



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



8

June 11, 1991

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

Honorable Members in Session:

SUBJECT: Proposed Acquisition of Property for the Development of
Public Housing at 49th Street and Folsom Boulevard

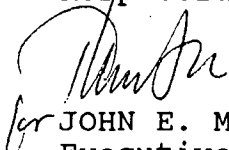
SUMMARY

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

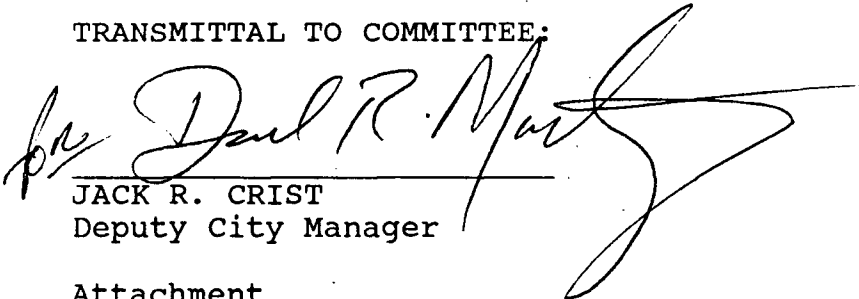
RECOMMENDATION

The staff recommends approval of the attached resolutions approving the acquisition.

Respectfully submitted,


for JOHN E. MOLLOY
Executive Director

TRANSMITTAL TO COMMITTEE:


JACK R. CRIST
Deputy City Manager

Attachment



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



June 18, 1991

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

Honorable Members in Session:

**SUBJECT: PROPOSED ACQUISITION OF PROPERTY FOR THE DEVELOPMENT OF
PUBLIC HOUSING AT 49TH STREET & FOLSOM BOULEVARD**

SUMMARY

This report recommends the acquisition of several parcels at Folsom Boulevard and 49th Street for future public housing construction. The site is depicted on the attached map (Attachment 1). The staff recommends adoption of the attached resolution authorizing the Housing Authority of the City of Sacramento to acquire the sites.

BACKGROUND

The need for affordable housing units has been a critical problem throughout Sacramento for some time. The Authority has been able to meet a very small percentage of this need through development of those few public housing units made available from time to time by the U. S. Department of Housing and Urban Development (HUD). The Authority has been constructing these units throughout the City and County on land acquired pursuant to our fair share plan.

In an effort to facilitate site search and identification of sites in appropriate 'fair share' areas, and approval of these sites, the Housing Authority prepared a 'Land Banking' policy which was adopted by the City Council on April 11, 1988. Pursuant to that policy, to the extent possible within available resources, the Housing Authority has attempted to 'land bank' sites for public (and other low-income) housing in advance of the time when actual construction funds become available. This is intended to permit a more orderly progression through the acquisition/approval stage of development.

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The recently approved Fair Share Plan was used to determine the areas where housing sites would be sought. The plan analyzes the existing number of units of public and privately owned federally subsidized units along with other factors in each community area with respect to its accommodation of low income units relative to population. The guidelines propose that projects be dispersed to minimize impactation, provide opportunities for minorities outside of areas of minority concentration and to provide improved location opportunities for lower income families. Additionally, the locations are expected to meet site specific project selection criteria such as proximity to transit, shopping, and proper drainage.

Location of New Site

On April 27, 1988, the City Council approved purchase of various sites for the development of public housing under our current Land Bank Program. Those sites were located to the extent possible, in conformance with the Fair Share Plan and include the following:

1. South Natomas - West Silver Eagle Rd.
2. North Sacramento - Connie Drive
3. East Broadway Area - Fairgrounds Dr. and Broadway
4. South Land Park Area - Rio Lane
5. Downtown - T Street between 4th & 5th Streets
6. South Sacramento - Cotton Lane

Currently, of the six sites previously acquired, all but two: Rio Lane and Cotton Lane have been designated for use and have been removed from the land bank pool. In anticipation of known upcoming Notice of Funding Availabilities (NOFA's), the pool must be replenished.

The staff has identified a site in the East Sacramento area in the general area of 49th Street and Folsom Blvd. within an area which has not met its 'fair share'. This site is approximately 31,665 sq. ft. (3/4 acre) in area. It is zoned General Commercial (C-2) and Single Family Residential (R-1, approximately 6700 square feet at the rear of the site). The C-2 zone allows residential uses but subject to a special permit.

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However, due to split zoning of the site, Planning staff recommends that for multiple family zone be used and that the General Plan be amended to a residential land use designation which is compatible with the residential use. The proposed maximum density for this site is 15 units. The Planning Department supports a rezone to R-2B (maximum of 15 units).

Toxic Issue

This site was formerly a auto body repair shop. The seller of the property has disclosed to the Authority the presence of known hazardous materials.

The Agency requested proposals from consultants to further investigate and provide cost estimates for the remediation of the hazardous materials on site. Four proposals were received in response to the RFP and are the basis of a cost estimate not to exceed \$85,000. The soil remediation work will comply with regulations requiring remediation of known contaminants. The staff is recommending that the site be acquired and the Authority proceed to clean the site with the understanding that if additional contaminants are discovered, the Seller would indemnify the Authority.

FINANCIAL DATA

The cost of the site is \$450,000 or \$14.21 per sq. ft. In comparison to recent acquisitions for housing, the cost seems high. However, as noted many times in the past, the premium paid for sites in areas which have not met their fair share is justified in the long run by the improved social benefits which accrue to the residents. Additionally, a Member Appraisal Institute (MAI) appraisal confirmed the price to be reasonable.

The funds for the acquisition of this site will come from the Agency's 1990 Tax Allocation Bonds which set aside \$1.4 million for land acquisition for public housing construction (Attachment 2). The staff recommends an amount not to exceed \$550,000 for the site, of that amount \$450,000 will be used for acquisition, \$85,000 for toxic removal, and \$15,000 for various closing costs.

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The use of Downtown Tax Increment is recommended because affordable housing would be provided that will be accessible to workers in the Downtown area.

POLICY

The actions proposed in this staff report are consistent with previously approved policy which is to scatter public housing on small sites throughout the city pursuant to a Fair Share Plan.

Pursuant to the adopted siting policy, the staff has discussed this site with the appropriate Council person and/or their aide. The staff will conduct a neighborhood meeting to inform the residents of the rezoning for intended use.

The project and site plan will also be presented to the appropriate Council person and local groups when development funds become and a specific site development plan can be developed.

ENVIRONMENTAL IMPACT

When a project is designed for the site, the residential project will be subject to CEQA review by the City Environmental Services Division prior to actual project approval.

MBE/WBE

Actions proposed in this report are in compliance with adopted policies.

VOTE AND RECOMMENDATION OF COMMISSION

On June 5, 1991, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Simon, Simpson, Williams, Wooley, Yew, Strong

NOES: None

NOT PRESENT TO VOTE: Amundson, Pernell

ABSENT: Cespedes, Diepenbrock, Moose

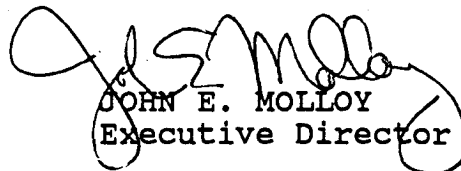
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RECOMMENDATION

The staff recommends adoption of the attached resolution authorizing the Executive Director of the Sacramento Housing and Redevelopment Agency to purchase the subject site for The Housing Authority of the City of Sacramento for public housing.

Respectfully submitted,


JOHN E. MOLLOY
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE, City Manager

Contact Person: Thomas V. Lee, 440-1357
F:\tja\stafprt\folsom

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

PURCHASE OF PARCEL FOR FUTURE LOW INCOME DEVELOPMENT (49TH & FOLSOM BLVD)

WHEREAS, a land banking policy was adopted by the Authority on April 11, 1988 for the purpose of obtaining properties for future development of low-income housing; and

WHEREAS, the following site ("Project Site") has been identified for acquisition by the Authority for a future Department of Housing and Urban Development Program Reservation: APN: 008-0341-023, 024, 040 & 041 49th & Folsom Blvd.

WHEREAS, the use of Downtown Tax Increment funds to acquire the Project Site is of benefit to the Merged Downtown Redevelopment Project Area ("Downtown Project Area") because the production of housing units on the Project Site would serve the Downtown Project Area and assist in revitalization of the Downtown Project Area.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The Executive Director is authorized to purchase the Project Site for and to accept and transfer the Project Site to the Housing Authority of the city of Sacramento for the use in a future housing development Project.

Section 2: The Executive Director is authorized to obtain, receive and use 1990 Tax Allocation Bonds in an amount not to exceed \$550,000 to assist in this program's development and purchase of the site.

CHAIR

ATTEST:

SECRETARY

P:\SHARE\RESO\49THFOLS

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF _____

PURCHASE OF PARCEL FOR FUTURE LOW INCOME DEVELOPMENT (49TH & FOLSOM BLVD)

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING
AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1: The Executive Director is authorized to accept from the
Redevelopment Agency of the City of Sacramento conveyance of the real property at 49th
& Folsom Boulevard (APN: 008-0341-023, 024, 040 & 041).

CHAIR

ATTEST:

SECRETARY

P:\SHARE\RESO\49THFOLS.HAC

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

POTENTIAL USES OF 1990 TAB & 1989 COP HOUSING COMPONENT

	<u>TAXABLE</u>	<u>TAX-EXEMPT</u>	<u>TOTAL</u>	<u>APPROVED FOR ALLOC BY GOVERNING BOARD</u>
<u>DOWNTOWN PROJECTS:</u> (All projects funded thru Tax Allocation Bonds, except \$2,324,520 which is funded by 1990 COPS)				
Downtown Housing Strategy Projects:	\$2,756,670 (1)	\$ 600,000	\$3,356,670	2
Southside Acquisition & Rehab:	\$2,100,000	\$	\$2,100,000	YES
Residential Hotels:	\$4,500,000	\$1,400,000	\$5,900,000	YES 3
	\$	\$1,100,000	\$1,100,000	
Housing Strategy (Preparation):	\$	\$ 100,000	\$ 100,000	YES
Riverview Plaza - Loan Pay-Off Fund:	\$	\$2,500,000	\$ 2,500,000	
SUBTOTAL - DOWNTOWN	\$9,356,670	\$5,700,000	\$15,056,670	
<u>OTHER PROJECTS:</u> (Funded by 1990 COP Funds)				
Local Leverage Funding:	\$ 600,000	\$	\$ 600,000	YES 4
HUD Opt-outs:	\$ 400,000	\$	\$ 400,000	5
Boarded & Vacant Properties:	\$ 400,000	\$	\$ 400,000	YES 6
Agency Housing Site Acquisition:	\$	\$1,400,000	\$1,400,000	
Transitional Housing:	\$	\$ 500,000	\$ 500,000	7
Home Loan Counseling:	\$	\$ 40,000	\$ 40,000	8
Non-profit Assistance:	\$ 275,480	\$ 148,687	\$ 424,162	YES 9
Inebriate Facility:	\$	\$1,449,163	\$1,449,163	
SUBTOTAL-OTHER PROJECTS	\$1,675,480	\$3,537,850	\$5,213,330	
			(20%)	
GRAND TOTAL	\$11,032,150	\$9,237,850	\$20,270,000	

Revised 5-06-91

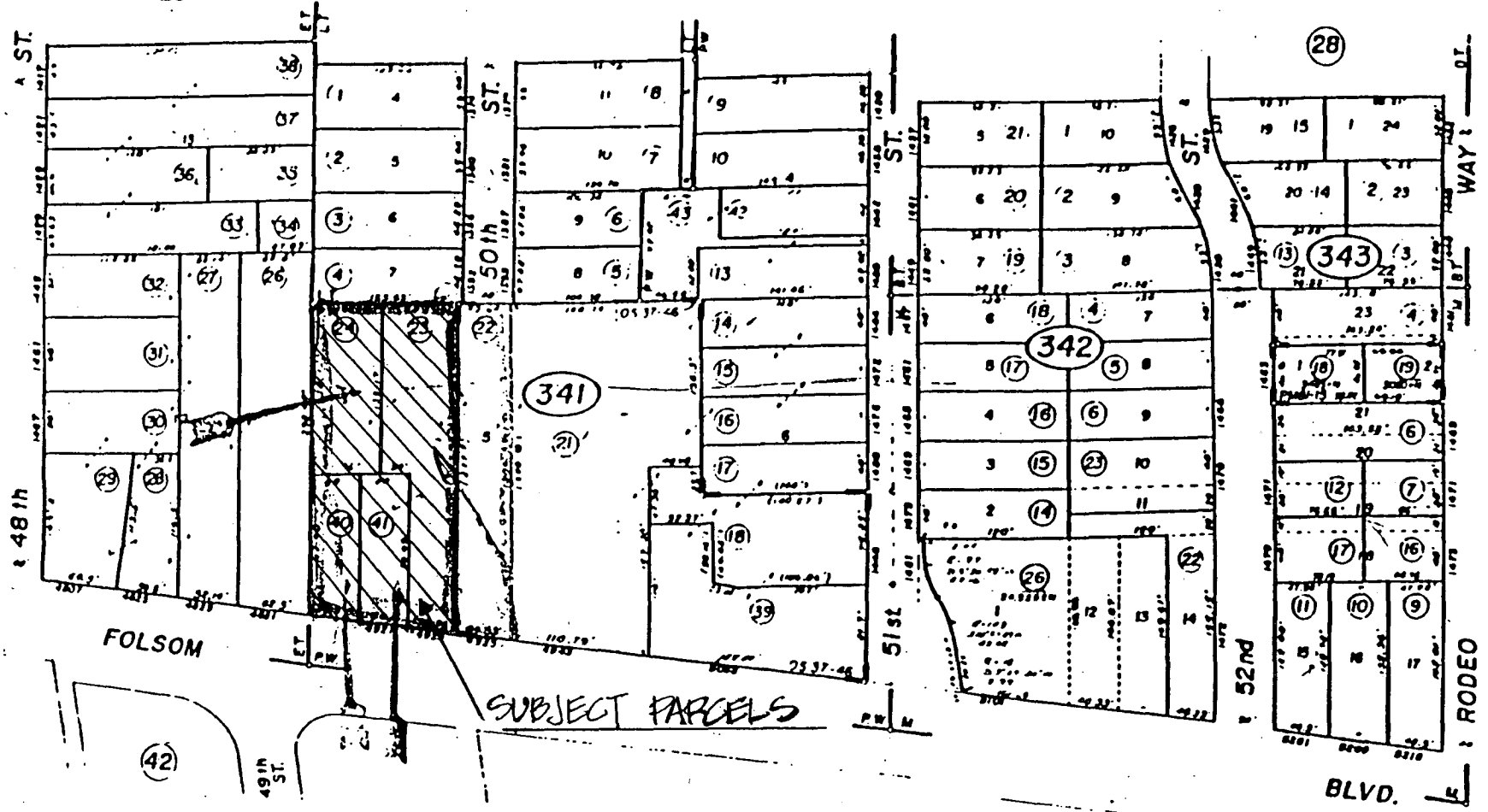
MARTINDALE TR., POR. BRIER TER., EDWIN TULLAR SUB. TULLAR HOMESTEAD TR.,
LOVE TR., & PHILLIP WOLF JR. SUB. LOTS 283 TULLAR HOMESTEAD TR.

Tax Area Code

8-34



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SUBJECT PARCELS