



*Cassid*  
13

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

October 5, 1981

CITY MANAGER'S OFFICE  
**RECEIVED**  
OCT 7 1981

Housing Authority of the  
City of Sacramento  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Agency Response to HUD Annual Inspection Reports:  
Ping Yuen Center

### SUMMARY

Attached is the Agency's responses to the Department of Housing and Urban Development of corrective action taken by the Agency as they relate to HUD findings at the Ping Yuen Center housing project.

### BACKGROUND

Each year, HUD representatives inspect various housing projects on a random spot check basis to determine physical condition of the properties. In August 1981, HUD inspected the Ping Yuen Center housing project. The attached findings (Exhibit A) were submitted to the Agency for correction. Only three items in the review called for minor repairs related to administrative adjustments to our current procedures. Agency staff has reviewed the findings and has responded to each of them as indicated in the attached report (Exhibit B).

### FINANCIAL DATA

The financial expenditures involved are those necessary to correct the HUD findings. These include the roof replacement, a budgeted item of \$25,754, and the estimated maintenance expenditures of approximately \$120. These expenditures are covered by the Agency's general operating budget.

**APPROVED**  
SACRAMENTO HOUSING AUTHORITY  
— CITY OF SACRAMENTO

**OCT 13 1981**

10-13-81  
D-1

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the  
City of Sacramento  
Page Two

October 5, 1981

RECOMMENDATION

The staff recommends that the Agency responses to the HUD findings be accepted and approved.

Respectfully submitted,



WILLIAM H. EDGAR  
Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slife  
WALTER J. SLIFE, City Manager

13

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOUSING - FEDERAL HOUSING COMMISSIONER <b>MANAGEMENT REVIEW REPORT</b> 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. Mortgage Status (Check applicable boxes): <input checked="" type="checkbox"/> Current under mortgage <input type="checkbox"/> Delinquent under mortgage <input type="checkbox"/> Foreclosure in process <input type="checkbox"/> Current under workout/modification <input type="checkbox"/> Delinquent under workout/modification		Page 1 of 1 pages DATE OF INSPECTION August 18, 1981 DATE OF THIS REPORT September 10, 1981 NAME OF MANAGEMENT AGENT Owner - SHRA MANAGEMENT TERM / / thru / / NAME OF MANAGER Bob Wiedman 446-7814 DATE HIRED 1969
PROJECT NUMBER 136-44010-NP	SECTION OF ACT 236	PURPOSE OF REPORT (Check applicable boxes) <input type="checkbox"/> Insured <input type="checkbox"/> HUD-Held <input type="checkbox"/> MIP <input type="checkbox"/> HUD-Owned <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		
TYPE OF PROJECT <input checked="" type="checkbox"/> Subsidized <input type="checkbox"/> Unsubsidized		REPORT BASED UPON <input checked="" type="checkbox"/> On-Site interview with Mr. Stephen Mr. Shape <input type="checkbox"/> Mr. Wiedman <input type="checkbox"/> Visited agent's office with:		
PROJECT NAME AND ADDRESS Ping Yuen Center 430 I Street Sacramento, California		<input type="checkbox"/> HUD occupancy review of <input type="checkbox"/> HUD physical inspection on		

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

REPORT PREPARED BY NAME: Freddie Bell TITLE: Loan Specialist DATE: 9/11/81		REPORT APPROVED BY NAME: Susie Downing TITLE: Chief, Loan Management Branch DATE:	
---	--	--	--

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) as necessary.	DATE COMPLETION VERIFIED
1	Finding: Roof tiles on parapets have been removed, leaving area formerly covered unprotected. Recommendation: Replace missing roof tile throughout project roof area where the tiles were recently removed.	
3	Finding: No written preventative maintenance schedule for project on-site or at area manager's office. Exterior siding and trim, although masonry, will require painting as the project ages. Recommendation: Keep copy of maintenance program at project site and/or in area manager's office. Also post schedule of servicing machines in machine room. Upon submission of your next rent increase, collect	

EXHIBIT A

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT HOUSING - FEDERAL HOUSING COMMISSIONER		Page 2 of 2 Pages
CONTINUATION SHEET - MANAGEMENT REVIEW REPORT		DATE OF INSPECTION 8/18/81
PROJECT NAME Ping Yuen Center	PROJECT NUMBER 136-44010-NP	DATE OF THIS REPORT 9/10/81
ITEM NO.	DESCRIPTION OF PROBLEMS AND RECOMMENDATIONS FOR CORRECTION OR IMPROVEMENT <i>(Continuation from Page 1, HUD-9834)</i>	DATE COMPLETION VERIFIED
3	<p><u>Recommendation:</u> Continued:</p> <p>simultaneously, the establishment of a painting reserve specifying the proposed amount to be set aside annually.</p>	
5	<p><u>Finding:</u> Vacated unit preparation and re-renting time is excessive. The turnaround time period on the most recently vacated units are averaging between 16 and 20 days.</p> <p><u>Recommendation:</u> A diligent effort must be made to lower this time significantly since vacancies will affect the viability of the project.</p>	
12	<p><u>Finding:</u> No annual operating budget available for project on-site. Project due for rental increase to defray demonstrated operating expenses. The commercial areas are in a period of transition in which the SHRA, according to documents recently reviewed by this office, is to increase the rents of current tenants and obtain new tenants to occupy the vacant spaces.</p> <p><u>Recommendation:</u> Keep an annual operating budget in the area manager's office for his review. If project has no budget, establish one. Submit request for rental increase in a timely manner in accordance with outstanding instructions for subsidized projects. Also complete commercial rent-up program to insure the viability of the project.</p>	
4	<p><u>Findings:</u> Apt. #302 - water seepage in northeast and northwest corners of front northwest bedroom; damaged floor tile located near center of front northwest bedroom.</p> <p><u>APT. #317</u> - Garbage disposal not operating; light switch in southeast rear bedroom not working.</p> <p><u>Recommendation:</u> Apt #302 - after roof replacement reseal and repaint water damaged areas. Replace damaged floor tile in northwest corner of bedroom.</p> <p><u>APT #317</u> - Repair or replace garbage disposal; check wall plugs in southeast rear bedroom. Repair as necessary to make operable.</p>	



EXHIBIT B 13

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

September 28, 1981

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

Dear Ms. Downing:

With reference to your letter of September 10, 1981 relating to the Physical Inspection Report of the Ping Yuen Center, the enclosed responses are submitted:

Finding 1:

Roof tiles on parapets have been removed, leaving area formerly covered unprotected.

Reply:

A contract for the replacement of roof tiles will be awarded by October 1, 1981 and work will commence immediately.

Finding 3:

No written preventative maintenance schedule for project on-site or at area manager's office. Exterior siding and trim, although masonry, will require painting as the project ages.

Reply:

A Preventive Maintenance Program does exist at the Ping Yuen Center for the residential units as follows:

1. Filter replacements of heaters and air conditioning units and kitchen vent fans once a year;
2. Complete exterminating program of all common areas and individual units once a year. Also, all common areas and garbage areas are sprayed once each month.

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Ms. Downing  
Page Two

September 28, 1981

3. All floors are stripped and waxed quarterly.

Staff is in the process of developing a schedule for preventive maintenance work which will be posted in the Area Manager's office. Also, some exterior painting will be considered in next year's budget preparation.

### Finding 5:

Vacated unit preparation and re-renting time is excessive. The turnaround time period on the most recently vacated units are averaging between 16 and 20 days.

### Reply:

Staff is making every effort to reduce turnaround time by lining up prospective residents prior to the return of the unit from Maintenance and by completing all necessary work as soon as possible.

### Finding 12:

No annual operating budget available for project on-site. Project due for rental increase to defray demonstrated operating expenses. The commercial areas are in a period of transition in which the SHRA, according to documents recently reviewed by this office, is to increase the rents of current tenants and obtain new tenants to occupy the vacant spaces.

### Reply:

Staff is in the process of providing Area Managers with budget status reports for their projects. These reports will indicate the amount of the operating budget, expenditures to date and unexpended operating balances for major budget accounts. Also, staff is now reviewing needs for rental increases in both the residential and commercial sections of the project.

### Finding 4:

Apt. #302 - water seepage in northeast and northwest corners of front northwest bedroom; damaged floor tile located near center of front northwest bedroom. Apt. #317 - garbage disposal not operating; light switch in southeast rear bedroom not working.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Ms. Downing  
Page Three

September 28, 1981

Reply:

Service requests have been issued on these findings  
and they will be corrected accordingly.

This concludes the Agency's responses to each finding. If  
you need further information, please contact Michael Capitano,  
Chief of Housing Management of our staff.

Sincerely,

*William H. Edgar*

WILLIAM H. EDGAR  
Interim Executive Director

WHE/MC/drn