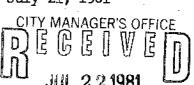




SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

July 21, 1981



Housing Authority of the City of Sacramento Sacramento, California

Honorable Members in Session:

SUBJECT: Approval of Mutual Release Settlement with KCM

Enterprises for a Section 23 Lease.

SUMMARY

A tentative settlement in the amount of \$16,545.97 has been made between the Housing Authority staff and KCM Enterprises as to a 27-unit apartment complex located at 2501 "H" Street. The Building consists of six studio, three one-bedroom, and 18 two-bedroom units.

BACKGROUND

On October 15, 1968, the Housing Authority of the City of Sacramento entered into a lease with KCM Enterprises to provide housing for low income families under Section 23 of the amended Housing Act of 1937. The lease states that upon termination, the premises shall be given back in as good a condition as existed at the start of the lease, normal wear and tear excepted. It further states that the Housing Authority shall be liable for tenant-caused damages.

The lease has been terminated, effective January 31, 1981 and the owner plans to participate in the Section 8 program. The Agency's inspector estimated the cost to correct the damages at \$13,325.29. The owner estimated the amount at \$19,026.56 and stated that certain items were overlooked and that Agency's allowance was not adequate for some of the items. The Agency's Real Estate staff viewed the premises and noted that there were ten carpets with holes, burns, discoloration, or otherwise damaged areas as well as other damaged areas excluded during the initial inspection. Therefore a reinspection was requested by staff and the resultant settlement is recommended.

An increased settlement was negotiated at \$16,545.97. The increased amount of \$3,220.68 consists of the following items:

APPROVED SACRAMENTO HOUSING AUTHORITY

Date 7/28/81

7-28-81 All Districts

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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Item	Cost
Replace 10 Carpets	\$1,974.00
Replace 4 drainboard	475.00
Replace 7 sets of draperies	284.00
Replace Linoleum in one bathroom	110.00
Miscellaneous, including stove repairs	
faucet repairs, sink replacement, tile	
damage, and toilet replacement	376.99
Total	\$3,330.68

FINANCIAL DATA

Upon approval of this settlement, a payment of \$16,545.97 will be made from the Section 23 Lease Program budget, under the Annual Contributions Contract.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of July 20, 1981, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Luevano, A. Miller, Serna, Teramoto, B. Miller

NOES: None

ABSENT: Coleman, Fisher, Knepprath, Walton

RECOMMENDATION

The staff recommends adoption of the attached resolution authorizing payment of \$16,545.97 to KCM Enterprises for the settlement costs associated with the 27-unit apartment complex located at 2501 "H" Street.

Respectfully submitted,

Welson H Edgar

WILLIAM H. EDGAR

Interim Executive Director

Transmittal to Council:

City Manager

(2)

RESOLUTION NO. HA- 8/-072

Adopted by the Housing Authority of the City of Sacramento

July 20, 1981

APPROVAL OF MUTUAL RELEASE FOR SECTION 23 LEASE WITH KCM ENTERPRISES

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

Section 1. The settlement between the Housing Authority and the owner, KCM Enterprises, for 27 units consisting of six studios, three one-bedrooms and 18 two-bedrooms at 2501 H Street, is hereby approved.

Section 2. The Interim Executive Director is authorized to pay to the owner the amount of Sixteen Thousand Five Hundred Forty-Five and 97/100 Dollars (\$16,545.97), representing a total settlement of the dispute.

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			CHAIRMAN
ATTEST:			
	SECRETARY		•

A OVED
SACRAL COLLUMN LOUSING AUTHORITY
Date 7/28/8/