29

COUNTY OF SACRAMENTO -- CITY OF SACRAMENTO

July 20, 1989

For Agenda Of: July 25, 1989

APPROVED
BY THE CITY COUNCIL

JUL 25 1989

OFFICE OF THE
CITY CLERK

TO: **Sacramento County Board of Supervisors**
Sacramento City Council

FROM: **Brian H. Richter, County Executive**
Walter J. Slipe, City Manager

SUBJECT: **APPOINTMENT OF ROBERT E. SMITH AS EXECUTIVE DIRECTOR OF THE SACRAMENTO HOUSING & REDEVELOPMENT AGENCY**

RECOMMENDATION

Approve the appointment of Robert E. Smith as Executive Director of the Sacramento Housing and Redevelopment Agency effective August 2, 1989.

DISCUSSION

As you are aware, on July 18, 1989 the current Acting Executive Director of SHRA, Andrew J. Plescia, resigned from the Agency effective August 2, 1989.

There is an exceptional workload and set of challenges facing the Agency for the balance of 1989-90 and the years ahead. There are a number of very complex, important and controversial issues to be addressed by the Agency including the following:

- Capital Mall Lot "A" Development Project
- County Housing Trust Fund
- Relocation of Public Inebriate Facility
- "R" Street Corridor Study
- Central Library Expansion Project
- Downtown Plaza Expansion Project
- Docks Area Development Project
- Gateway Services
- Public Housing Construction
- In-kind Services for General Assistance Recipients

In addition to these special programs, issues and problems, the Agency also needs to keep up its efforts in its "normal" programmatic areas, i.e. CDBG, Housing Rehabilitation, Homeless Programs, Oak Park and Alkali Flat, Redevelopment Issues, Housing Maintenance and Modernization, Elderly Nutrition, Mortgage Credit Certificates, Economic Development, Enterprise Zones, Community Information, MBE/WBE Compliance, Job Development, Section 8/Voucher Administration, Special Grants, etc.

Given the resignation of the Acting Executive Director and the workload described above, it is necessary to proceed immediately with the appointment of an Executive Director so there is a proper transition of leadership and the Agency can continue to function in an effective manner. Due to the importance of this situation and the strong leadership qualities which are required, we are recommending the immediate appointment of Robert E. Smith as the permanent Executive Director of SHRA effective August 2, 1989. Bob has clearly exemplified the political understanding, management/administrative skills and leadership abilities during his tenure at the County of Sacramento (specifically overseeing the Cable Television Commission and City/County Charter Commission) that is necessary to properly direct the Agency.

Respectfully submitted,

BRIAN H. RICHTER
County Executive

Walter J. Slipe
WALTER J. SLIPE
City Manager

July 25, 1989

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

July 17, 1989

APPROVED
JUL 25 1989
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

APPROVED
BY THE CITY COUNCIL
JUL 25 1989
OFFICE OF THE
CITY CLERK

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Owner Participation Agreement (OPA) for Oak Park House Move

SUMMARY

Agency staff requests authorization to enter into an Owner Participation Agreement (OPA) with Sacramento Neighborhood Housing Services (NHS) to rehabilitate and expand a move-on house at their site located at 4535 11th Avenue in the Oak Park Redevelopment Project Area. As part of the OPA, the Agency will lend $37,000 to NHS for improvements to the residential unit and provide a grant of $1,500 to NHS for administrative expenses. The Agency's loan will be paid back from proceeds of the sale of this house to a qualified low or moderate income family. Of this amount up to $15,000 may be loaned to a prospective purchaser based on the purchaser's financial needs.

BACKGROUND

As part of its long range expansion plans (Exhibit 1), the University of California Davis Medical Center (UCDMC) is in the process of acquiring residential units adjacent to its existing hospital site and auxillary facilities. UCDMC has purchased residential properties in its proposed expansion area on X, Y, and 45th Streets east of Stockton Boulevard which is in the Oak Park Redevelopment Project Area (Exhibits 2 and 3). UCDMC is willing to make these homes available free of charge to an appropriate organization along with a cash contribution equivalent to the cost of demolition in order to preserve affordable housing units.

7-25-89
D-5

MAILING ADDRESS: P.O. Box 1834, Sacramento, CA 95812-1834
OFFICE LOCATION: 630 I Street, Sacramento, CA 95814 (916) 444-9210

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

NHS Proposal

NHS, a non profit housing developer, proposes to move a UCDMC owned house presently located at 4340 X Street to a site they own in their Oak Park target area at 4535 11th Avenue. The house is currently a 2-bedroom, 1-bath unit with a fireplace. NHS will rehabilitate the house and add a bedroom, bathroom and two car attached garage (Exhibit 4) for sale to a first-time low to moderate income family. NHS is requesting a $37,000 rehabilitation loan at no interest from the Agency and a $1,500 grant for administrative costs, to pay for a portion of NHS staff time necessary to complete this project. This is similar to past Agency practices of funding administrative costs of other housing development projects sponsored by non-profits, including self-help projects in Alkali Flat, Del Paso Heights, and Oak Park.

Conditions of the Owner Participation Agreement

The Agency will provide NHS with the funds for the rehabilitation, garage addition remodeling, and a $1,500 administrative fee for a portion of staff time necessary to complete the project.

NHS will repay the Agency loan out of the sale proceeds. In the event that project cost is greater than the home's appraisal value, the amount of the loan to be repaid shall be reduced by the amount that the total cost of the house exceeds its appraised value, not to exceed $15,000. While there is some risk that the Agency may not recover the full loan amount, a staff survey of comparable sales in the area indicate homes selling in a range equivalent to the anticipated project cost.

As a condition of the OPA this home will be marketed first to households residing in the Oak Park Redevelopment Project Area. The Agency may provide a subsidy to assist a family with purchase of the home in the form of a deferred second loan to the prospective homeowner. The combined amounts of the loan and the reduction of NHS's loan repayment shall not exceed $15,000.

FINANCIAL DATA

NHS is requesting a total of $38,500: a loan of $37,000 for rehabilitation and remodeling and a grant of $1,500 for administration. The total project cost is estimated at $65,660 (Exhibit 5, Column 3).

SHRA Funds Requested:		
Rehabilitation		$20,000
Garage		$ 2,000
Bedroom/bath addition		$15,000
Grant for Administration		$ 1,500
	Total	$38,500

The Agency may make a loan to the purchaser of no more than $15,000 in order to make the home affordable. This loan will accrue 5% interest starting in year five and be due on sale or in 15 years.

The approval of the subject OPA does not require a budget transfer. Funds are available from the Oak Park Housing Development Fund (cost center A01701).

ENVIRONMENTAL REVIEW

CEQA: Exempt per Section15301(d) and (e)(1)

NEPA: Not applicable - no federal funds involved.

POLICY IMPLICATIONS

The actions recommended in this staff report are consistent with the adopted Redevelopment Plan and the Oak Park Housing Study which recommends that infill housing for prospective homeowners be pursued.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

VOTE AND RECOMMENDATION OF THE OAK PARK PROJECT AREA COMMITTEE (PAC)

At its regular meeting of July 5, 1989 the Oak Park Project Area Committee (PAC) voted in favor of financing the recommended house move and rehabilitation.

The proposal has been modified to incorporate the PAC's request that NHS remodel the house from a 2-bedroom, 1-bath size to 3-bedroom and 2 bath unit. In addition, the PAC requested that the new garage be built to accommodate 2 cars.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of July 17, 1989, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Amundson, Pernell, Moose, Simon, Simpson, Strong, Wooley, Yew, Wiggins
NOES: None

ABSENT: Sheldon

RECOMMENDATION

Agency staff recommends adoption of the attached resolution authorizing the Acting Executive Director to: (1) execute an Owner Participation Agreement with Sacramento Neighborhood Housing Services (NHS) to rehabilitate and expand a move-on house at their site located at 4535 11th Avenue, (2) approve a rehabilitation loan to (NHS) of $37,000 for said work and a grant of $1,500 for NHS administrative services, and (3) make a loan of up to $15,000 to enable a low or moderate income household to qualify for purchase of the home.

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Based on an evaluation of the success of this project, staff may consider participation in future house moves involving units located in UCDMC's expansion area.

Respectfully submitted,

ANDREW J. PLESCIA
Acting Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Anne Moore
440-1315

0752Q

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APPROVED
BY THE CITY COUNCIL

JUL 25 1989

RESOLUTION NO. 89-066

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

OFFICE OF THE CITY CLERK
APPROVED
JUL 25 1989
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

HOUSE RELOCATION FROM THE UCD MEDICAL CENTER EXPANSION AREA

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

Section 1: The Acting Executive Director is authorized to execute an Owner Participation Agreement with the Sacramento Neighborhood Housing Services (NHS) to relocate, rehabilitate and resell the house structure now located at 4340 X Street, Sacramento, and donated by the University of California Medical Center. The house shall be relocated to a site owned by NHS at 4535 11th Street within the Oak Park Redevelopment Project Area.

Section 2: The Acting Executive Director is also authorized to lend $37,000 to NHS for said relocation and rehabilitation services and to grant to NHS $1500 for administrative services related to the project. The loan shall be repaid upon sale of the completed property, except that the principal amount of the loan shall be reduced by the amount that the total of the house exceeds its appraised valued

Section 3: The Acting Executive Director is also authorized to make a subordinate loan in an amount not to exceed $15,000 less the aforesaid principal reduction to a low-moderate income family for the purchase of the house. Said loan shall be a fifteen (15) year loan at five percent (5%) simple interest, payable interest only, with payments deferred for 5 years, subject to reasonable adjustments as necessary to obtain other necessary purchase money financing.

_____
CHAIR

ATTEST:

_____
ASSISTANT SECRETARY

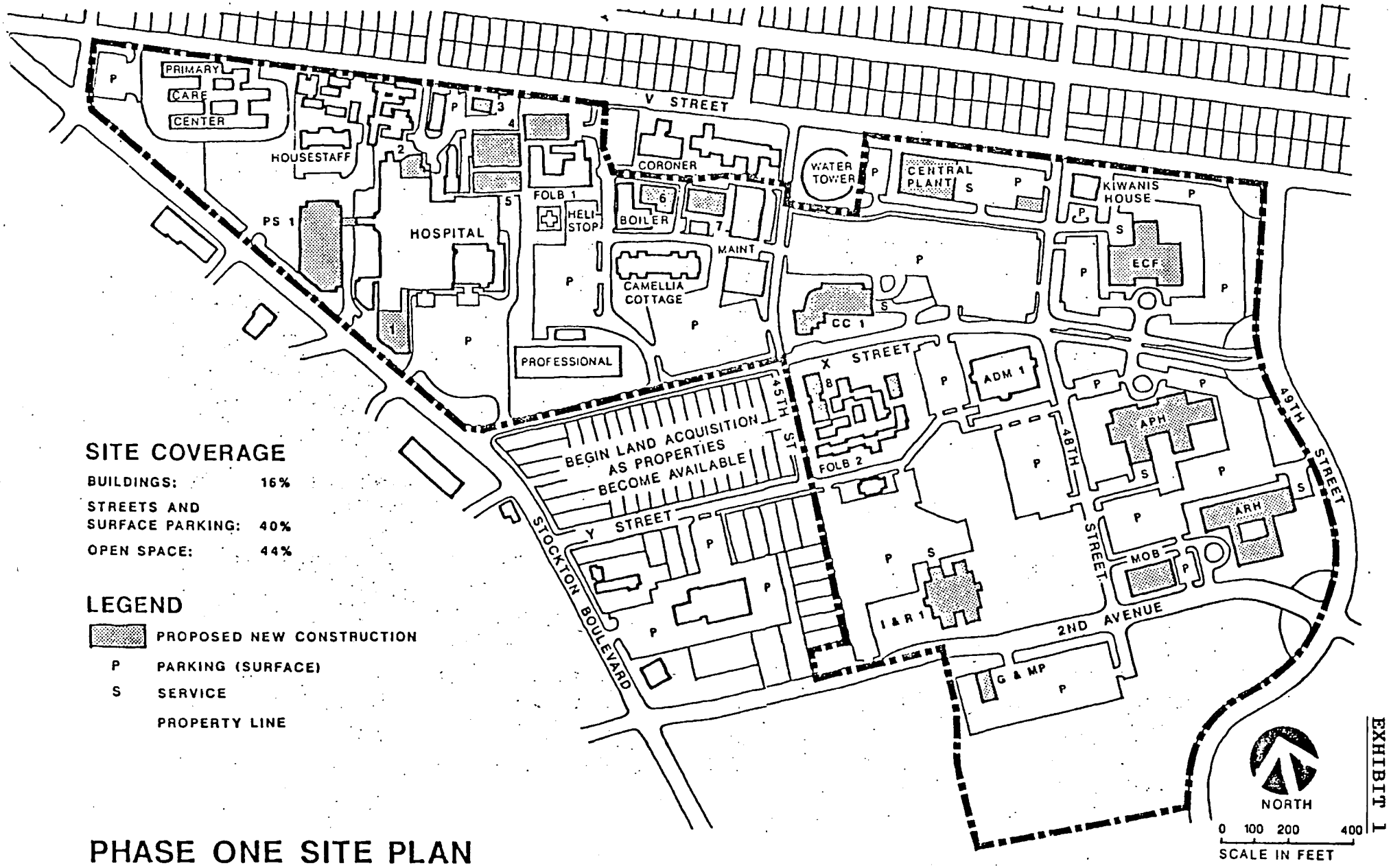
1100WPP2(387)

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

7 LONG RANGE DEVELOPMENT PLAN



SITE COVERAGE

BUILDINGS:	16%
STREETS AND SURFACE PARKING:	40%
OPEN SPACE:	44%

LEGEND

- PROPOSED NEW CONSTRUCTION
- P PARKING (SURFACE)
- S SERVICE
- PROPERTY LINE

PHASE ONE SITE PLAN

EXHIBIT 1

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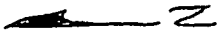
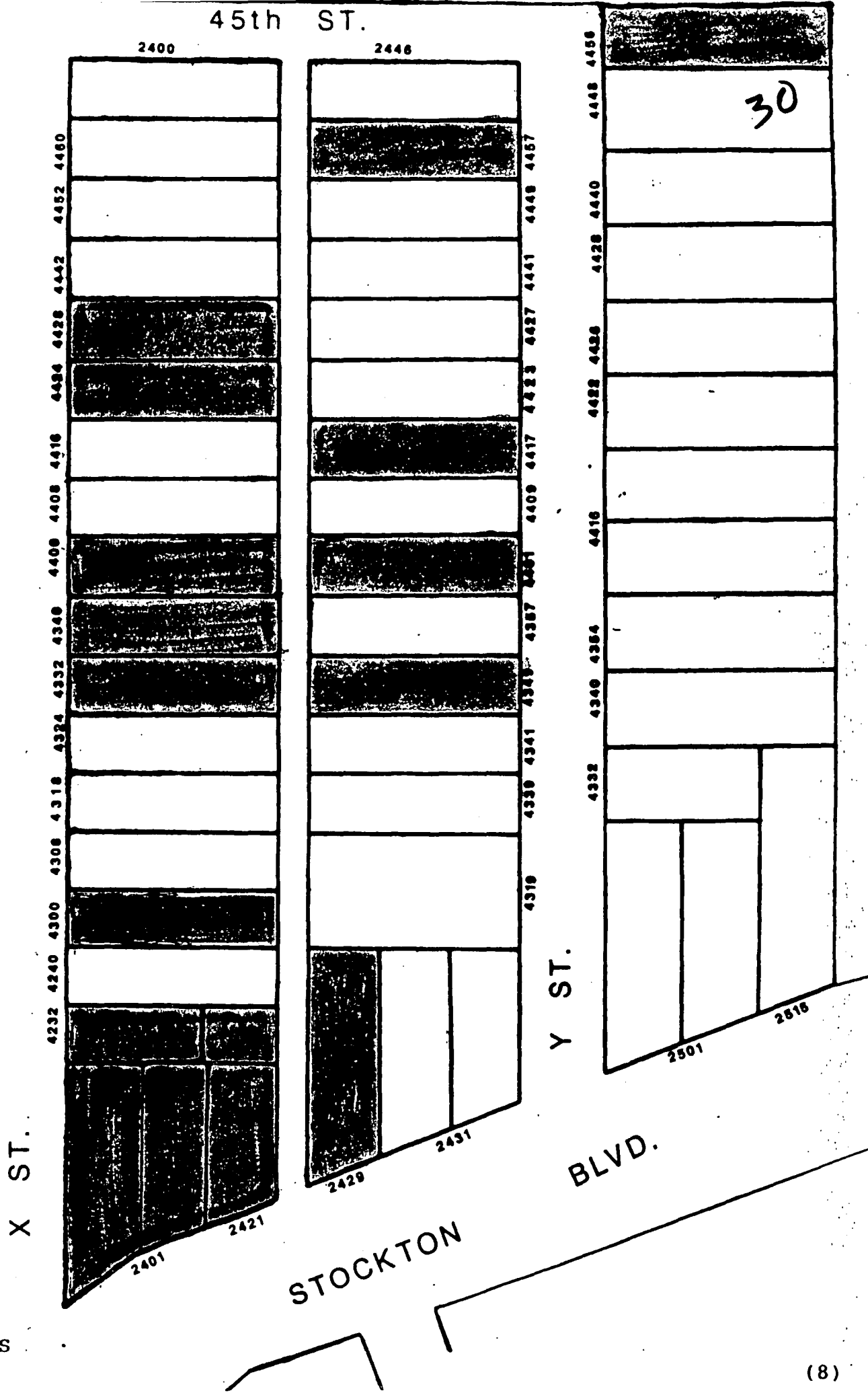
(7)

EXHIBIT 2





UCDMC
OWNED PROPERTIES
6/13/89

EXHIBIT 3

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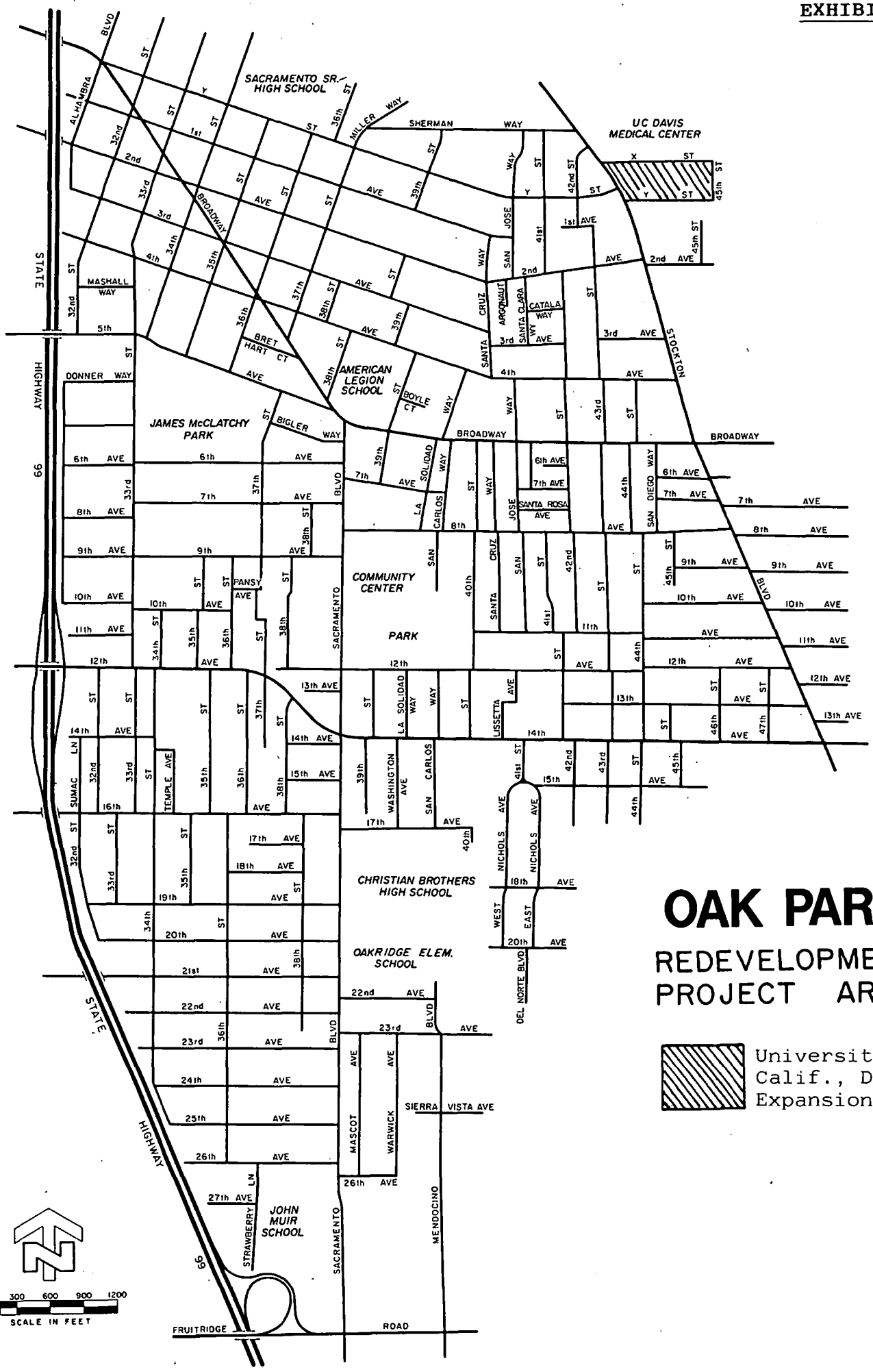
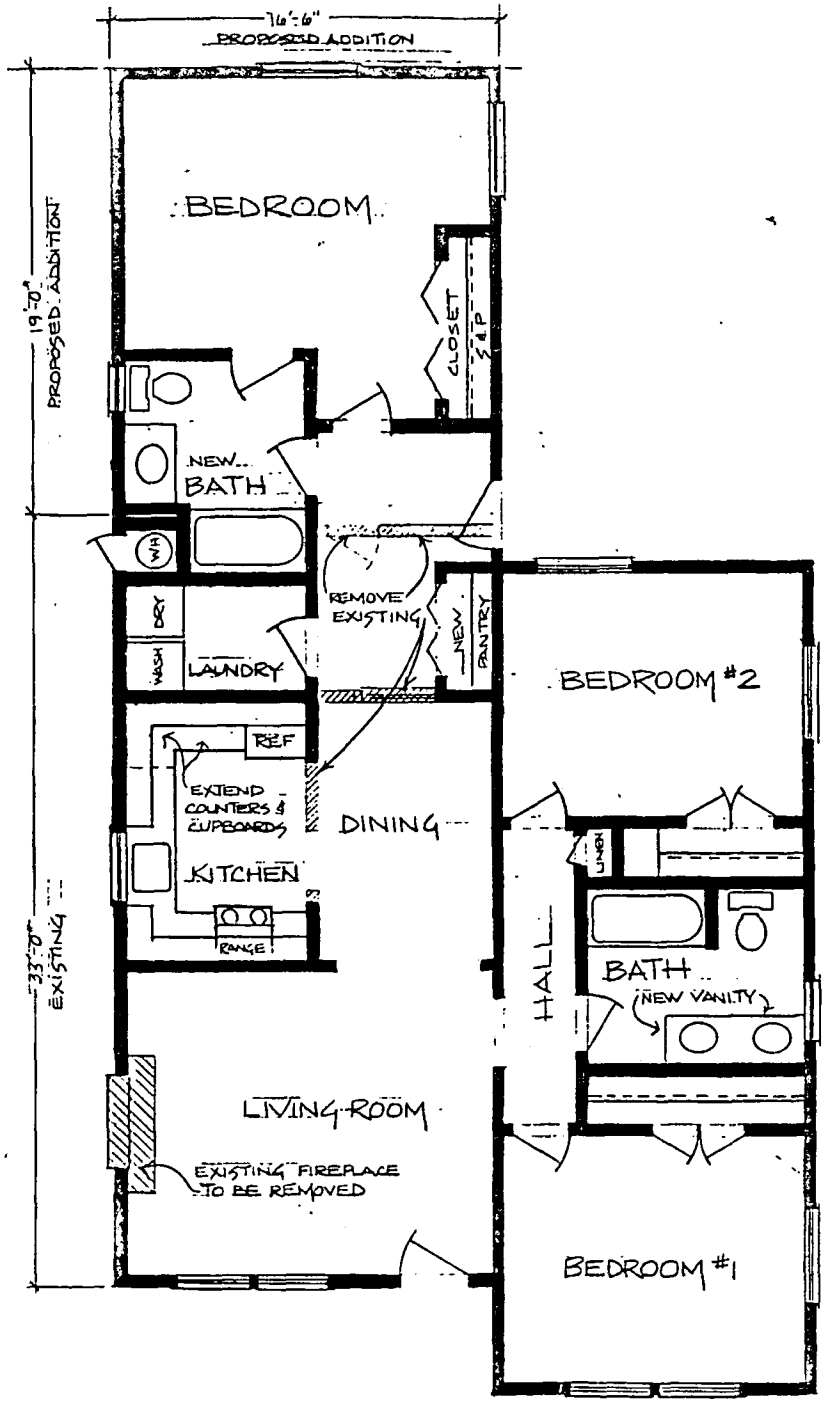
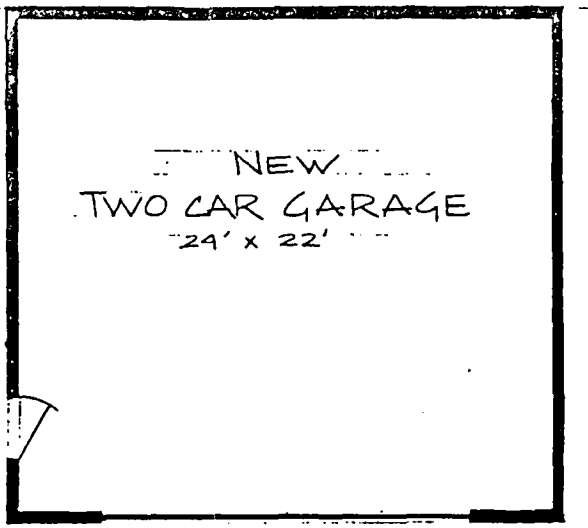


OAK PARK

REDEVELOPMENT PROJECT AREA

University of Calif., Davis Expansion Area





FLOOR PLAN

EXISTING / PROPOSED

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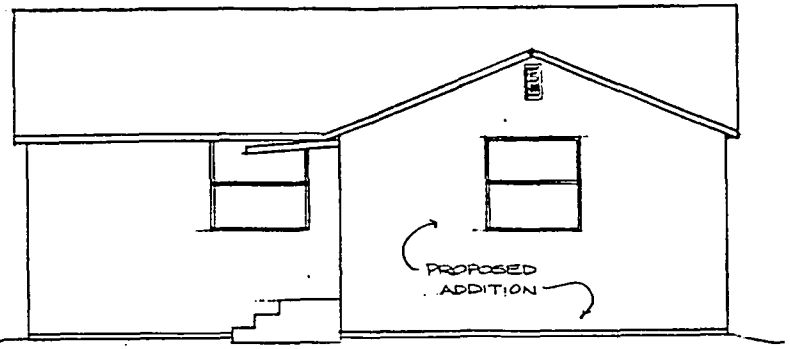
REVISIONS	BY

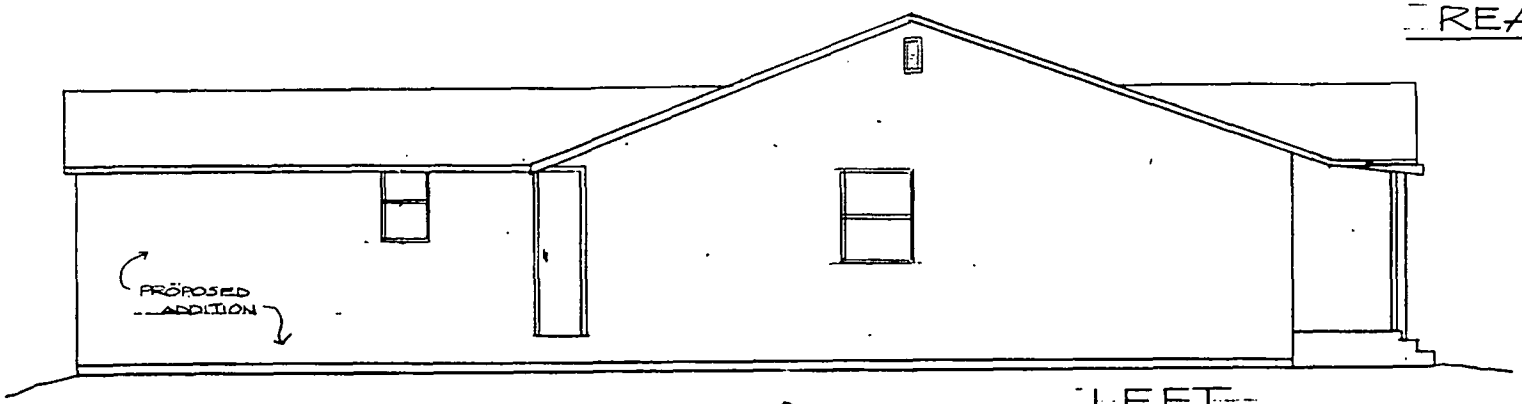
Date 2-4-8
Scale 1/4" = 1'
Drawn K.A.C.
Job
Sheet 2
Of 3 Sheets

EXHIBIT 4

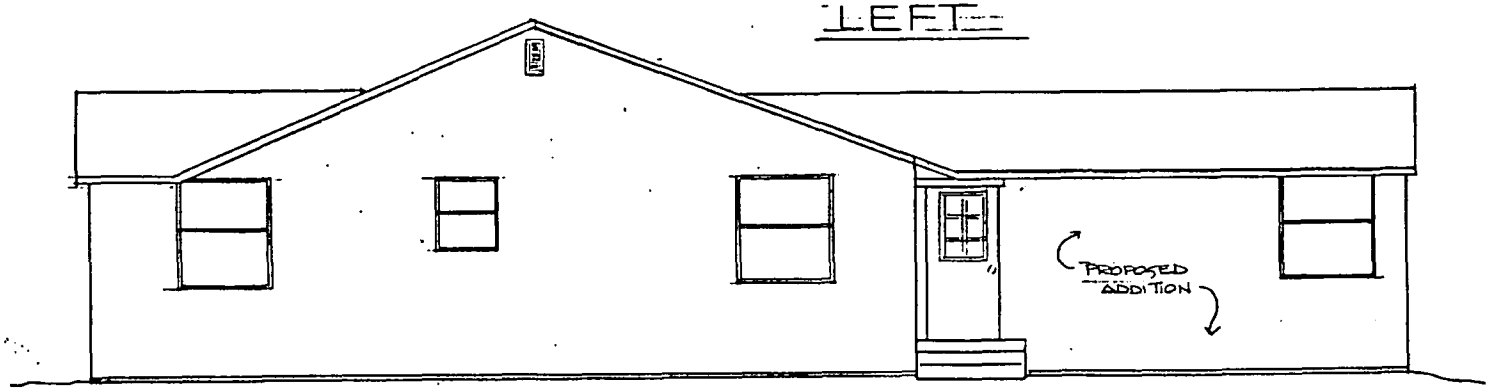
(10)



REAR



LEFT



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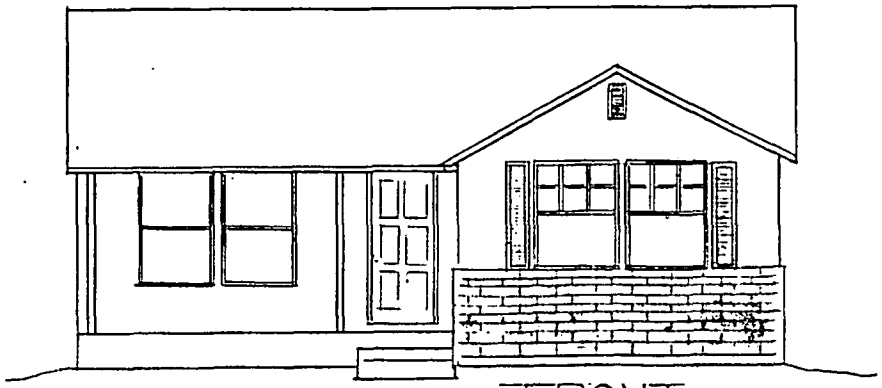

FRONT

ELEVATIONS
EXISTING / PROPOSED

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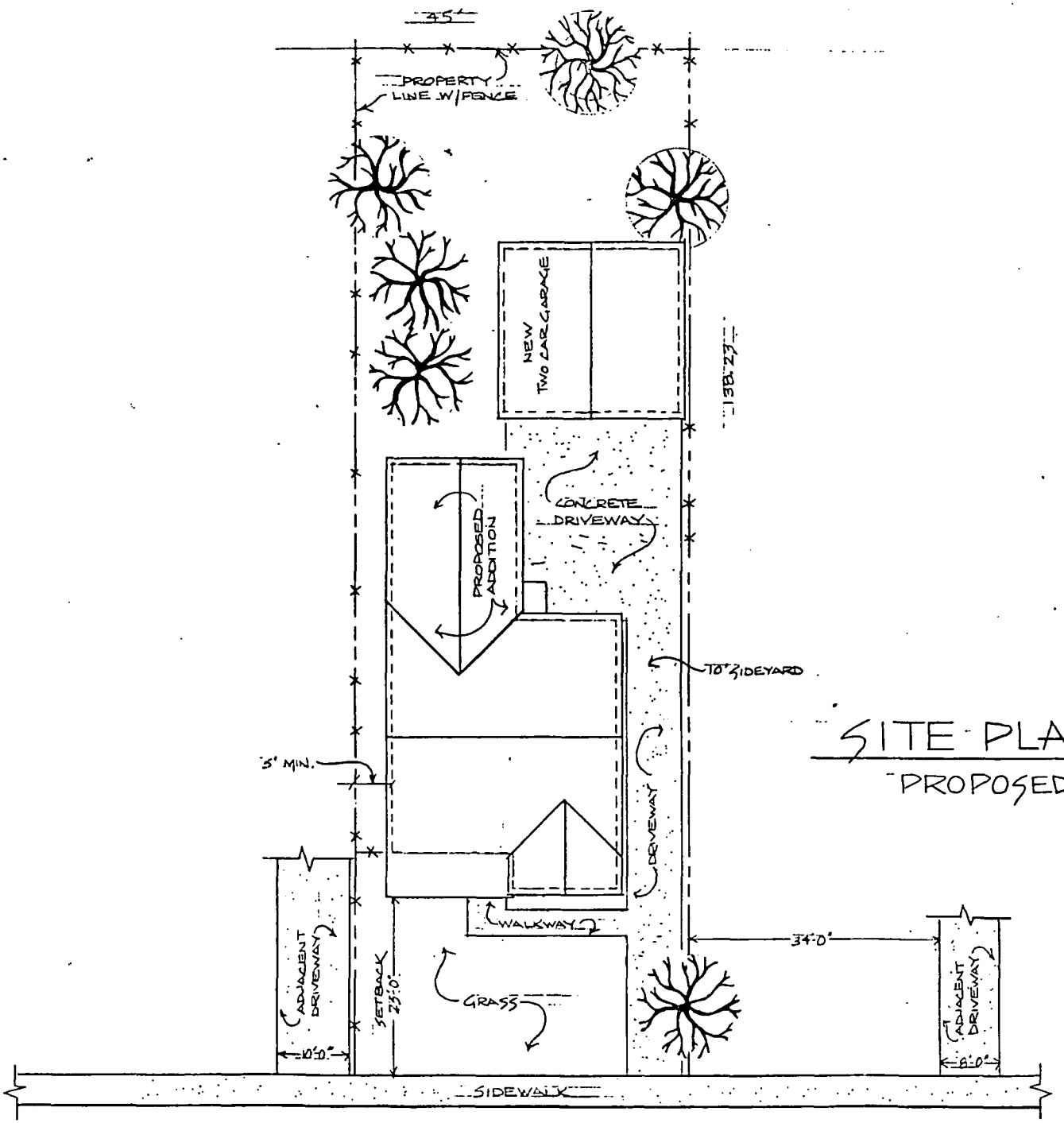
REVISIONS	BY

EXHIBIT 4

Date 6-4-89
Scale 1/4"=1'-0"
Drawn K. Cousin
Job
Sheet 3
Of 3 Sheet

(11)



SITE PLAN
PROPOSED

4535 11TH AVE.

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EXHIBIT 4

Date	6-4-89
Scale	1" = 1'-0"
Drawn	K COLKAN
Job	
Sheet	1
Of	3 Sheets

EXHIBIT 5

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11TH AVENUE HOUSE PROJECT COST COMPARISON

	2BR, 1BA MOVE-ON 1,050 sf.	2BR, 1BA NEW 1,050 sf.	3BR, 2BA MOVE-ON 1,400 sf.	3BR, 2BA NEW 1,400 sf.
LOT COST	$7,000	$7,000	$7,000	$7,000
LOT CLEARING,SITE PREP	$2,000	$2,000	$2,000	$2,000
HOUSE MOVE & FOUNDATION	$11,500	$0	$11,500	$0
GARAGE & DRIVEWAY	$5,000	$3,000	$5,000	$3,000
REHAB OF HOUSE	$20,000	$0	$20,000	$0
BEDROOM & BATH ADDITION	$0	$0	$15,000	$0
NEW HOUSE CONST. COSTS	$0	$42,000	$0	$56,000
FRONT YARD LANDSCAPING & FENCE	$1,500	$1,500	$1,500	$1,500
SCHOOL IMPACT FEES	$0	$1,350	$410	$1,800
BLDG/UTILITY PERMITS/FEES	$1,000	$1,800	$1,100	$2,000
FINANCING,CARRYING, CLOSING COSTS	$2,000	$2,100	$2,150	$2,200
TOTALS	$50,000	$60,750	$65,660	$75,500