



Agency Rpt
43

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

August 18, 1981

City Council of the
City of Sacramento
Sacramento, California

APPROVED
BY THE CITY COUNCIL

SEP 29 1981

CITY MANAGER'S OFFICE
RECEIVED
SEP 23 1981

Honorable Members in Session: OFFICE OF THE CITY CLERK

SUBJECT: Proposed Preservation Revolving Loan Fund to be Administered by Sacramento Heritage, Inc. and Review of the Southside Park Neighborhood Committee's Proposal for Funding

SUMMARY

The following report recommends that 1) the City Council approve, in concept, a revolving loan fund to be administered by Sacramento Heritage, Inc., for sponsorship of preservation related community development projects with a neighborhood focus. The loan fund would leverage public community development block grant funds with private Sacramento Heritage corporation funds to create a revolving loan pool for use in the private market for neighborhood related preservation projects, and 2) the Southside Neighborhood Park Committee's proposal to capture \$50,000 of CDBG funds for a pilot project as included in the report not be approved due to feasibility problems.

BACKGROUND

A recent proposal by the Southside Park Neighborhood Committee (SPNC) requested \$50,000 in CDBG contingency funds from the City of Sacramento be allocated to Sacramento Heritage, Inc. and subsequently loaned to the SPNC to acquire, relocate, and sell two buildings in the Southside neighborhood. As a part of the 1981-82 CDBG application, the Budget/Finance Committee and the City Council earmarked \$50,000 of the contingency fund for the subject project. This allocation was conditioned on a report back from the Agency on policy issues involved in the allocation of the CDBG funds for use in a preservation revolving loan program to be administered by Sacramento Heritage, Inc.

As a response to this request, this staff report addresses 1) the use of City CDBG funds for preservation purposes, 2) Sacramento Heritage's role as the recipient and administrator of such funds, and 3) the sponsorship of the Southside Neighborhood Committee's proposal.

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All Districts

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1. The Use of City CDBG Funds for a Preservation Revolving Loan Program

Although preservation activities and programs appear as one of the goals of the three year Community Development Plan for the City of Sacramento, no strategies have been developed to establish a funding mechanism which will facilitate the implementation of development related preservation programs. Currently, the City's preservation efforts are focused on the preservation program administered by the City Planning Department, which is largely regulatory in nature with the Preservation Director functioning as staff to the Architectural Review Board and the Preservation Board. An annual budget to fund this program and the review activities of the Boards has been identified, but no similar budget exists for non-regulatory preservation programs. City CDBG funds have been used to sponsor preservation projects such as Sacramento Heritage's purchase of historic 1010 "F" Street, however, no policy or program has been identified to use such funds in an on-going manner.

In light of the commitment to preservation programs identified in the three-year Community Development Plan (See Exhibit I) a preservation revolving loan program would provide a mechanism by which neighborhood upgrading and the conservation of housing stock within community development/preservation areas could be accomplished. The establishment of such a loan fund would benefit the City in four ways: (1) public monies would revolve for future benefits; (2) funded projects would act as a catalyst for private preservation initiative; (3) public financing could be used to leverage private investment and thus increase the capacity of both the City and local groups to implement neighborhood revitalization; and (4) the program would bridge the fine line between preservation and neighborhood revitalization efforts identified as community development activities.

Other cities have funded preservation programs which have successfully straddled this line between housing, neighborhood revitalization, community development and preservation. The City of Oakland administers a revolving Municipal Loan Program which operates with a loan pool of \$500,000 awarded to a non-profit organization (Oakland Better Housing, Inc.), for restoration/rehabilitation housing. Oakland has also entered into a loan program with the Bank of America to establish a residential rehabilitation program for the City's rental housing stock known as the "Loans to Lenders Program for Multi-Unit Residential Property Rehabilitation". The City of Pasadena established a five million dollar loan pool for neighborhood residential preservation and rehabilitation.

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However, many cities with active preservation/rehabilitation loan programs have funded those programs through bond issues. At the present time, escalating interest rates make the bond market questionable as a realistic source for preservation funding. Such a situation further supports the use of CDBG funds, leveraged with private dollars, to achieve the most immediate, and the maximum, benefit presently available for financing for a preservation loan program.

2. Sacramento Heritage as the Recipient and Administrator of a Preservation Revolving Loan Fund

When established by the City Council in 1975, Sacramento Heritage, Inc. became an organization capable of bringing together public and private preservation related community development concerns. This concept of a public-private partnership has, in the last few years, become a successful avenue for implementation of preservation and community development programs. Cities mentioned previously, Oakland, Pasadena, and numerous others have entered into such joint ventures due to a recognition of the importance of both leveraging and the concept of public-private partnership. Philadelphia recently created an office of public partnerships in the city's Housing and Community Development Department to facilitate programs which could benefit from public involvement and private organizations' flexibility.

The charter of Sacramento Heritage outlines goals which are compatible with the programmatic needs of the City's three year Community Development Plan in that it was formed to: (a) acquire, improve, restore, preserve, lease and dispose of historically or architecturally significant real properties in the City of Sacramento, (b) to provide housing primarily for low income persons and families on a non-profit basis, and (c) to provide related facilities and services especially designed to meet the physical, social and psychological needs of persons, families, elderly, handicapped or disabled which will contribute to their health, security, happiness and usefulness in longer living.

The goals of Sacramento Heritage as well as its legal make-up as a non-profit corporation make it able to receive and administer a public funded revolving loan. Due to its preservation interests and direct line of communication with the City, it appears to be a logical organization to administer a neighborhood revolving loan program.

The concept of a preservation revolving loan was proposed a few years ago as a part of the City Planning preservation

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program. However, administrative responsibilities in financing and daily monitoring were felt to be too great for the Department to promote the program. The organizational structure of Sacramento Heritage is such that it benefits from the use of Agency staff, whether this be in the Loan Department, Finance Department, or other departments. When combined with the intention of Heritage to use the service program of a private financial institution in much the same manner as the City SNAP loan program, the administration of the revolving loan program can be met without any undue burden upon either the Agency or Sacramento Heritage.

3. The Southside Park Neighborhood Committee's Proposal for Use of Revolving Loan Funds

The proposal submitted by the Southside Park Neighborhood Committee to the City Council was designed to capture \$50,000 of CDBG contingency funds from fiscal year 1981-82 (See Exhibit II). However, it has been the policy of the Council not to allocate CDBG funds to private citizen groups. In light of the Council's interest in funding the SPNC proposal, Sacramento Heritage was viewed as the appropriate vehicle to administer such a revolving fund.

It was with this request in mind that Sacramento Heritage and the Housing and Redevelopment Agency reviewed the SPNC proposal as well as the concept of a revolving fund. A number of problems were brought to light during this review. While Sacramento Heritage was interested in the SPNC proposal, a feasibility study of the project as outlined by SPNC raised serious questions. The developer who had offered to donate structures to the neighborhood group, did not own the structures at that time. In addition, due to the escalating property values in the Southside neighborhood the scope of the project would have to be significantly narrowed. Sacramento Heritage requested that the neighborhood narrow the scope of the project to make it financially feasible, however, Heritage has since been notified by SPNC spokeswoman, Dia Goode, that the group is not able to pull together a project at this time.

CONCLUSION

As a part of the budget process, the \$50,000 earmarked by the Council for the sponsorship of the Southside Park Neighborhood Committee Project has been released to Sacramento Heritage. This release anticipated the approval and implementation of the SPNC project. However, since the SPNC is unable to perform, Sacramento Heritage recommends that the \$50,000 be returned to the City. The concept of a preservation revolving loan is a sound concept and could be effectively utilized among Sacramento's fifteen Preservation

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Areas and Community Development Target Areas. Therefore, Sacramento Heritage recommends that the City Council approve in concept, such a preservation revolving loan fund to be administered by Sacramento Heritage.

Approval of this concept will allow Sacramento Heritage to develop guidelines for the program and devise an RFP process whereby Sacramento Heritage and CDBG funds could be leveraged with private funds to provide a substantial loan pool for the maximum benefit to neighborhoods in need of preservation funding. This program development would be based upon a timeline concurrent with the return of Sacramento Heritage investments. At that time, Sacramento Heritage would propose to use its own financial resources matched by those of the City, to leverage private funds for a substantial loan pool that can meet those preservation needs which are not currently being answered.

RECOMMENDATION

The staff recommends (1) approval, in concept, of a preservation revolving loan fund to be administered by Sacramento Heritage, Inc.; and (2) as a separate item (Sacramento Heritage recommends the) return of the \$50,000 in CDBG funds allocated for the sponsorship of the Southside Park Neighborhood project to the City of Sacramento.

Respectfully submitted,



WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:


WALTER J. SLIFE
City Manager

RESOLUTION NO. 81-719

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

September 29, 1981

RESOLUTION APPROVING IN CONCEPT THE ESTABLISHMENT
OF A PRESERVATION REVOLVING LOAN FUND TO BE
ADMINISTERED BY SACRAMENTO HERITAGE, INC.

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRA-
MENTO:

SECTION 1. The Council hereby approves in concept the establishment at a future time of a Preservation Revolving Loan Fund to be administered by Sacramento Heritage, Inc., subject to subsequent appropriation.

SECTION 2. The previous designation and set aside of \$50,000 of CDBG contingency funds for a loan fund similar to that approved in Section 1 above and intended for the sponsorship of the Southside Park Neighborhood Project, is hereby repealed.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

SEP 29 1981

OFFICE OF THE
CITY CLERK

EXHIBIT I

EXCERPTS FROM THE COMMUNITY DEVELOPMENT PLAN
1979-1982

For preservation goals see pages: 2 (6)(7), 3 (8),
3 (2), 4 (8), and 8 (3)(9)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT COMMUNITY DEVELOPMENT AND HOUSING PLAN SUMMARY SUMMARY OF COMMUNITY DEVELOPMENT AND HOUSING NEEDS	1. NAME OF APPLICANT CITY OF SACRAMENTO 2. APPLICATION GRANT NUMBER B-79-MC-06-0003
3. PERIOD OF APPLICABILITY From: 7-1-79 To: 6-30-82	4. <input checked="" type="checkbox"/> Original (Every Three Years) <input type="checkbox"/> Revision _____ (Dated) <input type="checkbox"/> Amendment _____ (Dated)
5. COMMUNITY DEVELOPMENT AND HOUSING NEEDS: (Provide a brief narrative in accordance with instructions) <p>The basic overall community development and housing needs for the City of Sacramento relate to blighting influences, substandard housing, declining commercial activities, and deteriorating neighborhood conditions.</p> <p>The City's community development and housing needs are described in the following sections:</p> <ul style="list-style-type: none">A. NEIGHBORHOOD REVITALIZATION NEEDS:B. COMMUNITY WIDE HOUSING NEEDS:C. COMMUNITY WIDE NEEDS FOR PUBLIC FACILITIES AND IMPROVEMENTS; ANDD. ECONOMIC DEVELOPMENT NEEDS. <p>A. <u>NEIGHBORHOOD REVITALIZATION NEEDS</u></p> <p>The City of Sacramento contains several low and moderate income neighborhoods. Several neighborhoods with concentrations of low and moderate income households are in need of revitalization and rehabilitation in order to arrest physical decline. The basic revitalization needs of such areas are:</p> <ol style="list-style-type: none">1. Adequate public improvements (streets, burbs, gutters, sidewalks, street lighting, drainage, etc.)2. Adequate park and recreational facilities to conduct neighborhood recreation activities.3. Adequate street systems which generate desirable traffic usage for residential and/or other land uses.4. Financial assistance for housing rehabilitation, home repairs, weatherization, painting/beautification.5. Increased efficiency levels of public services and utilities (fire, health care, day care, education, etc.). <p><input checked="" type="checkbox"/> (Check here if continued on additional page(s) and attach)</p>	
6. DATA SOURCES: (See Data Sources attachment)	

6. Adequate service commercial/business development, and relocation of existing business establishments.

Each of the City's low and moderate neighborhoods has identified needs unique to the respective neighborhoods. The following is a map of the City's Community Development Block Grant target areas and a listing of the subject neighborhood revitalization needs.

Alkali Flat

There is a need for:

1. Retention and development of adequate service to commercial and business facilities along 12th Street.
2. Replacement housing for low and moderate income persons residing in substandard housing beyond the feasibility of rehabilitation.
3. Elimination of major through - commuter traffic.
4. Comprehensive code enforcement in conjunction with rehabilitation assistance programs.
5. Adequate recreation and park facilities and programs.
6. Preservation of historical and/or architecturally* significant structures.
7. Revitalization of existing residential and commercial structures through major rehabilitation and/or minor repair programs.

Del Paso Heights

There is a need for:

1. Adequate public street improvements (curbs, gutters, sidewalks, street lighting, etc.) in those areas which lack such improvements.
2. Replacement housing for low and moderate income persons residing in substandard housing units beyond the feasibility of rehabilitation.
3. Development of market rate housing on vacant residential property.
4. Elimination of existing blighting influences along Rio Linda Boulevard.
5. Revitalization of existing residential and commercial structures through major rehabilitation and/or minor repair programs.
6. Adequate additional recreation and park facilities/ programs.

7. Retention and development of adequate service to commercial and business facilities.

Oak Park:

There is a need for:

1. Adequate public street improvements (curbs, gutters, sidewalks, street lighting, etc.) in those areas that lack such improvements.
2. Replacement housing for low and moderate persons residing in substandard housing units beyond the feasibility of rehabilitation.
3. Retention and development of adequate service to commercial and business facilities.
4. Additional development of the community center facility at Sacramento Boulevard and 8th Avenue.
5. Retention of existing viable commercial business establishments.
6. Development of adequate service commercial and business facilities in accordance with the Oak Park Re-development Plan.
7. Additional recreation and park facilities and programs.
8. Revitalization of existing residential and commercial structures through major rehabilitation and/or minor repair programs.

Central City:

There is a need for:

1. Implementation of the identified strategies for revitalization of the Central City upon adoption of the Central City Plan.
2. Preservation of the dwindling supply of architecturally and/or historically significant structures.
3. Improvement of vehicular circulation.
4. Increased efficiency levels of fire protection service in order to increase fire response time for the surrounding neighborhood.
5. Adequate street lighting improvements in those areas of the Central City which lack such improvements.
6. Compatible vehicular, bicycle, pedestrian circulation systems and patterns.
7. Adequate off-street parking facilities to serve the downtown business core.

8. Revitalization of existing residential and commercial structures through major rehabilitation and/or minor repair programs.
9. Adequate community facilities for teen-age activities, day care, recreational, elderly programs, English speaking classes and resident committee offices at the River Oaks Housing Project.
10. Adequate community facilities for various programs and services including day care, elderly, teen-age, bilingual, recreation, and resident committee offices at the New Helvetia Housing Project.

Glen Elder

There is a need for:

1. Installation of traffic control mechanisms (i.e. street diverters) along Sun River Drive, Wilkinson Street and 79th Street.
2. Development of market rate housing on the existing vacant residential property.
3. Additional development of recreational facilities at Camellia School, Max Baer Park, Sim Park and Kennedy Estates.
4. Revitalization of existing housing units through major rehabilitation and/or minor home repair programs.

Strawberry Manor

There is a need for:

1. Market rate housing on vacant residential property.
2. Adequate street improvements (curbs, gutters, sidewalks, street lighting, etc.) south of West Silver Eagle Road.
3. A community garden program servicing area residents.
4. Bridge connector at San Juan/Silver Eagle Road to link the Northgate and Strawberry Manor neighborhoods.
5. Installation of new water mains to eliminate existing deadends and to increase available fire flows which are public health and safety measures.
6. Revitalization of existing housing through major rehabilitation and/or minor home repair programs.

Meadowview

There is a need for:

1. Extension of Shrader Circle from Detroit Boulevard to 24th Street in order to improve vehicular and pedestrian access.
2. Improvement of fencing and landscaping along the residential lots backing to Meadowview Road.
3. Improvement and expansion of commercial development along Meadowview Road at 24th Street.
4. Installation of traffic control mechanisms (i.e. traffic diverters and circles) at various locations.
5. A neighborhood facility at which recreational programs and other services could be conducted.
6. Revitalization of existing residential and commercial structures through major rehabilitation and/or minor repair programs.

Northgate-Gardenland

There is a need for:

1. Adequate public street improvements (curbs, gutters, sidewalks, street lighting, etc.) planned for the northern west part of Gardenland.
2. Increased efficiency levels of public services and utilities (fire, health care, day care and education).
3. Replacement housing for low and moderate income persons residing in housing beyond the feasibility of rehabilitation.
4. Revitalization of existing residential and commercial structures through major rehabilitation and/or minor repair programs.

Bonniemead/Brighton

There is a need for:

1. Development of market rate housing on existing vacant residential property.
2. Revitalization of existing housing units through major rehabilitation and/or minor home repair programs.

Richards Boulevard

There is a need for:

1. Improvement of existing streets to City industrial standards.

Richards Boulevard (cond)

2. Adequate public street improvements (curbs, gutters, and sidewalks, street lighting, etc.) along Richards Boulevard.
3. Curbs, gutters, and sidewalks w/street widening to Richards Boulevard - Bercut to Cal 160.
4. Provide street and bridge work to the Richards-Elvas Connector.
5. Assistance (additional land, buildings, access, etc.) to existing establishments to expand operations in order to create additional employment opportunities.
6. Development of additional industrial uses on existing vacant property.
7. Elimination of existing incompatible land uses to industrial uses.
8. Elimination of existing substandard housing units and replacement housing for persons residing in such housing.
9. Improvement of existing teen center, and adequate laundry facilities, outdoor project lighting, and day care facility at the Dos Rios Housing Project.

Woodbine

There is a need for:

1. Adequate public street improvements such as curbs, gutters, sidewalks, street lighting for those areas that lack such improvements.
2. Traffic control measures (i.e. street diverters) on Woodbine Avenue to ensure safe vehicular and pedestrian circulation.
3. Development of market rate housing and/or other related uses on existing vacant property.
4. Revitalization of existing housing units through major rehabilitation and/or minor home repair programs.

East Del Paso Heights

There is a need for:

1. Adequate public street improvements, including curbs, gutters, sidewalks, and street lighting in those areas that lack such improvements.
2. Storm drainage improvements to eliminate major flooding during the winter months.

East Del Paso Heights (cond)

3. Revitalization of existing housing units through major rehabilitation and/or minor home repair programs.

Freeport Manor

There is a need for:

1. Replacement and/or repair of deteriorating streets and sidewalks.
2. Storm drainage improvements to eliminate flooding in the winter months.
3. A neighborhood facility at which recreational programs and other services could be conducted.
4. Additional development of the existing neighborhood park site.
5. Revitalization of existing residential and commercial structures through major rehabilitation and/or minor repair programs.

Robla

There is a need for:

1. Adequate public street improvements, including curbs, gutters, sidewalks, and street lighting.
2. Adequate sewer and drainage improvements.
3. Revitalization of existing housing units through major rehabilitation and/or minor home repair programs.

City Farms

There is a need for:

1. Adequate public street and street lighting improvements in those areas which lack such improvements.
2. Revitalization of existing housing units through major rehabilitation and/or minor home repair programs.
3. Provide additional recreational facilities and programs at E. Phillips Elementary School and Maple School.
4. Revitalization of existing commercial/business establishments along Franklin Boulevard.

B. COMMUNITY WIDE HOUSING NEEDS

The City's identified housing needs pertain to rehabilitation of existing housing, replacement of substandard housing, and development of additional housing for low and moderate income persons.

There is a need for:

1. Development of rental housing for low and moderate income households including elderly, handicapped, family and large family.
2. Development of ownership housing for low and moderate income households, including elderly, handicapped, family and large family.
3. Preservation and restoration of the supply of architecturally and/or historically significant structures in the Central City, especially structures in the threat of demolition.
4. A systematic code enforcement program.
5. Assistance to the elderly for home repairs that occur on an emergency basis.
6. Better insulated and weatherized residential structures.
7. Replacement housing for low and moderate income persons residing in substandard housing beyond the feasibility of rehabilitation.
8. Retrofitting of existing owner and renter-type housing to accommodate handicapped persons.
9. Renovation of existing housing through major rehabilitation and/or minor home repair programs.
10. Emergency housing and transient housing accommodations.
11. Proper relocation of persons displaced by publicly assisted rehabilitation and/or other community development activities (i.e. property acquisition and clearance).
12. Technical assistance to persons residing in newly constructed or rehabilitated housing for home management, preventive maintenance practices, etc.

SOUTHSIDE PARK NEIGHBORHOOD HOUSING PROPOSAL

INTRODUCTION

The Southside Park Neighborhood Committee is a group of residents who for the past fourteen months have worked to upgrade and revitalize the neighborhood.¹ Its major accomplishment has been the removal of prostitution from the area. Other community activities sponsored by the group include a neighborhood clean-up day utilizing the California Conservation Corps, and the establishment of a series of community meetings with City staff to examine and solve neighborhood problems.

The Committee has a liaison with the Sacramento Old City Association, SAEOC Downtown Center, Asian Community Center, and all churches in the area.

The Committee² is in the process of incorporating as a nonprofit organization² for the purpose of facilitating the improvement of physical conditions, the expansion of public services, and the encouragement of economic development in the neighborhood.

The Committee will provide the groundwork for achieving these goals by undertaking numerous community development activities, and by creating a long range plan which will promote:

- . A strategy to prevent, halt and correct neighborhood deterioration and blight.
- . Conservation of existing housing through restoration and rehabilitation.
- . Incentives for the private/public development of new housing with emphasis on low- and moderate-income residents.
- . Preservation of historically and/or architecturally significant structures.
- . Economic development compatible with residential character and the expansion of employment opportunities for area residents.
- . Improvement and expansion of recreational facilities and programs.
- . Continued efforts to prevent and control crime which victimizes residents.

PROJECT

The purpose of this project is to develop new housing in the neighborhood, while conserving existing housing stock. This would be a demonstration project for saving a neighborhood. Emphasis would be on developing housing for the elderly and low- and moderate-income residents. Market rate housing would be developed at a proportionate rate.

A substantial area of the neighborhood has already been eroded by demolitions and neglect. There are many vacant and boarded buildings in the target area (3rd to 5th, S to U), which could be incorporated in the project at a later date. Also, there are numerous vacant lots and structures available for rehabilitation.

The benefits which result from this project will accrue to all residents and property owners of the neighborhood.³ The project's long term success relies upon a "domino effect", whereby a positive change in neighboring properties gives an incentive to other land owners to improve their property. This project coupled with other neighborhood self-help activities will achieve a substantial level of change in the area. It also has the potential of attracting additional sources of public/private monies into the neighborhood.

Community Development Block Grant funds (\$50,000 earmarked by the City Council) would be used as seed money to acquire two structures (@ \$1.00 each), two lots, and to pay relocation costs. These architecturally significant structures are located at 208 and 212 S Street, and are scheduled to be demolished due to new construction.

The houses would be relocated to different blocks in the target area... the most deteriorated area of the neighborhood. These structures would be a catalyst for further restoration/rehabilitation and in-fill. Efforts would be made by the Committee to rehabilitate adjacent structures by providing financial and technical assistance for housing redevelopment, home repairs, etc. Residents would work with City staff to publicize and encourage participation in existing rehabilitation programs.

This pilot project meets the numerous unique needs of this fragile, fifteen block area. It doesn't involve the "typical" restoration of a Victorian row, but instead focuses on the present and future needs of the neighborhood.

These needs include:

- . Availability of affordable and habitable housing.
- . Planned in-fill to protect the historic nature of the architecture and the neighborhood.

- . Elimination of vacant and boarded buildings subject to further deterioration, vandalism and fire.
- . Preservation of the "largest unified area of predominantly simple Delta type cottages in the Old City".

The CDBG money would be managed by Sacramento Heritage, Inc., who would act as "banker" and would charge a nominal fee for fund management. All costs would be approved by Sacramento Heritage and funds released after meeting all specifications of each phase of the project.

Profits from the sale of these properties would be placed in a revolving fund established by Sacramento Heritage for the Southside Park neighborhood to continue the project with other structures in the area.

The goals of the Committee for FY 81-82 are:

1. Relocate the above-mentioned two structures. ⁶
2. Develop a comprehensive plan for housing and land use for the neighborhood.
3. Survey existing housing conditions and complete housing needs assessment.
4. Utilize SHRA loan/grant programs on a limited basis.

The goals of the Committee for FY 82-83 are:

1. Restore/rehabilitate 3 homes for sale.
2. Full utilization of SHRA loan/grant programs.
3. Begin plans for senior housing pilot program, working with a group such as Seniors Allied in Living, Inc.

The schedule for the relocation of the two structures is:

- February - Acquire property through options to buy.
Begin to secure permanent financing for low- and moderate-income families.
- March - Engineer draws plans for foundation.
Travel route cleared by Pacific Telephone and SMUD, etc.
- April - Move structures.
Pour foundation.
Complete necessary pre-sale construction work.

- May - Advertise buildings for sale.
Open bids.
- June - Sale completed.

1. The neighborhood boundaries roughly correspond to census tract #21, and are "Q" Street on the north, "W" Street on the south, 12th Street on the east and I-5 on the West.
2. The names, powers, and responsibilities of the Board of Directors will be provided by February 12th. The Board will consist of persons willing to donate their time and technical expertise to the Committee's projects. Included on the Board will be an architect, a housing development consultant, a developer, a local businessman, a representative of SOCA and a police officer.

The elected officers of the Committee are all residents of the neighborhood. The president is Helen Gutierrez, 617 "T" Street, Sacramento, 95818.

The contact person(s) for the project is Dia Goode, 2130 6th Street, Sacramento, 95818 and/or Marianna Purdy, 2018 9th Street, Sacramento, 95818.

3. The majority of the beneficiaries would be low- and moderate-income residents. According to the 1979-1982 Housing Assistance Plan, in 1970, 12-14.9% of the families living in the area were below the poverty level, and 40-44.9% of the renter households were paying more than 25% of their income for rent.
4. This neighborhood self-help project was discussed at the January 14th City/Committee sponsored Community Meeting. Tom Lee volunteered to be the contact person.
5. From Preservation Board Neighborhood Survey.
6. The Committee is requesting an amendment be made to the 1981-82 CDBG plan to allow contingency funds to be made available immediately for site acquisition. This item will be addressed by the Budget & Finance Committee and put on the City Council Consent Calendar on February 17, 1981.
7. The plan would be part of a student intern project sponsored by either UCD or CSUS.

All costs listed in the following scenarios are based on figures provided by Ken Larsen of the Sacramento Housing and Redevelopment Agency.

Acquire 40' x 160' lot on the south side of "T" Street between 4th and 5th.

Move one-story, white structure to the lot and immediately begin work on the foundation and other exterior work.

While this work is in progress the two-story structure would be moved to a 40' x 80' lot on the west side of 4th Street between "T" and "U". (Funding for work on the two-story structure would be provided by a state predevelopment loan and occupancy would be targeted for low/moderate income families.)

Rehabilitation on the white structure is not expected to be extensive. The structure is in good condition and the Committee does not intend to convert the basement to another residential unit. It is anticipated that all necessary exterior rehabilitation work could be easily accomplished within 60 days when the house could be placed on the market.

Costs for one-story white structure:

40' x 160' lot	\$15,000	-	\$20,000	
Moving structure			9,900	
Rough grading			320	
Trenching			350	
Underground:				
sewer, water, gas, elect.			1,260	
Tap fees			550	
Footing & foundation			1,098	
Backfilling			128	
Concrete slab			3,336	
Rough framing			1,320	
Plumbing lines from source			666	
Exterior wall covering			2,462	*
Exterior stair and landing			975	
Walks and approaches			400	
Sub-total	\$37,765	-	\$42,765	* This cost is contingent on the damage done in moving the structure.
Contractor overhead 7%	2,643		2,993	
Administration, publicity, insurance, etc. - 10%	3,776		4,276	**
TOTAL	\$44,184		\$50,034	

** Administrative costs are those of Heritage, Inc. in its capacity as banker for the project. The Southside Park Neighborhood Committee will donate its time and labor.

The burden of interior rehabilitation would be placed on the buyer. Since this is the case, there would be no attempt to realize a profit on this structure. The selling price would be based on actual cost of the project and the administrative cost of Heritage, Inc. in its capacity as "banker". The Committee feels that this would promote accessibility to potential buyers of moderate income and encourage rapid sale of the property and the reinvestment of those funds in another neighborhood rehabilitation effort.

Extensive rehabilitation to the upper story of the two-story, brown structure has already been completed by the Redevelopment Agency. This greatly reduces the rehabilitation costs for the structure as a whole and makes low-income access feasible.

Placement of the structure on the available lot on 4th Street will encourage the rehabilitation of the boarded two-story structure on the adjacent lot.

Costs for two-story brown structure:

40' x 80' lot	\$10,000 - \$12,000	
Moving structure		8,250
Trenching		265
Underground:		
sewer, water, gas, elect.		1,250
Tap fees		550
Footing & foundation		920
Backfilling		160
Concrete slab		1,780
Exterior stairs, landings, etc.		3,150
Walks and approaches		400
Electrical		935
Plumbing		1,665
Interior walls, doors, etc.		3,000
Cabinets		1,248
Paint & decorating (lower only)		783
Floor covering		1,957
	<u>\$36,313</u>	<u>\$38,313</u>
Contractor overhead 7%	2,541	2,681
Administration, publicity, insurance, etc. - 10%	<u>3,631</u>	<u>3,831</u> **
TOTAL	\$42,485	\$44,825

** Administrative costs are those of Heritage, Inc. in its capacity as banker for the project. The Southside Park Neighborhood Committee will donate its time and labor.

Some significant costs have been left out of the estimate, most obviously heating and cooling, and architect's fee.

It is anticipated that a member of the Committee's Board of Directors will be an architect who will donate his services to the project.

Heating in the upper unit will remain that which is currently in place, and a comparable system will be installed in the lower unit. (The method of cooling will be left to the discretion of the buyer.)

Whatever additional costs may arise, it is hoped that the selling price can be kept below \$35,000 per unit. (According to information provided by the State Department of Housing and Community Development, this would enable a low-income buyer to purchase a unit with a mortgage payment as low as \$187 per month.)

An alternate approach for marketing the two-story structure would be to sell it without rehabilitating the lower unit. Under these circumstances, the Committee would attempt to put together a loan package with the aid of the Housing & Redevelopment Agency which would enable the low/moderate-income buyer to undertake the rehabilitation of the lower unit himself. (In the event that the Committee cannot secure a State predevelopment loan, this alternative might become necessary. This eventuality would also lengthen the period of time required to market the structure since the funds for its rehabilitation would of necessity come from the sale of the other structure.)