

RESOLUTION NO. 2004-692

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF AUG 24 2004

**APPROVING HOUSING TRUST FUND LOAN TO HOUSING AUTHORITY OF THE CITY OF SACRAMENTO FOR GREENFAIR PROPERTY ACQUISITION**

WHEREAS, the U.S. Department of Housing and Urban Development is willing to sell its Greenfair property, which consists of 152 vacant and deteriorated housing units, to the Housing Authority of the City of Sacramento ("Authority") for \$1 in consideration of the Authority's commitment to redevelop this housing project in the future; and


WHEREAS, the cost of acquisition and possession of the Greenfair property for six months to allow the Authority to develop a redevelopment plan for this site will cost approximately \$200,000; and

WHEREAS, the Authority's plan to acquire and replace the existing Greenfair housing units to provide affordable homeownership housing is consistent with the City's Housing Trust Fund program because the units have been vacant for more than one year.

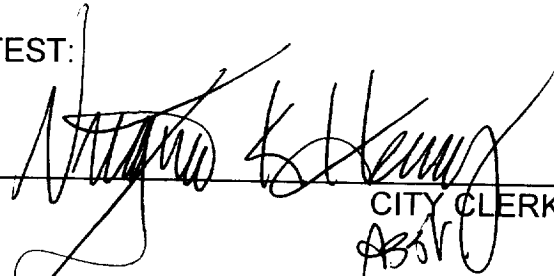
BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO:

Section 1. All of the 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 Sacramento Housing and Redevelopment Agency is authorized to execute loan documents for a \$200,000 acquisition and predevelopment loan with the Authority for the Greenfair property in accordance with the terms and conditions described in the staff report that accompanies this resolution.

  
\_\_\_\_\_  
MAYOR

ATTEST:

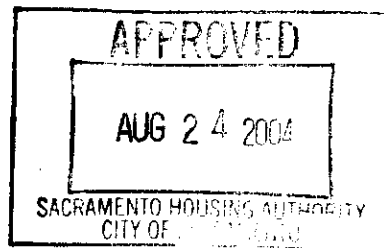
  
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CITY CLERK

FOR CITY CLERK USE ONLY

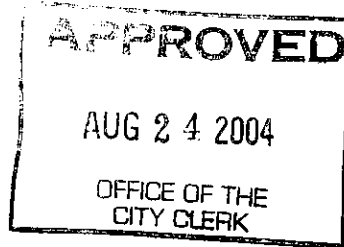
RESOLUTION NO.: 2004-692 (9)  
DATE ADOPTED: AUG 24 2004



**Sacramento  
Housing &  
Redevelopment  
Agency**



6-1



City Council and Housing Authority  
of the City of Sacramento  
Sacramento, California

Honorable Members in Session:

**SUBJECT: PURCHASE OF HUD OWNED PROPERTIES LOCATED AT  
GREENFAIR**

**LOCATION & COUNCIL DISTRICT**

Fairgrounds Drive, Arena Court, Broadway, Pavillion Court, Parade Court, and Fiesta Court (Attachment I)  
District 5

**RECOMMENDATION**

Staff recommends adoption of the attached resolutions which authorizes the Executive Director or her designee to:

- Acquire U.S. Department of Housing and Urban Development (HUD) owned properties (Attachment II) at the Greenfair development by the Housing Authority of the City of Sacramento for the purchase price of One Dollar;
- Approve a City Housing Trust Fund loan of \$200,000 to the Housing Authority of the City of Sacramento for acquisition, closing costs, and holding costs for the Greenfair project; and
- Authorize the Executive Director or her designee to execute all necessary documents to carry out the activities outline in the staff report.

**CONTACT PERSONS**

Cassandra H.B. Jennings, Deputy Executive Director, 440-1312  
Darren Bobrowsky, Director of Development Services, 440-1310

## **SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

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### **FOR COUNCIL MEETING OF – August 24, 2004**

#### **SUMMARY**

The U.S. Department of Housing and Urban Development (HUD) owns 152 properties at the Greenfair development which they are seeking to dispose of immediately. SHRA seeks to acquire these HUD properties for one dollar to ensure that the future development of this site will be locally controlled. Staff will report back within six months with a development plan for this site.

#### **BACKGROUND**

The Greenfair development is located on 11.36 acres on the north side of Broadway on Fairgrounds Drive. The project was originally developed under HUD's Operation Breakthrough program using experimental housing. Six different builders constructed the homes, all of which have had major failures except the 45 Christiana Western units. Attachment III illustrates the current ownership of Greenfair.

Over the past four years HUD has acquired, with voluntary sales, 152 properties in the Greenfair development due to the failing of the experimental building systems. In the area HUD had authorization to acquire, six property owners did not accept HUD's offer and they remain privately owned in the development.

HUD desires to dispose of the properties immediately and is prepared to sell the properties to the highest bidder. In lieu of selling HUD's interest in Greenfair to the highest bidder, SHRA has proposed to HUD and HUD has agreed that they will sell the properties to the Housing Authority for one dollar under the following conditions.

- Purchase the property no later than October 15, 2004;
- Offer low-income Christiana Western community homeowners a rehabilitation loan program to repair their homes exteriors;
- Ensure that at least 20 percent of the project will be affordable to low-income households;
- Reconstructing at least the same number of units by selecting the best development team for the Greenfair project in a timely manner;
- Evaluate and make recommendations to the current HOA structure and operations; and
- Provide for a first right to return, to the extent feasible, of prior Greenfair residents who owned and occupied the homes that were previously purchased by HUD or SHRA.

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Staff recommends that the Housing Authority purchase the HUD properties in Greenfair under the conditions described above. Within six months staff will return to the City Council with a plan of action to address the issues in redeveloping Greenfair into a homeownership community including the purchase of additional property to make future development viable, work with the homeowners association to reflect a more up to date organizational and operating structure, create an Agency loan program for low-income homeowners of the Christiana Western units to make exterior repairs, and the selection process for a development team to carry out the future development of Greenfair.

In order to purchase these properties, the Housing Authority will need to pay for the following closing and holding costs.

Escrow and Title Costs -	\$ 10,000
Homeowners Association dues (6 months) -	\$100,000
Preliminary predevelopment -	\$ 50,000
Contingency -	\$ 40,000
Total -	\$200,000

In order to provide for these costs, staff recommends the Agency provide the Housing Authority a zero percent interest loan from City Housing Trust Funds with a maximum of a five year term. Staff will return to Council within six months regarding additional Agency resources necessary for the redevelopment of Greenfair.

### **FINANCIAL CONSIDERATIONS**

Staff recommends providing the Housing Authority a \$200,000 City Housing Trust Fund loan at zero percent interest for 5 years to acquire HUD's interests in Greenfair, cover closing and holding costs, and conduct preliminary predevelopment work. This loan is consistent with the Housing Trust Fund requirements to acquire and rehabilitate (or replace) existing developments to produce affordable low-income housing.

### **POLICY CONSIDERATIONS**

The proposed actions are consistent with the Agency's goal of redeveloping distressed neighborhoods and providing affordable housing.

### **ENVIRONMENTAL REVIEW**

[This action to authorize funding to acquire residential property which is currently vacant for the purpose of replacing the same number of residential units on the same site with substantially the same size and capacity is exempt from environmental review under CEQA Guidelines Section 15302, The proposed action is categorically excluded from

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environmental review under NEPA regulations at 24 CFR Section 58.35 (a) (5), which exempts acquisition of land with existing vacant structures provided that the property will be retained for the same use and the property is currently zoned for such development. Once the future development project is further defined, that project will be subject to environmental review in accordance with CEQA and NEPA requirements.

**M/WBE CONSIDERATIONS**

Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding.

Respectfully submitted,

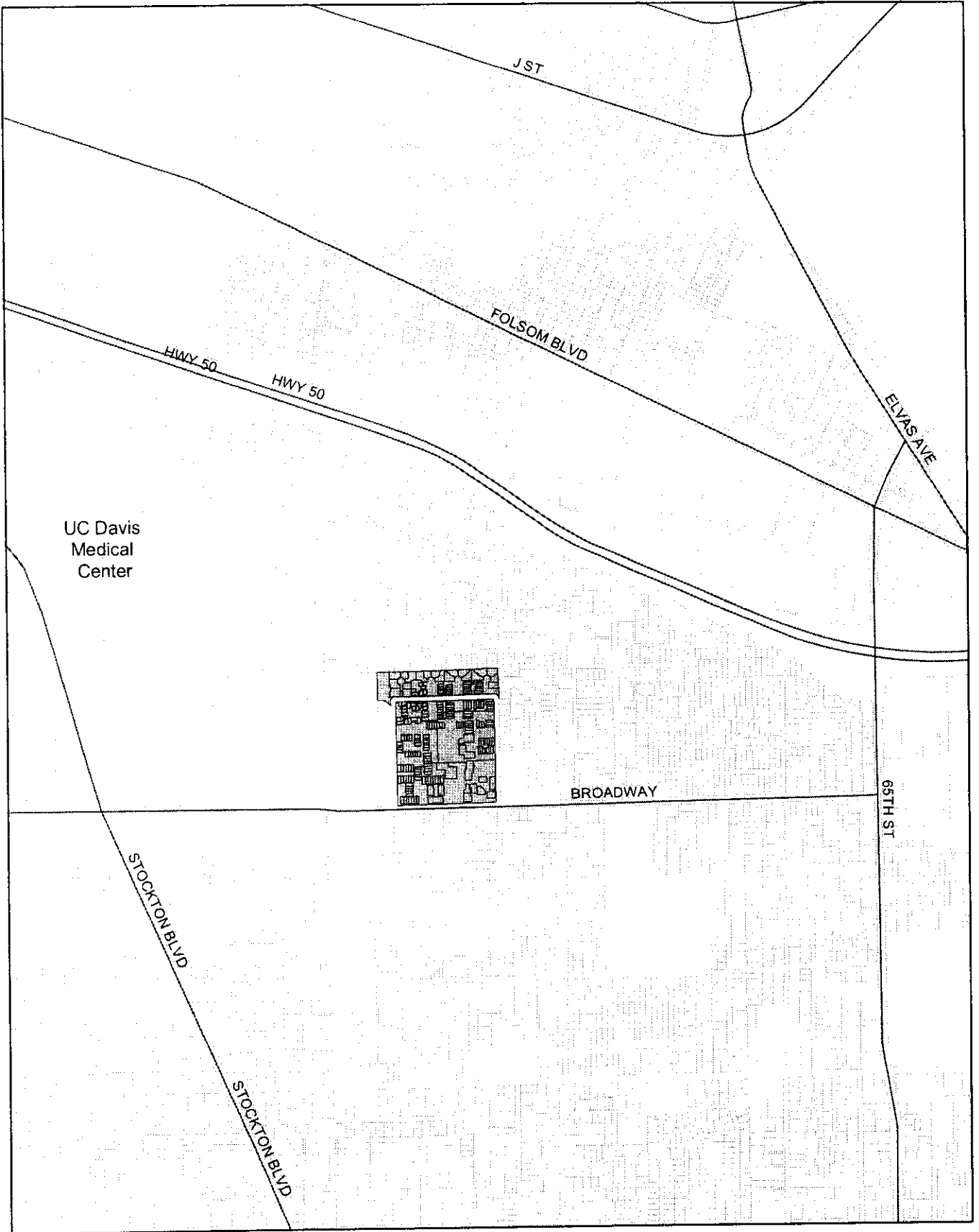


ANNE M. MOORE  
Executive Director

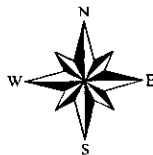
Transmittal approved,




ROBERT P. THOMAS  
City Manager



**Greenfair  
Location Map**



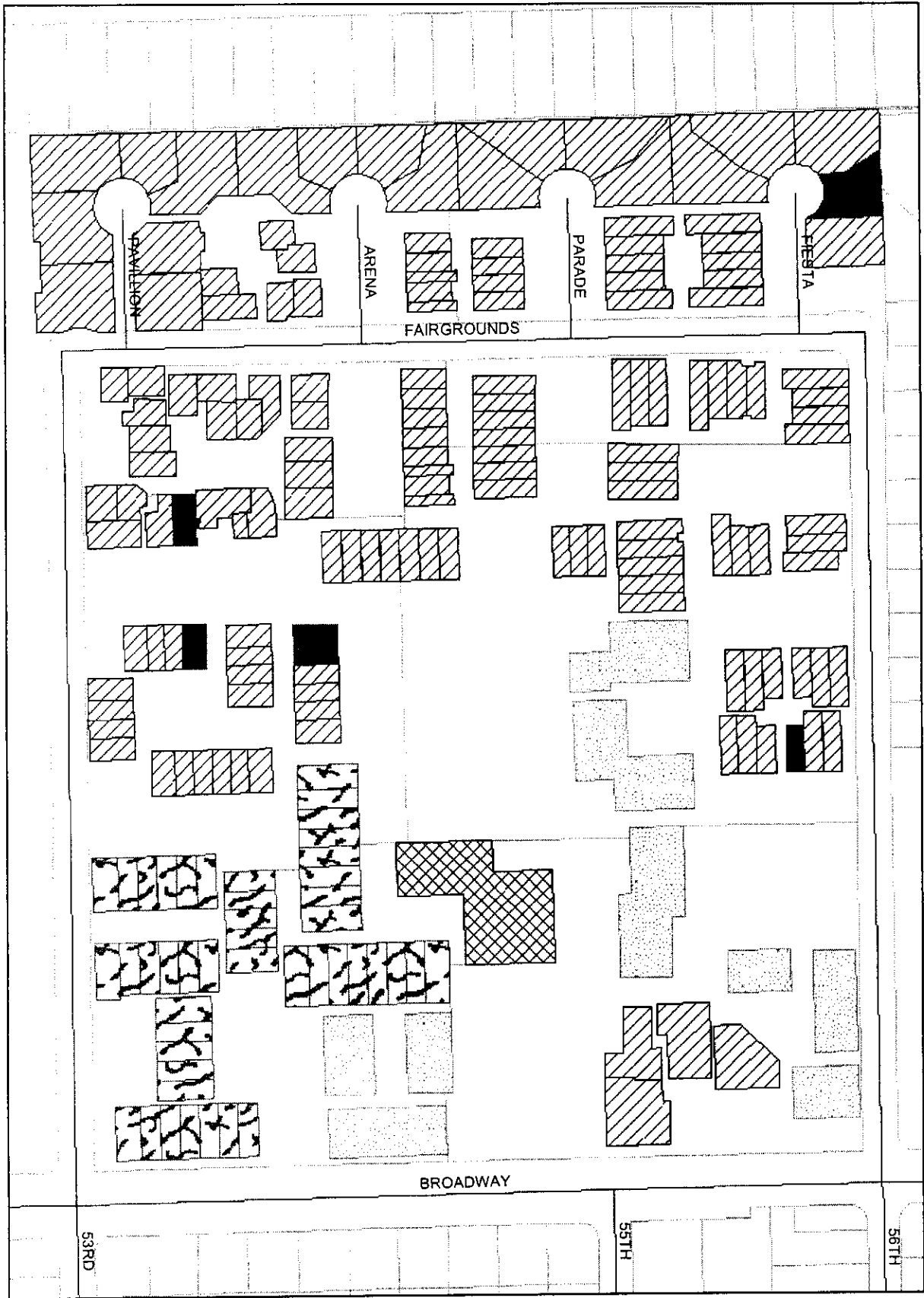
**Legend**

	Greenfair Location
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Address	APN		
		11 Arena Ct	011 0350 017
517 Fairgrounds Dr	001 0360 029	9 Arena Ct	011 0350 018
325 Fairgrounds Dr	011 0340 001	7 Arena Ct	011 0350 019
329 Fairgrounds Dr	011 0340 002	5 Arena Ct	011 0350 020
233 Fairgrounds Dr	011 0340 030	3 Arena Ct	011 0350 021
321 Fairgrounds Dr	011 0340 003	1 Arena Ct	011 0350 022
317 Fairgrounds Dr	011 0340 004	345 Fairgrounds Dr	011 0350 024
309 Fairgrounds Dr	011 0340 006	349 Fairgrounds Dr	011 0350 025
305 Fairgrounds Dr	011 0340 007	341 Fairgrounds Dr	011 0350 026
301 Fairgrounds Dr	011 0340 008	337 Fairgrounds Dr	011 0350 027
401 Fairgrounds Dr	011 0340 009	333 Fairgrounds Dr	011 0350 028
405 Fairgrounds Dr	011 0340 010	353 Fairgrounds Dr	011 0350 029
409 Fairgrounds Dr	011 0340 011	357 Fairgrounds Dr	011 0350 030
413 Fairgrounds Dr	011 0340 012	361 Fairgrounds Dr	011 0350 031
285 Fairgrounds Dr	011 0340 015	365 Fairgrounds Dr	011 0350 032
281 Fairgrounds Dr	011 0340 016	369 Fairgrounds Dr	011 0350 033
277 Fairgrounds Dr	011 0340 017	373 Fairgrounds Dr	011 0350 034
273 Fairgrounds Dr	011 0340 018	377 Fairgrounds Dr	011 0350 035
201 Fairgrounds Dr	011 0340 022	381 Fairgrounds Dr	011 0350 036
205 Fairgrounds Dr	011 0340 023	385 Fairgrounds Dr	011 0350 037
209 Fairgrounds Dr	011 0340 024	389 Fairgrounds Dr	011 0350 038
213 Fairgrounds Dr	011 0340 025	445 Fairgrounds Dr	011 0350 039
217 Fairgrounds Dr	011 0340 026	449 Fairgrounds Dr	011 0350 040
221 Fairgrounds Dr	011 0340 027	453 Fairgrounds Dr	011 0350 041
225 Fairgrounds Dr	011 0340 028	457 Fairgrounds Dr	011 0350 042
229 Fairgrounds Dr	011 0340 029	12 Fiesta Ct	011 036 0043
237 Fairgrounds Dr	011 0340 031	10 Parade Ct	011 0360 001
241 Fairgrounds Dr	011 0340 032	12 Parade Ct	011 0360 002
245 Fairgrounds Dr	011 0340 033	15 Parade Ct	011 0360 003
249 Fairgrounds Dr	011 0340 034	11 Parade Ct	011 0360 004
257 Fairgrounds Dr	011 0340 036	11 Fiesta Ct	011 0360 007
261 Fairgrounds Dr	011 0340 037	5 Fiesta Ct	011 0360 009
265 Fairgrounds Dr	011 0340 038	2 Fiesta Ct	011 0360 010
269 Fairgrounds Dr	011 0340 039	4 Fiesta Ct	011 0360 011
2 Pavillion Ct	011 0350 001	6 Fiesta Ct	011 0360 012
4 Pavillion Ct	011 0350 002	8 Fiesta Ct	011 0360 013
6 Pavillion Ct	011 0350 003	10 Fiesta Ct	011 0360 014
7 Pavillion Ct	011 0350 004	9 Parade Ct	011 0360 015
5 Pavillion Ct	011 0350 005	7 Parade Ct	011 0360 016
3 Pavillion Ct	011 0350 006	5 Parade Ct	011 0360 017
1 Pavillion Ct	011 0350 007	3 Parade Ct	011 0360 018
364 Fairgrounds Dr	011 0350 008	1 Parade Ct	011 0360 019
362 Fairgrounds Dr	011 0350 009	2 Parade Ct	011 0360 020
366 Fairgrounds Dr	011 0350 010	4 Parade Ct	011 0360 021
2 Arena Ct	011 0350 011	6 Parade Ct	011 0360 022
4 Arena Ct	011 0350 012	8 Parade Ct	011 0360 023
6 Arena Ct	011 0350 013	461 Fairgrounds Dr	011 0360 024
8 Arena Ct	011 0350 014	465 Fairgrounds Dr	011 0360 025
10 Arena Ct	011 0350 015	469 Fairgrounds Dr	011 0360 026
15 Arena Ct	011 0350 016	473 Fairgrounds Dr	011 0360 027

513 Fairgrounds Dr	011 0360 028	5513 Broadway	011 0380 007
521 Fairgrounds Dr	011 0360 030	5507 Broadway	011 0380 008
525 Fairgrounds Dr	011 0360 031	5503 Broadway	011 0380 009
529 Fairgrounds Dr	011 0360 032		
533 Fairgrounds Dr	011 0360 033		
537 Fairgrounds Dr	011 0360 034		
541 Fairgrounds Dr	011 0360 035		
545 Fairgrounds Dr	011 0360 036		
549 Fairgrounds Dr	011 0360 037		
553 Fairgrounds Dr	011 0360 038		
14 Fiesta Ct	011 0360 041		
509 Fairgrounds Dr	011 0370 011		
441 Fairgrounds Dr	011 0370 001		
597 Fairgrounds Dr	011 0370 021		
437 Fairgrounds Dr	011 0370 002		
433 Fairgrounds Dr	011 0370 003		
429 Fairgrounds Dr	011 0370 004		
417 Fairgrounds Dr	011 0370 005		
421 Fairgrounds Dr	011 0370 006		
425 Fairgrounds Dr	011 0370 007		
485 Fairgrounds Dr	011 0370 008		
481 Fairgrounds Dr	011 0370 009		
477 Fairgrounds Dr	011 0370 010		
493 Fairgrounds Dr	011 0370 011		
505 Fairgrounds Dr	011 0370 012		
501 Fairgrounds Dr	011 0370 013		
489 Fairgrounds Dr	011 0370 014		
497 Fairgrounds Dr	011 0370 016		
581 Fairgrounds Dr	011 0370 017		
585 Fairgrounds Dr	011 0370 018		
589 Fairgrounds Dr	011 0370 019		
593 Fairgrounds Dr	011 0370 020		
577 Fairgrounds Dr	011 0370 024		
573 Fairgrounds Dr	011 0370 025		
569 Fairgrounds Dr	011 0370 026		
557 Fairgrounds Dr	011 0370 027		
561 Fairgrounds Dr	011 0370 028		
565 Fairgrounds Dr	011 0370 029		
631 Fairgrounds Dr	011 0370 030		
625 Fairgrounds Dr	011 0370 031		
619 Fairgrounds Dr	011 0370 032		
613 Fairgrounds Dr	011 0370 033		
607 Fairgrounds Dr	011 0370 034		
601 Fairgrounds Dr	011 0370 035		
699 Fairgrounds Dr	011 0370 036		
693 Fairgrounds Dr	011 0370 037		
681 Fairgrounds Dr	011 0370 039		
675 Fairgrounds Dr	011 0370 040		
669 Fairgrounds Dr	011 0370 041		
5515 Broadway	011 0380 006		





# Greenfair Site Map



**Ownership Status**

Christiana Western	HUD Owned
HOA Community Room	Senior Rental
Holdouts	