

RESOLUTION NO. 2008-317

Adopted by the Sacramento City Council

May 20, 2008

GREENFAIR PROJECT: AUTHORIZE PURCHASE OF 8.8 ACRES OF HOME OWNER ASSOCIATION COMMON AREA PROPERTY FOR AN AMOUNT NOT SUBSTANTIALLY ABOVE APPRAISED FAIR MARKET VALUE; ALLOCATE \$3,000,000 FROM THE CITY HOUSING TRUST FUND TO HOUSING AUTHORITY OF CITY OF SACRAMENTO FOR ACQUISITION AND RELATED EXPENSES; RELATED BUDGET AMENDMENT

BACKGROUND

- A. In the early 1970's, the US Department of Housing and Urban Development ("HUD") sponsored construction of single and multi-family housing units at the Greenfair Project ("Greenfair"), generally located at Fairgrounds Drive and Broadway and designated the Greenfair Unit No. 1 subdivision, using experimental methods and materials of residential construction.
- B. Serious structural deficiencies led HUD in 1997 to begin voluntary acquisition of 152 of 158 substandard properties at Greenfair.
- C. HUD offered its Greenfair holdings to the Housing Authority of the City of Sacramento ("Housing Authority") for nominal consideration with requirement for satisfaction of specific development objectives.
- D. In September 2004, with due authorization, the Housing Authority acquired title to 152 parcels entitled for 164 dwelling units from HUD, using Housing Trust Funds, for intended future transfer to a qualified development team as a part of a larger development strategy.
- E. In March, May and August 2005, the Housing Authority purchased the six remainder units, using the proceeds of a loan of Home Investment Partnership Program ("HOME") funds, and obtained a further loan of HOME funds for holding expenses and demolition costs.
- F. In June 2005, the Housing Authority issued a Request for Qualifications ("RFQ") to seek a development team to purchase, design and develop a new home ownership project at Greenfair and a joint venture of three local residential developers, Greenfair Village Partners, LLC ("GVP") was selected.
- G. In January 2006, the Sacramento Housing and Redevelopment Agency ("Agency") entered into an Exclusive Right to Negotiate Agreement ("ERN") with GVP on behalf of the Housing Authority for the Greenfair Project, and in undertaking further studies and investigations GVP determined that it could not go forward with the project without assurances that it could acquire title to certain HOA common area.

- H. Agency identified approximately 8.8 acres of undeveloped HOA common area property ("Acquisition Property") which property surrounds, isolates or directly abuts Housing Authority properties and is needed for development of the Housing Authority properties, and Agency has obtained an independent appraisal of the value of the Acquisition Property.
- I. After such study, Agency and the Housing Authority desire to acquire the Acquisition Property for development with the Housing Authority properties.
- J. Acquisition of the Acquisition Property does not commit the Agency to proceed with a development project. California Environmental Quality Act ("CEQA") Guidelines Section 15004(b)(2)(A) allows for land acquisition where the Agency will conduct CEQA review once the proposed project has been defined when the acquisition does not limit the choice of alternatives or mitigation measures, and future development of the land is subject to CEQA compliance. Environmental review of the proposed project must be conducted once the scope of development of the property has been defined. Therefore, this action is exempt from environmental review under CEQA. The National Environmental Policy Act ("NEPA") does not apply.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. After due consideration of the facts presented, the findings, including the findings above, are approved.
- Section 2. The amount of \$3,000,000 is allocated from the Housing Trust Fund to the Agency or Housing Authority, as appropriate, for purchase of HOA Common Area property and for related expenses, including without limitation, legal, design, engineering and consultant services; transaction costs and escrow fees; and post-acquisition management and predevelopment activities, and the Agency budget is amended accordingly.
- Section 3. The Agency is authorized to act on behalf of the Housing Authority, whether in the name of the Agency or the Housing Authority, to offer to purchase and to purchase the Acquisition Property for an amount which does not substantially exceed its appraised fair market value.

Adopted by the City of Sacramento City Council on May 20, 2008 by the following vote:

Ayes: Councilmembers Cohn, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters.

Noes: None.

Abstain: None.

Absent: Councilmember Fong & Mayor Fargo.



Vice Mayor Steve Cohn

Attest:



Shirley Concolino, City Clerk