The land was acquired with \$402,508 of HUD Section 108 financing in March 1989 for the purpose of constructing new multifamily public housing. At that time, HUD provided assistance through a program designed to fund the construction of multifamily housing. HUD subsequently discontinued funding for this program and the property was never developed.

Under State law, the Housing Authority is required to determine that properties to be sold are surplus and not required for its foreseeable needs. Since the Housing Authority is not constructing new public housing units at this time, the Cotton Lane property is no longer required.

The purchaser, Tim Lewis Communities, will be developing the property as a high-density, single-family residential subdivision, complying with the City's Affordable Housing Ordinance.



# Disposition of Property on Cotton Lane



# RESOLUTION NO. 2006 -

Adopted by the Housing Authority of the City of Sacramento

on date of

## AUTHORIZATION FOR SALE OF SURPLUS PROPERTY ON COTTON LANE TO STL, LLC

### BACKGROUND

- A. The Housing Authority of the City of Sacramento (Authority) owns a vacant lot at Cotton Lane, APN: 117-0182-023, ("Property") that was purchased with U.S. Housing and Urban Development Section 108 funds and the Property is no longer needed by the Authority for its intended use.
- B. The Authority issued a solicitation for the sale of the Property and has reached agreement with STL, LLC on the sales price of \$1,430,000 as the fair market value for the Property.
- C. The Sacramento Housing and Redevelopment Commission held a duly noticed public hearing on November 15, 2006 regarding the sale of the Property.

### BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. All evidence presented having been duly considered, the findings, including environmental findings regarding this action, as stated in the staff report that accompanies this resolution, are approved.

Section 2. The Housing Authority of the City of Sacramento (Authority) hereby finds and determines the Property is not required for the foreseeable future needs of the Authority and is therefore surplus.

Section 3. The Executive Director is hereby authorized to sell the Property to STL, LLC, a limited liability company, for \$1,430,000, which is its fair market value for the Property for development of market rate housing.

Section 4. The sales proceeds are hereby approved to be remitted to the Sacramento Housing and Redevelopment Agency for reimbursement of the Section 108 funding that was used to acquire the Property.

# **RESOLUTION NO. 2006 -**

**Adopted by the Sacramento City Council**

on date of

## **AMENDMENT TO THE 2006 COMMUNITY DEVELOPMENT BLOCK GRANT ACTION PLAN**

### **BACKGROUND**

- A. The Housing Authority of the City of Sacramento (Authority) owns a vacant lot at Cotton Lane, APN 117-0182-023 ("Property") that was purchased with U.S. Housing and Urban Development Section 108 funds.
- B. The Authority has determined that the Property is surplus because it is no longer needed for its intended use, approved the sale of the Property for \$1,430,000, and transfer of the funds to the Sacramento Housing and Redevelopment Agency (SHRA). The proceeds from the sale of the Property are to be returned to the Community Development Block Grant (CDBG) fund as program income.
- C. The Sacramento Housing and Redevelopment Commission held a duly noticed public hearing on November 15, 2006, regarding the amendment of the 2006 CDBG Action Plan for the acceptance of the sales proceeds as program income.

### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:**

Section 1. The 2006 CDBG Action Plan is hereby amended to allocate the \$1,430,000 in proceeds from the sale of the Authority's Property as program income.

Section 2. The SHRA Budget is hereby amended to allocate the \$1,430,000 as CDBG program income.