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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

CITY MANAGER'S OFFICE

June 30, 1981

RECEIVED
JUL 8 1981

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY

Date 7/4/81

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

Honorable Members in Session:

APPROVED
SACRAMENTO HOUSING AUTHORITY

Date 7/4/81

SUBJECT: Central Maintenance Facility and Preventive Maintenance
Mobile Units

SUMMARY

This report regards authorization for the Interim Executive Director to file a preliminary application with the Department of Housing and Urban Development for the construction of a centralized maintenance facility and establishment of preventive maintenance mobile units. A copy of the proposal is attached as Exhibit I.

BACKGROUND

The Sacramento Housing and Redevelopment Agency (SHRA) has been placed in a peculiar situation in that it owns and maintains 2,327 housing units with a projected increase by 1990 of 108%, resulting in a total count of 4,832 units and no long-term solution to continuance of existing maintenance facilities beyond 1982. The entire maintenance operation, at this time, is located in the downtown area in several buildings which are on a lease basis.

We have been given notice that by May 1982 the current leases will expire and the possibility of renewal is extremely remote. The Maintenance Department has at the present time, 48 Agency vehicles which are currently located in various parking areas around the downtown area. Only one of these areas has controlled ingress and egress. The absence of centralized maintenance operation and vehicle location is resulting in higher maintenance and operation costs for all of our projects.

The Agency wants to build a facility now with an estimated square footage of approximately 26,000 square feet because there is a need to establish a permanently based maintenance operation and the cost of rental space is becoming higher each year. The Agency currently pays \$4,899 per month or \$58,788 a year for the current facilities.

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The need for two preventive maintenance and emergency repair mobile units is becoming more critical to our new preventive maintenance program as well as enhance our ability to respond more quickly to calls of emergency and, at times, minor type. This will improve the capability of the total maintenance operation and our goal to provide the best possible service to the residents of our housing units. We would expect that each mobile unit would include two personnel assigned to it along with an outfitted van.

FINANCIAL DATA

The funding request for the centralized maintenance facility will be a \$1,250,000 loan which will be amortized over a twenty-year (20) period through the use of DHUD funds. By making the decision to build a centralized maintenance facility today instead of five years from now, there will be a savings of over \$285,000 in lost rental payments and \$680,000 in inflated construction costs calculated at a conservative 13% inflation rate. The cost of the facility is expected to be \$1,250,000 which when amortized over 20 years, will bring the annual payments to \$62,500 which is only \$3,712 more per year than the Agency's current rental payment at the existing location.

By comparing the projected 1985 rental payments with the annual amortization, we find that in just five years, if we fail to begin construction in 1981, we will be paying over \$22,000 per year more in rental fees than we would be paying if we owned the facility.

The project fund request for the emergency mobile units amounts to \$92,910 which would come out of the DHUD funds.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of July 6, 1981, the Sacramento Housing and Redevelopment Commission adopted a motion recommending the authorization for the Interim Executive Director to file a preliminary application with the Department of Housing and Urban Development for the construction of a centralized maintenance facility and establishment of preventive maintenance mobile units. The vote was recorded as follows:

AYES: Coleman, Knepprath, Luevano, A. Miller, Serna,
Teramoto, Walton, B. Miller
NOES: None
ABSENT: Fisher

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RECOMMENDATION

It is recommended that you authorize the Interim Executive Director to file a preliminary application with the Department of Housing and Urban Development for the construction of a centralized maintenance facility and establishment of preventive maintenance mobile units.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slife

WALTER J. SLIFE
City Manager

Contact Person: Robert E. Smith

RESOLUTION NO. 81-052

Adopted by the Redevelopment Agency of the City of Sacramento

July 14, 1981

AUTHORIZING FILING OF APPLICATION FOR CENTRAL
MAINTENANCE FACILITY AND
PREVENTIVE MAINTENANCE MOBILE UNITS

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

Section 1. The Interim Executive Director is authorized to prepare and submit an application to the United States Department of Housing and Urban Development, and such related documents as are reasonably necessary, for funding for the construction of a centralized maintenance facility and for the acquisition of emergency mobile maintenance vehicles.

CHAIRMAN

ATTEST:

SECRETARY

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY

Date 7/14/81

RESOLUTION NO. 81-0666

Adopted by the Housing Authority of the City of Sacramento

July 14, 1981

AUTHORIZING FILING OF APPLICATION FOR CENTRAL
MAINTENANCE FACILITY AND
PREVENTIVE MAINTENANCE MOBILE UNITS

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF
SACRAMENTO:

Section 1. The Interim Executive Director is authorized to prepare and submit an application to the United States Department of Housing and Urban Development, and such related documents as are reasonably necessary, for funding for the construction of a centralized maintenance facility and for the acquisition of emergency mobile maintenance vehicles

CHAIRMAN

ATTEST:

SECRETARY

APPROVED
SACRAMENTO HOUSING AUTHORITY
Date 7/14/81



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

June 2, 1981

Mr. Michael P. Kulick, Supervisor
Sacramento Service Office
Department of Housing and Urban Development
P. O. Box 1978
Sacramento, CA 95809

Attention: Carol Farwell

Re: Request for Fund Assistance -
Public Housing Comprehensive
Improvement Assistance Program -
Federal Fiscal Year 1981

Dear Mr. Kulick:

The Sacramento Housing and Redevelopment Agency wishes to formally notify your office of our intent to file an application for the purpose of constructing a centralized maintenance facility. After undertaking a thorough evaluation of the needs of this Agency for the referenced year, we have concluded that construction of a centralized maintenance facility is of the highest priority and should be classified according to funding type as "emergency". Justification for this classification is contained in the attached preliminary application. The funding request for this project is \$1,250,000.

The second item indicated in this pre-application is a request for funding of two preventive maintenance mobile units. These mobile units would have one crew assigned to each unit and would be assigned to do only minor and emergency-type maintenance. According to funding type, this project would be classified as "special purpose". The funding request for this project is \$92,910.

The explanation and justification for these category classifications and some preliminary details regarding these proposals are outlined in a preliminary application which is attached to this cover letter. If you should have any questions or need any further assistance regarding any details of this proposal, please contact Fred Lang, Agency Housing Expeditor, at 444-9210, Extension 291.

Sincerely,

WILLIAM H. EDGAR
Interim Executive Director

Enclosures

PROPOSAL FOR A CENTRALIZED MAINTENANCE FACILITY
AND TWO MOBILE EMERGENCY UNITS

PUBLIC HOUSING COMPREHENSIVE IMPROVEMENT ASSISTANCE PROGRAM
(C.I.A.P.)

PRELIMINARY APPLICATION

Sacramento Housing and Redevelopment Agency
630 I Street
Sacramento, California 95814

The Housing Authority of the City and County of Sacramento hereby submits this preliminary application which includes the following projects:

<u>Priority</u>	<u>Project Number</u>	<u>Type of Funding</u>	<u>Gross Estimate</u>
1	CA 0-1	Emergency	\$1,250,000
2	CA 0-2	Special Purpose	\$ 92,910

CENTRALIZED MAINTENANCE FACILITY

The existing maintenance facility is leasing several buildings in the downtown area to meet their needs. The total square footage the Maintenance Department leases is 21,604 square feet (this includes the Purchasing Department also). We house the Purchasing Department with the Maintenance Shop because 60 percent of its operation is supportive to their needs. The supportive operations of the Purchasing Department to the Maintenance Shop are as follows: supplies parts and equipment, stationery supplies, purchase orders and contracts.

The Maintenance Shop occupies approximately 13,104 square feet. Of this, 3,200 square feet of it is office space. The Purchasing Department occupies 8,500 square feet, with 700 square feet of this being office space.

The Maintenance Department has at the present time 48 Agency vehicles assigned to them. The areas where they are parked are fenced for security, since the vehicles are kept there overnight and on weekends and holidays.

HOUSING UNITS

The Agency owns and maintains 2,327 housing units. The following is a breakdown of these units:

- Funding: a. 2,085 units (HUD funds).
- b. 242 units from other funding sources (Community Development Block Grants, Section 8, State).
- Areas: c. There is a total of 1,113 units in the south area, 268 units in the north area, 84 units in the east area and 862 units in the downtown area (see attached map).
- Elderly: d. There is a total of 878 elderly units - 156 units in the south area, 120 units in the north area, 30 units in the east area and 572 units in the downtown area.
- Family: e. There is a total of 1,449 family units - 957 units in the south area, 148 units in the north area, 54 units in the east area and 290 units in the downtown area.

City vs. f. There is a total of 2,222 units in the City limits and County: 105 units in the County limits. The 105 units in the County are family units and are conventional funding only.

DEVELOPMENT CRITERIA

The projected growth pattern is as follows:

- a. At the end of 1980 the Agency had a total of 2,327 units to maintain.
- b. By the end of 1981 the Agency will have a total of 2,532 units to maintain.
- c. By the end of 1982 the Agency will have a total of 2,952 units to maintain.
- d. By the end of 1985, due to the increasing demands on housing units, the Agency will have approximately 3,647 units to maintain.
- e. By the end of 1990, also due to the increasing demands on housing units, the Agency will have approximately 4,832 units to maintain.

The figures in Item d. and e. are based on the Agency housing growth pattern in the past two years (1979 and 1980), and the next two years (1981 and 1982). In the four-year growth pattern, the Agency housing units would increase by 940 units. This averages out to approximately 235 housing units a year. The growth pattern estimates were verified by the Agency Finance Department.

The Agency maintenance manpower and vehicle growth should increase by 20 at the end of the projected growth pattern (1990).

The Agency wants to build a facility now with an estimated square footage of approximately 26,000 square feet because the cost for rental space is getting higher every year. Additionally, our lease on the existing facility expires on May 31, 1982. We are now paying \$4,899 per month, or \$58,788 a year. The projected rental costs for our existing maintenance facility are as follows:

1985 -	\$7,055 a month =	\$84,660 a year
1990 -	\$12,997 a month =	\$155,964 a year
1995 -	\$23,947 a month =	\$287,364 a year
2000 -	\$44,121 a month =	\$529,450 a year
2005 -	\$81,290 a month =	\$975,480 a year
2010 -	\$149,772 a month =	\$1,797,264 a year
2015 -	\$311,818 a month =	\$3,741,816 a year
2020 -	\$574,504 a month =	\$6,894,053 a year

The averages are projected by the cost of inflation growth per year, which has been running between 12 and 14 percent, therefore, a 13% inflation factor was used.

By making the decision to build the centralized maintenance facility today, instead of five years from now, we will be saving over \$285,000 in lost rental payments and over \$680,000 in inflated construction costs calculated at a conservative 13% inflation rate. The cost of the facility is expected to be \$1,250,000 which, when amortized over 20 years, will bring the annual payments to \$62,500 which is only \$3,712 more per year than what we now pay for rental at our existing location.

By comparing the projected 1985 rental payments with the annual amortization figure cited above, we find that in just five years, if we fail to begin construction in 1981, we will be paying over \$22,000 per year more in rental fees than we would be paying if we owned the facility.

We believe the decision is quite clear and we request the assistance of the Department of Housing and Urban Development to make it a reality for the Sacramento Housing and Redevelopment Agency in 1981.

EMERGENCY MOBILE REPAIR UNIT

The need for two emergency mobile repair units is becoming more critical so that we might respond more quickly to calls for assistance of emergency and, at times, minor type. This will enhance the capability of our total maintenance operation and our goal to provide the best possible service to the residents of our housing units. The cities of Fresno and Los Angeles currently have part and half-time programs which have integrated into their operations.

We would expect that each mobile unit would include two personnel assigned to it along with an outfitted van.