



**REPORT TO HOUSING AUTHORITY OF THE CITY  
AND REDEVELOPMENT AGENCY OF THE CITY  
City of Sacramento**

915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

CONSENT  
**November 22, 2005**

Honorable Chair and  
Members of the Housing Authority of the City of Sacramento and the Redevelopment  
Agency of the City of Sacramento

**Subject:** Lease Agreement, Loan and Budget Amendment for Repairs at the Aid in Kind  
Residence Program operated by Volunteers of America (VOA) located at 470 Bannon  
Street.

**Location/Council District:** 470 Bannon Street, Richards Boulevard  
Redevelopment Area (District 1)

**Housing Authority Recommendation:**

Adopt a Resolution 1) amending the Agency budget to allocate \$150,000 from Housing  
Authority Mortgage Revenue Bond funds for repairs and roof replacement at 470  
Bannon Street; 2) approving the loan to the Redevelopment Agency for the repairs at  
the 470 Bannon Street facility.

**Redevelopment Agency Recommendation:**

Adopt a Resolution 1) approving the rehabilitation loan; 2) authorizing the Executive  
Director or her designee to carry out all activities, including but not limited to solicitation  
and award of the construction contracts, required to accomplish the repairs at the 470  
Bannon Street facility and 3) authorizing the Executive Director or her designee to enter  
into a lease agreement with the Department of Human Assistance of the County or  
Volunteers of America or both, for use and maintenance of the facility.

**Contact:** Larry Goins, Acting Director of Program Operations, 440-1314  
Donna Melendez, Management Analyst, 440-1322  
Paul Blumberg, Sr. Management Analyst, 808-7204  
**Presenters:** Larry Goins, Acting Director of Program Operations, SHRA  
Donna Melendez, Management Analyst, SHRA  
**Department:** Sacramento Housing and Redevelopment Agency (SHRA)  
**Division:** Program Operations, Design and Construction  
**Organization No:** Not applicable

**Summary:** The actions recommended in this report will provide the authority to carry  
out all actions necessary to complete needed repairs of the 470 Bannon Street facility to  
allow for continued use until the Phase II social service complex is constructed on North  
A Street.

(1)

## Lease Agreement and Budget Amendment for Repairs at 470 Bannon Street Facility

This report requests allocation of \$150,000 of Housing Authority (HA) Mortgage Revenue Bonds (MRB) for the project and authority to enter into a lease agreement with the current tenant for its on-going use and maintenance.

### **Committee/Commission Action:**

At its meeting November 16, 2005, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Burns, Burruss, Coriano, Fowler, Gore, Hoag, Piatkowski, Shah, Simon, Stivers.

NOES: None.

ABSENT: Gale.

### **Background Information:**

The property at 470 Bannon Street (Attachment I – Site Map) is the Aid in Kind Residence Program operated by Volunteers of America (VOA) which provides shelter to approximately 60 single adults for up to 24 months. The property is owned by the Redevelopment Agency of the City of Sacramento and is located in the Richards Boulevard redevelopment area (Attachment II – Redevelopment Area map). The County currently contracts with VOA for program operations and services at the 470 Bannon Street facility. Since 1994, the County Department of Human Assistance (DHA) and VOA have occupied this facility as part of an agreement with the Agency to administer homeless and other social service programs. The facility is in need of substantial repairs in order to safely house the current residents.

This report recommends that the Agency provide \$150,000 in necessary repairs to the 35-year old building including replacement of the roof, water heaters and shower valves. In addition the Agency will enter into a lease agreement with DHA or VOA or both, that identifies the maintenance and use agreement for the facility. The County will continue to administer its program operations agreement with VOA.

The City's Economic Development Department is working with the County on a financing plan to construct a replacement building on North A Street. That effort is not anticipated to be completed for three years or more, and the existing building must be serviceable and maintained during the interim. With the construction of new program facilities, this property will ultimately be sold and redeveloped to a use that comports with the Richards Boulevard Redevelopment Plan and Implementation Strategy. Some of the proceeds will repay the loan for repair, if the property is sold within five years; otherwise the loan is to be repaid with Richards Boulevard tax increment funds.

### **Financial Considerations:**

Staff recommends a loan of \$150,000 from Housing Authority Mortgage Revenue Bonds (MRB) funds to the Redevelopment Agency to accomplish the needed repairs.

Lease Agreement and Budget Amendment for Repairs at 470 Bannon Street Facility

This report requests allocation of \$150,000 of Housing Authority (HA) Mortgage Revenue Bonds (MRB) for the project and authority to enter into a lease agreement with the current tenant for its on-going use and maintenance.

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ABSENT:

**Background Information:**

The property at 470 Bannon Street (Attachment I – Site Map) is the Aid in Kind Residence Program operated by Volunteers of America (VOA) which provides shelter to approximately 60 single adults for up to 24 months. The property is owned by the Redevelopment Agency of the City of Sacramento and is located in the Richards Boulevard redevelopment area (Attachment II – Redevelopment Area map). The County currently contracts with VOA for program operations and services at the 470 Bannon Street facility. Since 1994, the County Department of Human Assistance (DHA) and VOA have occupied this facility as part of an agreement with the Agency to administer homeless and other social service programs. The facility is in need of substantial repairs in order to safely house the current residents.

This report recommends that the Agency provide \$150,000 in necessary repairs to the 35-year old building including replacement of the roof, water heaters and shower valves. In addition the Agency will enter into a lease agreement with DHA or VOA or both, that identifies the maintenance and use agreement for the facility. The County will continue to administer its program operations agreement with VOA.

The City's Economic Development Department is working with the County on a financing plan to construct a replacement building on North A Street. That effort is not anticipated to be completed for three years or more, and the existing building must be serviceable and maintained during the interim. With the construction of new program facilities, this property will ultimately be sold and redeveloped to a use that comports with the Richards Boulevard Redevelopment Plan and Implementation Strategy. Some of the proceeds will repay the loan for repair, if the property is sold within five years; otherwise the loan is to be repaid with Richards Boulevard tax increment funds.

**Financial Considerations:**

Staff recommends a loan of \$150,000 from Housing Authority Mortgage Revenue Bonds (MRB) funds to the Redevelopment Agency to accomplish the needed repairs.

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Lease Agreement and Budget Amendment for Repairs at 470 Bannon Street Facility

The loan shall carry a three percent annual interest rate and will be repaid from proceeds from the sale of the property, due upon sale or from Richards Boulevard tax increment revenues in five years, whichever comes first. It is expected that the eventual sale of the property will allow for repayment of the loan to the Housing Authority. Any additional sales proceeds shall be returned to the Redevelopment Agency for redevelopment activities in the Richards Boulevard redevelopment area.

**Environmental Considerations:**

The proposed actions to repair this existing facility involving roof replacement and additional repairs is exempt from environmental review per CEQA Guidelines Section 15301 since there is no expansion of use. NEPA does not apply.


**Policy Considerations:**

The actions recommended in this report are consistent with the Richards Boulevard Redevelopment Plan and 2005-09 Implementation Plan, and with Agency policies. No new policies are being recommended.

**M/WBE Considerations:**

Minority and Women's Business Enterprise requirements will be applied to all activities only to the extent required by Federal funding and necessary to maintain such funding.

Respectfully Submitted

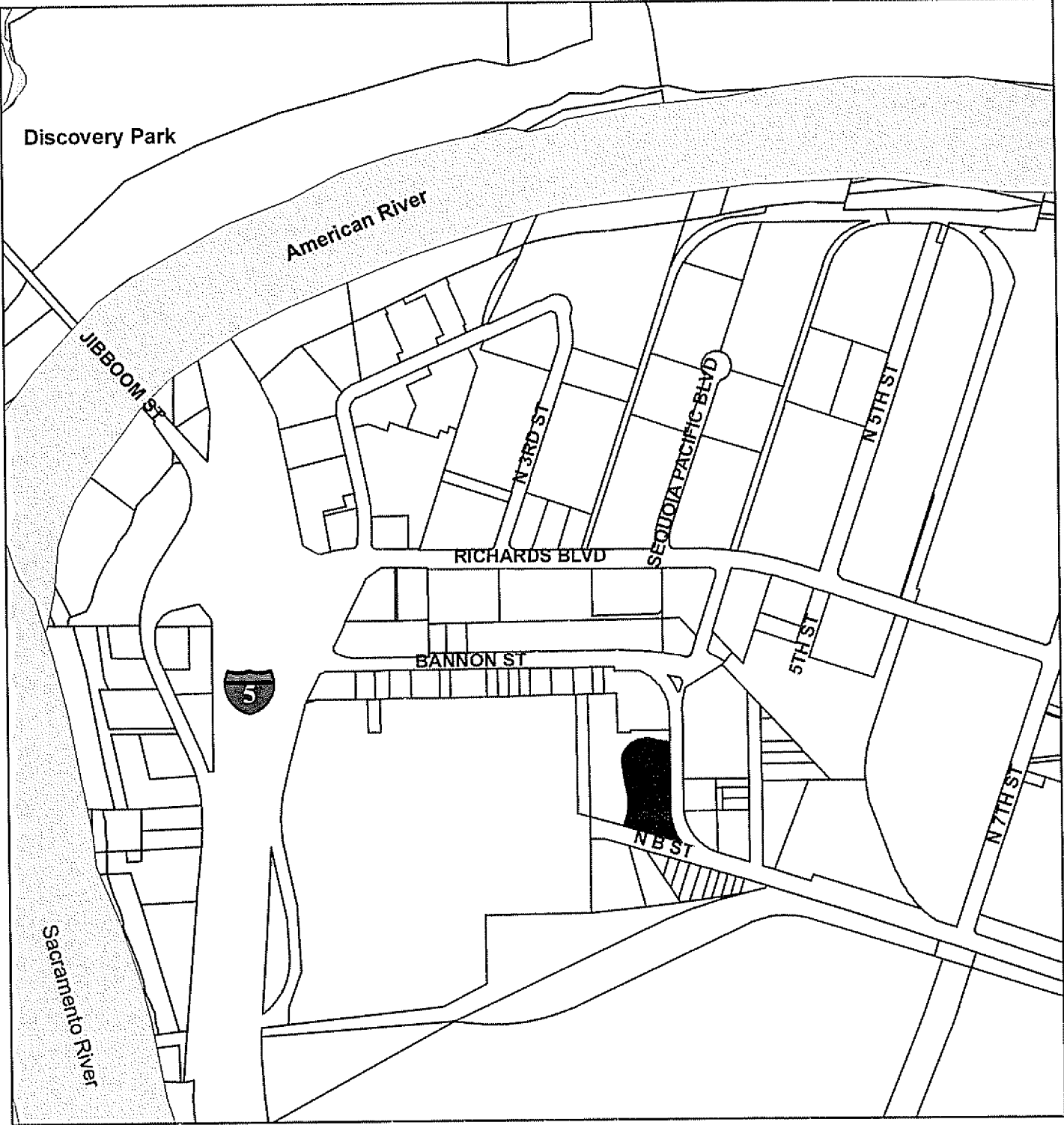
  
ANNE M. MOORE  
Executive Director

Recommendation Approved:

  
ROBERT P. THOMAS  
City Manager

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**470 Bannon Street**  
**APN 001 0061 026**

RD-S

11/01/2005

**Legend**

 Subject Property



0 250 500 750 1,000 Feet







**470 Bannon Street**


**Richards Boulevard  
Redevelopment Area**

RD-6 11/01/2005

**Legend**

 Richards Boulevard RDA



  
**Sacramento  
Housing &  
Redevelopment  
Agency**

# RESOLUTION NO. \_\_\_\_\_

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF

## 470 BANNON STREET; AMENDMENT OF AGENCY BUDGET AND APPROVAL OF \$150,000 LOAN AGREEMENT WITH THE REDEVELOPMENT AGENCY OF THE CITY FOR FACILITY REPAIRS

### BACKGROUND

- A. The failure of the roof, water heater, and shower valves at the 470 Bannon Street facility require immediate replacement.
- B. The cost of \$150,000 for repairs of the facility was not anticipated in the current Agency Budget.
- C. The Housing Authority desires to loan Mortgage Revenue Bond funds to the Redevelopment Agency to accomplish the needed repairs, so that the facility can appropriately serve the needs of its residents.

### BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. After due consideration of the facts presented, the findings, including the environmental findings regarding this action are approved.
- Section 2. The Executive Director or her designee is authorized to amend the Agency budget to allocate \$150,000 from Housing Authority Mortgage Revenue Bond funds to the Redevelopment Agency of the City for rehabilitation of the 470 Bannon Street facility.
- Section 3. The Executive Director or her designee is authorized to enter into a \$150,000 loan agreement with the Redevelopment Agency for the project. The loan shall carry a three percent annual interest rate and will be repaid from proceeds from the sale of the property, due upon sale, or from Richards Boulevard tax increment revenues due in five years, whichever comes first. Proceeds from the expected sale of the property will repay the loan, with any additional proceeds going to the Redevelopment Agency for redevelopment activities in the Richards Boulevard Redevelopment Project Area.

# RESOLUTION NO. \_\_\_\_\_

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

**470 BANNON STREET; AUTHORITY TO ENTER INTO A \$150,000 LOAN AGREEMENT WITH THE HOUSING AUTHORITY AND TO UNDERTAKE ALL ACTIVITIES NECESSARY TO ACCOMPLISH FACILITY REPAIRS AND TO ENTER INTO A LEASE AGREEMENT FOR USE AND MAINTENANCE OF THE FACILITY**

## BACKGROUND

- A. The Redevelopment Agency desires to accomplish the required replacement and repairs to the 470 Bannon Street facility.
- B. The Redevelopment Agency desires to enter into a \$150,000 Loan Agreement with the Housing Authority to fund the project.
- C. The Redevelopment Agency desires to enter into a Lease Agreement with the County Department of Human Assistance, or Volunteers of America, or both, to continue to provide shelter for approximately 60 single, homeless adults and to ensure appropriate use and maintenance of the facility for the term of the agreement.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:**

Section 1. After due consideration of the facts presented, the findings, including the environmental findings regarding this action are approved.

Section 2. The Executive Director or her designee is authorized to enter into a \$150,000 Loan Agreement with the Housing Authority to accomplish rehabilitation of the facility at 470 Bannon Street. The loan shall carry a three percent annual interest rate and is due in five years or upon sale of property, whichever comes first. Proceeds from the expected sale of the property will repay the loan, with any additional proceeds going to the Redevelopment Agency for redevelopment activities in the Richards Boulevard redevelopment area.

Section 3. The Executive Director or her designee is authorized to undertake all activities, including but not limited to the solicitation for and award of a construction contract, necessary to accomplish the rehabilitation project.