



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



3

February 27, 1990

Budget and Finance Committee  
of the City Council  
Sacramento, CA

Honorable Members in Session:

SUBJECT: Amendment No. 37 to Annual Contributions Contract  
SF-391 - CAL 5-25, Purchase and Rehabilitation Program

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Housing Authority of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolution approving the contract amendment.

Respectfully submitted,

*Robert E. Smith*  
FOR  
ROBERT E. SMITH  
Executive Director

TRANSMITTAL TO COMMITTEE:

*Jack R. Crist*  
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JACK R. CRIST  
Deputy City Manager

Attachment



# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



March 6, 1990

Housing Authority of the  
City of Sacramento  
Sacramento, CA

Honorable Members in Session

SUBJECT: Amendment No. 37 to the Annual Contribution Contract  
(ACC) SF 391 (CAL 5-25, Purchase and Rehabilitation  
Program - Scattered Sites).

## SUMMARY

The attached resolution authorizes the Executive Director to (1) execute Amendment No. 37 to the Annual Contribution Contract No. SF 391, which pertains to and modifies the Purchase and Rehabilitation Program CA30-P005-025 as follows: (a) amends the Department of Housing and Urban Development (DHUD) original allocation of 50 units to 47 units; and (2) amends the Total Development Cost from \$3,087,760 to \$3,015,600.

## BACKGROUND

The Purchase and Rehabilitation Program is a program wherein the Authority, under a Federal Grant, purchases and rehabilitates single family units on scattered sites within the City. These units are then utilized as public housing under the federally subsidized Conventional Housing Program. On June 6, 1985, the Housing Authority of the City of Sacramento received approval from DHUD to acquire and rehabilitate 50 family units (37 three-bedroom, 10 four-bedroom and 3 five-bedroom) within certain DHUD approved targeted areas in the City of Sacramento. The program was split into two distinct categories with 30 units reserved for minor repair and 20 units for substantial rehabilitation.

The Total Development Cost for the 50 units was \$3,087,760. During our regular meeting of November 25, 1985, approval was granted to proceed with the purchase of the structures for values not to exceed DHUD approved prototype limitations and appraisals. Meanwhile, DHUD mandated to the Authority that construction on the 20 units of substantial rehabilitation could not proceed until such time as all 50 units were purchased and under Authority control. This put an excessive burden on the Authority, as most of the available units which could be purchased considering the low DHUD prototype purchase limitation would require extensive

(1)

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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rehabilitation upon purchase. With this type of purchase the Authority would be placed in a position where it would own occupied units with critical code deficiencies which could not be repaired until all units were purchased and the overall rehabilitation program was approved. The problem was compounded when a vacant unit became available, as we would then be required to board-up, clean-up and secure the property with no available funding. The Authority, to no avail, tried to negotiate a more workable plan with DHUD, but the only thing which was accomplished was further time loss. With all the program restrictions and a DHUD pre-set program termination date, the Authority was only able to acquire 47 units prior to the DHUD deadline. This amendment, due to the limited acquisition delineated in this report, reduces the TDC from \$3,087,760 to \$3,015,600 and reduces the number of family units from 50 to 47. This amendment corrects the fund reservations and the unit count for DHUD CA30-P005-025.

## FINANCIAL DATA

The Total Development Cost for this project will be reduced from \$3,087,760 to 3,015,600 which is a reduction of \$72,160.

## ENVIRONMENTAL REVIEW

Environmental review is not required for actions requested in this staff report as it is an exempt administrative function.

CEQA: Section 15378(b)(3)

NEPA: 24 CFR Part 58.34(a)(3)

## MBE/WBE

The action proposed in this report has no MBE/WBE program implications.

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## POLICY IMPLICATIONS

The actions proposed in this staff report are consistent with previously approved policies and there are no policy changes being recommended.

## VOTE AND RECOMMENDATION

At its regular meeting of February 26, 1990 the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

## RECOMMENDATION

Staff recommends the approval of the attached resolution which authorizes the execution of Amendment No. 37 to the Annual Contribution Contract SF 391. The amendment pertains to and modifies the Purchase and Rehabilitation Program CA30-P005-025 as follows: (a) it amends the Department of Housing and Urban Development (DHUD) original allocation of 50 units to 47 units; and (2) it amends the Total Development Cost from \$3,087,760 to \$3,015,600.

Respectfully submitted,

  
ROBERT E. SMITH  
Executive Director

TRANSMITTAL TO COUNCIL:

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WALTER J. SLIPE  
City Manager

Contact Person: Kevin Odell, 440-1380

# RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

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

AUTHORIZES THE EXECUTIVE DIRECTOR TO EXECUTE AMENDMENT NO. 37  
TO THE ANNUAL CONTRIBUTION CONTRACT NO. SF 391

WHEREAS, the Housing Authority of the City of Sacramento and the Department of Housing and Urban Development (DHUD) entered into a Consolidated Annual Contributions Contract as of June 12, 1970 (which as amended is herein called the "Contract"), wherein the Housing Authority agreed to acquire or develop, and to operate and maintain, low rent housing projects, and DHUD agreed to provide financial assistance; and

WHEREAS, it is now proposed to amend the Contract to correct the reservation amount and number of units for Purchase and Rehabilitation Program CA30-P005-025;

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1: The Executive Director is authorized to execute Amendment No. 37 to the Annual Contributions Contract, No. SF 391 pertaining to the Purchase and Rehabilitation Program CA30-P005-025, which would:

- a) Reduce the allocation from 50 units to 47 units; and
- b) Reduce the Total Development Cost from \$3,087,760 to \$3,015,600.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

1100WPP2(560)

FOR CITY CLERK USE ONLY

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

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