



Agway Rpt  
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## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

July 21, 1981

CITY MANAGER'S OFFICE  
**RECEIVED**  
JUL 22 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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<u>Item</u>	<u>Cost</u>
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,

*William H. Edgar*

WILLIAM H. EDGAR  
Interim Executive Director

Transmittal to Council:

*Walter J. Slipe*  
WALTER J. SLIPE  
City Manager

RESOLUTION NO. HA- 81-072

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.

\_\_\_\_\_  
CHAIRMAN

ATTEST:

\_\_\_\_\_  
SECRETARY

APPROVED  
SACRAMENTO HOUSING AUTHORITY

Date 7/28/81