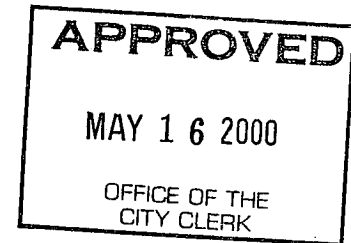




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May 3, 2000

Sacramento City Council  
Sacramento, California

Honorable Members in Session:

SUBJECT: PURCHASE OF FORECLOSED PROPERTIES UNDER DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S \$1 HOME SALES TO LOCAL GOVERNMENTS PROGRAM

**LOCATION & COUNCIL DISTRICT**

City

**RECOMMENDATION**

Staff recommends adoption of the attached resolutions which authorizes the Executive Director or her designee to purchase foreclosed properties in the City and County of Sacramento from the Federal Housing Administration (FHA) under the Department of Housing and Urban Development (HUD) \$1 Home Sales to Local Governments Program, to implement strategies consistent with the HUD \$1 Home Sales to Local Governments Program in the City and County of Sacramento, and to amend the Agency budget to appropriate \$500 in the City and \$500 in the County Homeownership Funds for purchase of the properties.

**CONTACT PERSONS**

Gregg Fortner, Director - Housing Authority, 440-1337  
Tim Jones, Assistant Director - Housing Authority, 440-1337

**FOR COUNCIL MEETING OF** May 16, 2000

## **SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

Housing Authority of the City of Sacramento  
May 16, 2000  
Page 2

### **SUMMARY**

The Department of Housing and Urban Development (HUD) launched a new initiative to sell local governments thousands of HUD-owned homes for \$1 each to benefit neighborhoods and create housing for families in need.

### **COMMISSION ACTION**

It is anticipated that at its meeting of May 3, 2000, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending approval of the attached resolutions. In the event they fail to do so, you will be advised prior to your May 16, 2000 meeting.

### **BACKGROUND**

On March 1, 2000, HUD announced the Good Neighbor Policy, now called the \$1 Home Sales to Local Governments Program as of April 28, 2000. Implementation of the policy is set to begin on May 1, 2000. Under the policy, single-family homes that are acquired in foreclosure actions by the Federal Housing Administration (FHA) will be eligible for sale to local governments for \$1 each whenever FHA is unable to sell the homes within six months. By selling vacant homes for \$1 after six months on the market, HUD will make it possible for local agencies to fix up the homes and put them to good use at considerable savings. The newly occupied homes can then act as catalysts for neighborhood revitalization, attracting new residents and businesses to the area.

Properties that are purchased can be sold or rented to low- and moderate-income families by the Housing Authority. To the extent other uses are proposed for the purchased properties, recommendations will be brought forward to the Council for action.

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

Housing Authority of the City of Sacramento  
May 16, 2000  
Page 3

**FINANCIAL CONSIDERATIONS**

The Agency budget will be amended to appropriate \$500 in the City and \$500 in the County Homeownership Funds to the Homeownership Purchase Project. Future financial considerations depend on designated use or disposition of purchased properties.

**POLICY CONSIDERATIONS**

The recommended action in this report is consistent with Agency policy. No policy changes are recommended.

**ENVIRONMENTAL REVIEW**

Acquisition and rehabilitation of single family housing is exempt from CEQA per Guidelines §15301, and categorically excluded from NEPA per 24 CFR Part 58.35(a)(6).

**M/WBE CONSIDERATIONS**

The items discussed in this report have no M/WBE impact, therefore M/WBE considerations do not apply.

Respectfully submitted,

  
ANNE M. MOORE  
Executive Director

Transmittal approved,



ROBERT P. THOMAS  
City Manager

**RESOLUTION NO. 2000-229**

**ADOPTED BY THE SACRAMENTO CITY COUNCIL**

ON DATE OF



**AUTHORIZATION TO IMPLEMENT THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT \$1 HOME SALES TO LOCAL GOVERNMENTS PROGRAM BY DESIGNATING THE HOUSING AUTHORITY OF THE CITY AND HOUSING AUTHORITY OF THE COUNTY AS THE LOCAL AGENCIES ELIGIBLE TO PURCHASE SINGLE-FAMILY HOMES FROM THE FEDERAL HOUSING ADMINISTRATION**

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

Section 1. That the Housing Authority of the City and the Housing Authority of the County are the designated local agencies eligible to implement the Department of Housing and Urban Development (HUD) \$1 Home Sales to local governments program.

Section 2. The Executive Director or her designee is authorized to implement strategies consistent with the HUD \$1 Home Sales to local governments program.

Section 3. The Executive Director or her designee is authorized to amend the Agency budget to appropriate \$500 from the City Homeownership Fund for the purchase of foreclosed properties in the City of Sacramento from the Federal Housing Administration under the under the HUD \$1 Home Sales to local governments program.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_



May 3, 2000

Housing Authority of the City Sacramento  
Sacramento, California

Honorable Members in Session:

SUBJECT: PURCHASE OF FORECLOSED PROPERTIES UNDER DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT'S GOOD NEIGHBOR POLICY

**LOCATION & COUNCIL DISTRICT**

City

**RECOMMENDATION**

Staff recommends adoption of the attached resolutions which authorizes the Executive Director or her designee to purchase foreclosed properties in the City and County of Sacramento from the Federal Housing Administration (FHA) under the Department of Housing and Urban Development (HUD) Good Neighbor Policy, to implement strategies consistent with the HUD Good Neighbor Policy in the City and County of Sacramento, and to amend the Agency budget to appropriate \$500 in the City and \$500 in the County Homeownership Funds for purchase of the properties.

**CONTACT PERSONS**

Gregg Fortner, Director - Housing Authority, 440-1337  
Tim Jones, Assistant Director - Housing Authority, 440-1337

**FOR COUNCIL MEETING OF** May 16, 2000

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the City of Sacramento

May 16, 2000

Page 2

### SUMMARY

The Department of Housing and Urban Development (HUD) launched a new initiative to sell local governments thousands of HUD-owned homes for \$1 each to benefit neighborhoods and create housing for families in need.

### COMMISSION ACTION

It is anticipated that at its meeting of May 3, 2000, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending approval of the attached resolutions. In the event they fail to do so, you will be advised prior to your May 16, 2000 meeting.

### BACKGROUND

On March 1, 2000, HUD announced the Good Neighbor Policy. Implementation of the policy is set to begin on May 1, 2000. Under the policy, single-family homes that are acquired in foreclosure actions by the Federal Housing Administration (FHA) will be eligible for sale to local governments for \$1 each whenever FHA is unable to sell the homes within six months. By selling vacant homes for \$1 after six months on the market, HUD will make it possible for local agencies to fix up the homes and put them to good use at considerable savings. The newly occupied homes can then act as catalysts for neighborhood revitalization, attracting new residents and businesses to the area.

Properties that are purchased can be sold or rented to low- and moderate-income families by the Housing Authority. To the extent other uses are proposed for the purchased properties, recommendations will be brought forward to the Council for action.

**RESOLUTION NO. \_\_\_\_\_**

**ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO**

ON DATE OF \_\_\_\_\_

**AUTHORIZATION TO IMPLEMENT THE FEDERAL HOUSING  
ADMINISTRATION GOOD NEIGHBOR POLICY BY CREATING THE HOUSING  
AUTHORITY HOMEOWNERSHIP PROJECT AND  
AUTHORIZATION TO PURCHASE SINGLE-FAMILY HOMES  
FROM THE FEDERAL HOUSING ADMINISTRATION**

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

Section 1. That the Executive Director or her designee is authorized to implement the Federal Housing Administration, "Good Neighbor Policy" by creating the "Housing Authority Homeownership Purchase Project" and is authorized to purchase single-family homes from the Federal Housing Administration under the Good Neighbor Policy.

Section 2. That the Executive Director or her designee is authorized to amend the Agency budget to appropriate \$500 from the City and \$500 from the County Homeownership Funds to the "Housing Authority Homeownership Purchase Project" for purchase of the properties from the Federal Housing Administration under the Good Neighbor Policy.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
**FOR CITY CLERK USE ONLY**

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_