



Consent 11

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the
City of Sacramento
Sacramento, California

October 27, 1981
SACRAMENTO HOUSING AUTHORITY
CITY OF SACRAMENTO

CITY MANAGER'S OFFICE
RECEIVED
NOV 18 1981

Honorable Members in Session:

NOV 24 1981
SUBJECT: Agency Response to HUD Annual Management Review
Report: Kennedy Estates

SUMMARY

Attached is the Agency's response to the Department of Housing and Urban Development (HUD) list of corrective action to be taken by the Agency related to the Annual Management Review Report of the Kennedy Estates housing project.

BACKGROUND

Each year, HUD representatives conduct a management review of Agency property to determine the physical condition of the properties. This HUD annual review is in addition to the weekly property inspections that are part of the Agency's Management/Maintenance Inspection Program.

In August, 1981, HUD staff inspected the Kennedy Estates Housing Project and cited various findings that require Agency action (See Exhibit I).

The Agency response to each of these findings including an explanation of each item and its corrective action is covered in the response to HUD (See Exhibit I). Work orders have been issued for maintenance items and administrative actions have been taken by the Agency.

FINANCIAL DATA

There is no financial impact of the proposed action because all maintenance/administrative expenses are to be provided from the current Agency budget funds. The estimated amount for required maintenance repairs is \$240.00.

RECOMMENDATION

The staff recommends that the Agency responses to the HUD Management Review Report of the Kennedy Estates housing project

11-24-81
D-6

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the
City of Sacramento
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be accepted and approved.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slipe
WALTER J. SLIPE City Manager

| | | | | |
|--|-------------------------|---|--|--|
| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOUSING - FEDERAL HOUSING COMMISSIONER MANAGEMENT REVIEW REPORT Use this form to summarize findings made on the Management Review Questionnaire (HUD-9834B) | | INSTRUCTIONS 1. For each item reviewed, check block A, M, or I. Fully describe corrective action needed for each M or I item checked. A = Acceptable M = Management to correct within 1 year; I = Items requiring immediate action. 2. After discussing items with owner or management agent, indicate in the Target Completion Date (TCD) column the estimated completion date. | | Page 1 of 3 pages DATE OF INSPECTION 8/20/81 DATE OF THIS REPORT 9/24/81 |
| PROJECT NUMBER 136-35484 | SECTION OF ACT 221D4 | NAME OF MANAGEMENT AGENT Owner - Shra | | |
| PROJECT STATUS (Check applicable box): <input type="checkbox"/> Insured <input checked="" type="checkbox"/> HUD-Meld <input type="checkbox"/> MIP <input type="checkbox"/> HUD-Ownec | | MANAGEMENT TERM N/A thru ___/___/___ | | |
| PURPOSE OF REPORT (Check applicable boxes): <input type="checkbox"/> Routine <input checked="" type="checkbox"/> Limited Review <input type="checkbox"/> Comprehensive Review <input type="checkbox"/> Troubled Project Analysis <input type="checkbox"/> Close-out of Relief Plan | | NAME OF RESIDENT MANAGER Edna Williams | | |
| TYPE OF PROJECT <input type="checkbox"/> Subsidized <input type="checkbox"/> Unsubsidized | | DATE HIRED 8/78 Kennedy 4/70 SHRA | | |
| PROJECT NAME AND ADDRESS Kennedy Estates 6351 Elder Creek Road Sacramento, CA | | REPORT BASED UPON <input checked="" type="checkbox"/> On-Site interview with: Ron Barz <input type="checkbox"/> HUD occupancy review on 8/18 <input type="checkbox"/> HUD physical inspection on ___/___/___ <input type="checkbox"/> Visited agent's office with: | | |

| A. MAINTENANCE AND SECURITY | | | | A | M | I | TCD |
|--|--|--|--|---|---|---|-----------|
| 1. General Physical Appearance | | | | X | | | 4/1/82 |
| 2. Work Scheduling | | | | | | | |
| 3. Preventive Maintenance | | | | X | | | 8/1/82 |
| 4. Unit Inspections | | | | X | | | 4/1/82 |
| 5. Vacant Unit Preparation | | | | X | | | 8/1/82 |
| 6. Equipment and Inventory Controls | | | | | | | |
| 7. Procurement and Supply Practices | | | | | | | |
| 8. Security Program | | | | X | | | |
| 9. Energy Conservation | | | | | | | |
| 10. Maintenance and Security Rating <input type="checkbox"/> Superior <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory | | | | | | | |
| B. FINANCIAL MANAGEMENT | | | | A | M | I | TCD |
| 11. Accounting and Bookkeeping | | | | | | | |
| 12. Budget Management | | | | | | | |
| 13. Cash Controls | | | | X | | | |
| 14. Cost Controls | | | | | | | |
| 15. Submission of Reports | | | | | | | |
| 16. Financial Compliance | | | | | | | |
| 17. Rental Collection | | | | X | | | |
| 18. Accounts Receivable/Payable | | | | | | | |
| 19. Reserves and Escrow | | | | | | | |
| 20. Financial Management Rating <input type="checkbox"/> Superior <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory | | | | | | | |
| C. LEASING AND OCCUPANCY | | | | A | M | I | TCD |
| 21. Tenant Selection and Orientation | | | | X | | | |
| 22. Vacancy and Turnover | | | | | | | |
| 23. Leases and Deposits | | | | | | | |
| 24. Rent Schedule Compliance | | | | | | | X 12/1/81 |
| D. TENANT/MANAGEMENT RELATIONS | | | | A | M | I | TCD |
| 25. Application Processing | | | | X | | | |
| 26. Recertification System | | | | X | | | |
| 27. Monthly Vouchers | | | | | | | |
| 28. Eviction Procedures | | | | | | | |
| 29. Tenant Files and Records | | | | X | | | |
| 30. Leasing and Occupancy Rating <input type="checkbox"/> Superior <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory | | | | | | | |
| E. GENERAL MANAGEMENT PRACTICES | | | | A | M | I | TCD |
| 31. Tenant Participation | | | | X | | | |
| 32. Provision of Tenant Services | | | | | | | |
| 33. Use of Community Space | | | | | | | |
| 34. Tenant Satisfaction | | | | | | | |
| 35. Tenant/Management Relations Rating <input type="checkbox"/> Superior <input type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory | | | | | | | |
| 36. Owner Participation | | | | X | | | |
| 37. Organization and Supervision | | | | | | | |
| 38. Staffing and Personnel Practices | | | | | | | |
| 39. Operating Procedures and Manuals | | | | X | | | |
| 40. Training | | | | X | | | |
| 41. Office Administration | | | | X | | | |
| 42. Insurance and Bonding | | | | | | | |
| 43. Management Plan and Agreement | | | | X | | | |
| 44. General Management Practices Rating <input type="checkbox"/> Superior <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory | | | | | | | |
| 45. RATING OF OVER-ALL MANAGEMENT OPERATION (Check applicable box): <input type="checkbox"/> Superior <input checked="" type="checkbox"/> Satisfactory <input type="checkbox"/> Below Average <input type="checkbox"/> Unsatisfactory | | | | | | | |

| | | | |
|---|--|--|--|
| REPORT PREPARED BY NAME Freddie D. Bell <i>Freddie D. Bell</i> TITLE Loan Specialist DATE 9/24/81 | | REPORT APPROVED BY NAME Susie Downing <i>Susie Downing</i> TITLE Chief Loan Management Branch DATE 9/24/81 | |
|---|--|--|--|

| ITEM NO. | For each M and I item checked, describe findings and give recommendation for correction. Explain any "Below Average" or "Unsatisfactory" rating. Use Continuation Sheets (HUD-9834-A) if necessary. | DATE COMPLETION VERIFIED |
|----------|--|--------------------------|
| 1 & 4 | Finding: Our inspection reveals that several maintenance items are in need of immediate attention. Attached is a list of repairs necessary in the apartments, the laundry rooms and the community building inspected at the time of this management review. I. 6501-#1 1. <u>Install</u> - Towel bar above sink in 2nd floor bath. 2. <u>Miscellaneous</u> - Remove existing caulking. Recaulk edges around entire tub including at tub base. II 6501 - #4 Replace missing window screen in kitchen sink. | |

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HOUSING - FEDERAL HOUSING COMMISSIONER

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CONTINUATION SHEET -- MANAGEMENT REVIEW REPORT

DATE OF INSPECTION
8/20/81

PROJECT NAME

Kennedy Estates

PROJECT NUMBER

136-35484

DATE OF THIS REPORT
9/24/81ITEM
NO.DESCRIPTION OF PROBLEMS AND RECOMMENDATIONS FOR CORRECTION OR IMPROVEMENT
(Continuation from Page 1, HUD-9834)DATE
COMPLETION
VERIFIED1 &
4III. 6521 #3

1. Install - Stove and refrigerator.
2. Replace - lower broken dining area window.
3. Repair - hole in bedroom closet wall.
4. Miscellaneous - Clean the apartment.

IV. 6521 #8 - all carpeting in apartment is currently being replaced except in front entry and hallway leading to bath. Replace the carpeting in front entry and hallway with new matching carpeting also.

V. 6525 #3

1. Install - New wall receptacle cover plates throughout the apartment where they are missing or damaged.
2. Repair - Kitchen garbage disposal to make operable.
3. Miscellaneous - Water drains slowly from sink and tub in bath. Clean out and/or repair drains to provide proper drainage.

VI 6527 #3

Plumbing under second floor bath sink leaks.
Repair - Plumbing

VII. 6529 #1

Recaulk above tub in second floor bath.

VIII. Rear Laundry Room - Clean interior walls. Repaint

IX. Rental Office and Community Building

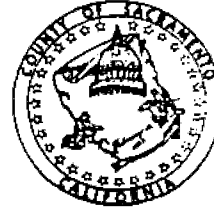
1. Replace - Broken storeroom window and exterior trim above recreation area rear double doors.
 2. Miscellaneous - Tack down lower edge of exterior finish to door leading from rear yard to kitchen. Paint and weatherstrip the door exterior. If these items cannot be done replace existing door and weatherstrip the replacement. Also repaint exterior of recreation room double doors and adjoining trim.
- 3 Finding: Although the subject project has been recently painted there are no provisions, including a painting schedule or a painting reserve, currently made to provide for the timely painting of the project in the future

Recommendation: Submit a painting schedule for our review. In addition, upon submission of your next rental increase, also request simultaneously the establishment of a painting reserve. The request should also include the estimated annual cost of the proposed set-aside.

- 5 Finding: Vacant unit preparation has improved tremendously over the period between the 1980 Management Review and the current one. However, the current average turn around time of 31 days is still excessive.

Recommendation: Please continue your efforts to lower the turn around time between the vacating and rerenting of units at the project.

| U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOUSING - FEDERAL HOUSING COMMISSIONER | | Page 3 of 3 Pages |
|--|---|-------------------------------|
| CONTINUATION SHEET -- MANAGEMENT REVIEW REPORT | | DATE OF INSPECTION 8/20/81 |
| PROJECT NAME | PROJECT NUMBER | DATE OF REPORT |
| Kennedy Estates | 136-35484 | 9/24/81 |
| ITEM NO. | DESCRIPTION OF PROBLEMS AND RECOMMENDATIONS FOR CORRECTION OR IMPROVEMENT <i>(Continuation from Page 1, HUD-9834)</i> | DATE COMPLETION VERIFIED |
| 24 | <p><u>Finding:</u> Apartment #6511, #3 is still used as the rental office for Kennedy Estates in addition to the one in the community building. This does not appear on the approved Rental Schedule Form, HUD 92458, for the project.</p> <p><u>Recommendation:</u> Please revise the current Rental Schedule Form, HUD 92458 to show under "other income producing space", the apartment converted to office use and the amount of rent the apartment is producing. Also forward a copy of the current lease to the local HUD office for our records.</p> <p><u>General Observation:</u> We note that there has been an overall improvement in the occupancy percentage, the turn around time from vacancy to rereenting of the vacated units and the overall maintenance of the project grounds.</p> | |



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

October 29, 1981

Ms. Susie Downing
 Chief Loan Management Branch
 Dept. of Housing and Urban Development
 545 Downtown Plaza, Suite 250
 Sacramento, CA 95814

Dear Ms. Downing:

The following responses relate the findings indicated in the HUD Management Review Report of September 24, 1981 for the Kennedy Estates Housing project.

Items 1 and 4

Finding I. 6501 Elder Creek #1

1. Install towel bar above sink in 2nd floor bath.
 Work order has been issued.
2. Remove existing caulking. Recaulk edges around entire tub including at tub base.
 Work order has been issued.

Finding II. 6501 Elder Creek #4

1. Replace missing window screen over kitchen sink.
 Work order has been issued.

Finding III. 6521 Elder Creek #3

1. Install stove and refrigerator.
2. Replace lower broken dining area window.
3. Repair hole in bedroom closet wall.
4. Clean the apartment.

This unit was vacant at the time of inspection. All the

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Ms. Downing
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above required work was done at the time of the second inspection done by the Maintenance Department.

Finding IV. 6519 Elder Creek #8

1. All carpeting in apartment is currently being replaced except in front entry and hallway leading to bath. Replace the carpeting in front entry and hallway with new matching carpeting also.

Work order has been issued.

Finding V. 6525 Elder Creek #3

1. Install new wall receptacle cover plates throughout the apartment where they are missing or damaged.

Work order has been issued.

2. Repair kitchen garbage disposal to make operable.

Work order has been issued.

3. Water drains slowly from sink and tub in bath. Clean out and/or repair drains to provide proper drainage.

Work order has been issued.

Finding VI. 6527 Elder Creek #3

1. Plumbing under second floor bath sink leaks.

Work order has been issued.

Finding VII. 6529 Elder Creek #1

1. Recaulk above tub in second floor bath.

Work order has been issued.

Finding VIII. Rear Laundry Room

1. Clean interior walls and repaint.

Work order has been issued.

Finding IX. Rental Office and Community Building

1. Replace broken storeroom window and exterior trim above recreation area near double doors.

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Ms. Downing
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October 29, 1981

Work order has been issued.

2. Tack down lower edge of exterior finish to door leading from rear yard to kitchen. Paint and weatherstrip the door exterior. If these items cannot be done, replace existing door and weatherstrip the replacement. Also repaint exterior of recreation room double doors and adjoining trim.

Work order has been issued.

Finding 3:

Submission of a painting schedule and establishment of a painting reserve.

Response

A painting schedule has been submitted (see Attachment A) and a painting reserve will be established at the next request for rent increases.

Finding 5:

Unit turnover time is excessive.

Response

Every effort is being made to develop a faster turn around period on vacancies. Some of the actions being taken are requesting applications prior to unit readiness and contracting for some maintenance work.

Finding 24:

Submission of HUD 92458 form and a current lease agreement.

Response

The Kennedy Office has been included on Rental Schedule Form, HUD 92458 (see Attachment B). The submission of this form is also being considered as our lease agreement since it does include the rent paid for the use of the unit for office space.

This concludes the responses to all findings. If I can be of further assistance, please contact me.

Sincerely,



ROBERT F. SMITH
Deputy Executive Director

RES/MC/drn

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

PAINTING SCHEDULE - Kennedy Estates

Exterior Painting

Kennedy Estates exterior was painted approximately four (4) years ago. Current projection for exterior painting of Kennedy Estates would be 1984-85.

Interior Painting

Interior painting at Kennedy Estates is currently based on vacant unit turnover only. From January to June, 1981, nine (9) units have been completely painted. We project that eighteen (18) to twenty (20) units will be painted next year.

The cost for the exterior painting is projected to be \$49,000. The cost of interior painting of 18 to 20 units is projected to be \$4,700.

NETAL SCHEDULE FOR INCOME PRODUCING SPACE-DWELLINGS NOT INCLUDING FURNITURE RENTS:

| Type of Unit | Unit Composition (Insert Description)* | Column 1 | | | Column 2 | | | Column 3 | | |
|--------------|--|--------------|-------------|----------------------|--------------|-------------|----------------------|----------|-------------|----------------------|
| | | No. of Units | Rental Rate | Total Monthly Income | No. of Units | Rental Rate | Total Monthly Income | PBE | Rental Rate | Total Monthly Income |
| Bedroom | 1 bedroom | 24 | 153 | 3672 | | | | 21 | | 3672 |
| | L.R. | | | | | | | | | |
| | K | | | | | | | | | |
| | B | | | | | | | | | |
| Bedroom | 2 bedroom | 32 | 180 | 5760 | | | | 27 | | 5760 |
| | L.R. | | | | | | | | | |
| | K | | | | | | | | | |
| | B | | | | | | | | | |
| Bedroom | 3 bedroom | 24 | 212 | 5088 | | | | 32 | | 5088 |
| | L.R. | | | | | | | | | |
| | K | | | | | | | | | |
| | B | | | | | | | | | |
| Bedroom | 4 bedroom | 19 | 234 | 4446 | | | | 37 | | 4446 |
| | L.R. | | | | | | | | | |
| | K | | | | | | | | | |
| | B | | | | | | | | | |
| TOTALS → | | 99 | | \$ 18,966 | | | \$ | | | \$ 18,966 |

USE THE FOLLOWING SYMBOLS:
 L.L - LIVING UNIT K - KITCHEN
 L.R - LIVING ROOM KETTE - KITCHENETTE
 DR - DINING ROOM BR - BEDROOM
 DA - DINING ALCOVE B - BATH

EXAMPLE: LR - DA - K - 3 BR - 1 B

| | |
|---|------------|
| TOTALS FROM COL. 1 | \$ 18,966 |
| TOTALS FROM COL. 2 | \$ |
| TOTAL UNITS AND GROSS MONTHLY DWELLING INCOME | \$ 18,966 |
| GROSS POTENTIAL ANNUAL DWELLING RENT INCOME | \$ 230,400 |

EQUIPMENT AND SERVICES INCLUDED IN RENT: (Check Appropriate Items)

| | | | |
|--------------------------------------|--|--|---|
| EQUIPMENT - | <input checked="" type="checkbox"/> Ranges (Gas or Elec.) | <input checked="" type="checkbox"/> Disposal | <input checked="" type="checkbox"/> Hot Water |
| | <input checked="" type="checkbox"/> Refrig. (Gas or Elec.) | <input type="checkbox"/> Dishwasher | <input type="checkbox"/> Air Conditioning |
| | <input checked="" type="checkbox"/> Air Cond. (Equip. Only) | <input checked="" type="checkbox"/> Carpet | <input type="checkbox"/> Hot Water |
| | <input checked="" type="checkbox"/> Kitchen Exhaust Fan | <input checked="" type="checkbox"/> Drapes | <input type="checkbox"/> Air Conditioning |
| | <input checked="" type="checkbox"/> Laundry Facilities | <input type="checkbox"/> Other (Specify) | <input type="checkbox"/> Lights, etc. in Unit |
| OTHER INCOME PRODUCING SPACE: | OTHER FUEL: <input type="checkbox"/> Heat <input checked="" type="checkbox"/> Hot Water | | |
| | <input checked="" type="checkbox"/> WATER <input type="checkbox"/> OTHER | | |

| Type | No. in Project | Number of Units & Unit Rent Per Month | | | | | | | |
|---------|----------------|---------------------------------------|-------|----------|----|-------|----|-------|----|
| | | Units | \$ | Units | \$ | Units | \$ | Units | \$ |
| Garage | N/A | | | N/A | | | | | |
| Storage | | | | | | | | | |
| Office | Project Office | 1 | 4 br. | \$250.00 | | | | | |

NON-REVENUE PRODUCING DWELLING SPACES:

| Composition of Unit (Insert Description) | No. of Each Type Unit | Per Annum Rental Value Assigned. Unit Type | Use (Janitor, Office, Resident Manager, etc.) |
|--|-----------------------|--|---|
| | | 1 | |
| | | | |
| | | | |

I hereby certify that (1) the information contained on page 1 and 2 is complete, correct, in accordance with the owner's records, and (2) no increases in approved dwelling rentals will be made without prior written consent of HUD.

Date: _____ Signature: WILLIAM H. EDGAR, Interim Executive Director
(His corporation must be executed by President or Vice President)