



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**

Agency Rpt.
36

April 27, 1988

City Council of the
City of Sacramento
and
Housing Authority of the
City of Sacramento
Sacramento, California

APPROVED
BY THE CITY COUNCIL

MAY 03 1988

OFFICE OF THE
CITY CLERK

APPROVED
MAY 3 1988
SACRAMENTO REDEVELOPMENT AGENCY
APPROVED
MAY 3 1988
SACRAMENTO HOUSING PROGRAM
CITY OF SACRAMENTO

Honorable Members in Session:

SUBJECT: Purchase of Parcels for HUD Public Housing Program Reservation CA30-P005-027; Approval of Use of Section 108 Loan Funds (Against Future Community Development Block Grant Program Receipts) and Amendment to 1988 CDBG Program; and Use of Downtown Tax Increment Housing Set Aside Funds for Development of Public Housing in the City

SUMMARY

The attached resolutions recommend: (1) Approving and authorizing the Executive Director to purchase various parcels in connection with HUD Public Housing Program Reservation CA30-P005-027; (2) Approving and authorizing the Executive Director to purchase an additional site for use in future federal allocations; (3) Authorizing the use of Section 108 (Community Development Block Grant) funds for this program and purchase of various parcels in the total amount of \$500,000 of which \$372,000 has been approved by prior Resolution; (4) Amendment to 1988 City CDBG Program and; (5) Authorizing the use of Downtown Tax Increment Housing Set Aside Funds in the amount of \$1,000,000 to assist in this program's development, of which \$300,000 was set aside by previous resolution.

BACKGROUND

On April 7, 1987, in response to a DHUD Notice of Funding Availability (NOFA), your Council approved the submittal of an application for ninety-six (96) new construction, public housing units (48 family and 48 elderly).

The application proposed small complexes on scattered sites outside areas of minority concentration and in areas that contain little or no federally subsidized housing.

5-3-88

All Districts (1)

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On September 16, 1987, DHUD in response to the application issued a program reservation (CA30-P005-027), which consists of a total of forty-eight (48) family units in the City (thirty-eight row units and ten walk-up units). It is anticipated that the maximum number of units per site will not exceed twenty (20) units. The program reservation is subject to the Authority's compliance with the following conditions:

- 1) The Executive Director of the Public Housing Authority (PHA) must certify as to the remaining units under the Election Authorization (Article XXXIV).
- 2) The PHA must certify that the Cooperation Agreement (between the Housing Authority and the City of Sacramento) is correct.
- 3) The PHA must submit an opinion of the PHA Counsel in the form required by HUD which specifically opines on the validity of the application submission.
- 4) The submission of the Resolutions.
- 5) The submission of all required proposal exhibits required by HUD.

On November 24, 1987, the Housing Authority accepted the reservation, authorized the Executive Director to submit the necessary materials to complete the application, directed the Executive Director to seek sites in accord with the Fair Share Plan, authorized the Executive Director to prepare an application to HUD for an advance against future Community Development Block Grant (CDBG) funds which, along with an allocation of Tax Increment Funds is of sufficient size to fund the anticipated local share of construction of these units and authorized the Executive Director to submit a loan application to HUD for funding preliminary planning activities.

In November you authorized execution of an Architectural Contract and Architectural Services for these new units with Niiya Architects/Cynthia Easton Architect, a Joint Venture.

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Prior to initiating a site search, the Authority reviewed its constitutional authority for constructing additional public housing units under Article XXXIV of the State constitution. We found that in 1975 and again in 1978, referenda were passed in the City of Sacramento authorizing construction of 2,500 public housing units. A total of 1,611 units of authority remain under these previously passed referenda.

The Fair Share Chart attached as Exhibit "A" was then used to determine the areas where housing sites were to be most appropriately located.

The chart analyzes the existing number of units of public and privately owned federally subsidized units in each community area, and compares it with total population. It then lists each area with respect to its accommodation of low income units relative to population.

Based on this plan, site search was performed in those areas with the lowest levels of existing subsidized units. The Housing Authority conducted an extensive independent site search and contracted with Coldwell Banker Commercial Real Estate Services to search for properly zoned parcels in the appropriate areas. As Coldwell Banker has confirmed there are few parcels zoned which are of the appropriate size in the areas targeted for housing. Property owners were reluctant to split parcels that were available. Subsequently, the Authority has optioned sites which are closest to meeting the needs of the City in each community. In this, we have been very careful to select sites which can accommodate the units recommended based on specific neighborhood conditions, as allowed for in your recently adopted siting policies. Your Council should also be aware that we have done our utmost to locate and present as many viable sites as possible in the time granted by HUD. At the current time, we have been directed to submit potential sites to them by May 2nd (unofficially extended to May 4th), but have asked for ninety (90) days extension. If granted, we would like to take more time to develop further site possibilities and/or further refine the existing ones. At this time, however, we must meet the May 4th date.

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Under the new 48 unit allocation, sites are identified in areas as follows:

SOUTH NATOMAS

APN: 250-0120-027 - 425 West Silver Eagle
Propose one 14-unit project

Zoning: R2A

Size: 34,500 Sq.Ft. .79 Acres

APN: 250-0120-026 - 431 West Silver Eagle
Propose one 20-unit project if combined
with above site

Zoning: R2A

Size: 20,700 Sq.Ft. .48 Acres

The Housing Authority can develop one 14-unit project on one parcel or one 20-unit project on the two parcels. The 14-unit project is more desirable due to the fact that the second parcel is expensive and additional demolition would be required. Nevertheless, purchase of the two sites is an option.

SOUTH LAND PARK - 1000 and 1004 Rio Lane - Propose rezone from
R1 to R3A for a 20-unit project

APN: 016-0161-018 and 020

Zoning: R1 (Shows as multi-family on general plan map)

Size: 139,392 Sq.Ft. 3.2 Acres

The net usable area of this site is approximately 1.8 acres. Except for this site, Rio Lane is totally developed as multi-family. Due to the zoning problem and need for demolition, however, this site should be considered as an alternate only at this time.

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NORTH SACRAMENTO - Propose one 13-unit project at Connie Drive

APN: 266-0380-001, 002 and 003
Zoning: R3R and R2A
Size: 43,050 Sq.Ft. .988 Acres

FAIRGROUNDS DRIVE AT BROADWAY - Propose one 20-unit project

APN: 011-0200-012
Zoning: R2R
Size: 2.9 Acres 2.90 Acres

In summary, the following developable sites have been located and optioned:

South Natomas - West Silver Eagle	14 units or 20 units
North Sacramento - Connie Drive	13 units
East Broadway Area - Fairgrounds and Broadway	20 units
South Land Park Area - Rio Lane	14-16 units

At this time, we would tentatively propose developing the first three sites listed above and "land banking" the South Land Park site (Rio Lane, 14-16 units) for future development pursuant to your recent directive.

ENVIRONMENTAL DATA

Since the sites are only optioned at this time, pending purchase considerations, and no final site plans or development specifics have been prepared, no final environmental documents are required.

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The project proposals, once prepared, will be submitted for preparation of an Initial Study pursuant to the California Environmental Quality Act (CEQA). The Environmental Coordinator will then determine if the subject projects have a substantial impact on the environment and will prepare an Initial Study and Notice of Determination. These notices are subject to approval and filing with the City Clerk.

FINANCIAL DATA

Primary sites currently total \$785,000 or \$912,500 if both parcels on West Silver Eagle are purchased. HUD, however, will only allow approximately \$240,000 for site purchase as part of its development program. This point has presented a serious problem throughout our recent experience in developing public housing in the County. Essentially, HUD's purchase price restrictions are not realistic in the marketplace. We do, however, believe that supplementing the HUD development program with local funds is a worthwhile investment.

Primary Sites	\$785,000	
Alternate: 20-units on West Silver Eagle	<u>127,500</u>	(OR)
	<u>912,500</u>	\$785,000
DHUD allowance	<u>(240,000)</u>	<u>(240,000)</u>
	\$672,500	\$545,000

Amounts required above HUD budget allowances

Administrative	24,000	24,000
Cost estimating service	24,000	24,000
Architectural	5,000	5,000
Site fees, options and closing costs	90,000	90,000
Site improvements - primary sites	350,000	300,000
Land banking (Rio Lane)	<u>392,000</u>	<u>392,000</u>
	\$1,557,500	\$1,380,000

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Since we are not recommending both West Silver Eagle sites, the total 'local' budget would be \$1,380,000, plus a contingency recommendation totalling \$120,000 for a grand total of local funds requested of \$1,500,000. Of this, \$672,000 was previously authorized. The \$1,500,000 would consist of a \$500,000 Section 108 loan at \$1,000,000 in Downtown Tax Increment Funds. As you know, twenty percent of our tax increment funds must be spend on low income housing within the City. The \$1,000,000 recommended will help us significantly in that regard. The \$1,000,000 is comprised of the \$300,000 previously approved, \$400,000 in housing replacement funds from the 1987 bond issue and \$300,000 in other funds previously set aside for housing.

The asking price for each site is as follows:

425 West Silver Eagle	\$125,000
431 West Silver Eagle	127,500
Connie Drive	260,000
Fairgrounds Drive at Broadway	400,000
Rio Lane	392,000

POLICY IMPLICATIONS

The actions proposed in this staff report are consistent with previously approved policy which is to scatter public housing on small sites throughout the City pursuant to a Fair Share Plan.

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Pursuant to your recently adopted siting policy, we have discussed each of the primary sites with either the appropriate Council person and/or their aide. It was decided not to hold special neighborhood level meetings since each site was appropriately zoned and required no special entitlements. The Council person for the alternate site has, however, expressed considerable concern about the site. Since a rezone on the site is required, however, full neighborhood hearings will be required. Nevertheless, we do recommend retaining it as an option at this time.

The policy of land banking for future development was recently approved and is necessary to eliminate the extensive time and costs of site search for future allocations.

VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of May 2, 1988 the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above mentioned action.

RECOMMENDATION

The staff recommends that, acting as the City Housing Authority, you adopt the attached resolution: (1) Approving and authorizing the Executive Director to purchase various parcels in connection with HUD Public Housing Program Reservation CA30-P005-027; (2) approving and authorizing the Executive Director to purchase additional sites for use in future federal allocations; (3) authorizing the use of Community Development Block Grant Section 108 Loan Funds for this program in the amount of \$500,000 to assist in the purchase of various parcels of which \$372,000 was approved by prior resolutions and; (4) authorizing the use of Tax Increment Housing Replacement Funds in the total amount of \$1,000,000 of which \$300,000 has been approved by prior resolutions.

Respectfully submitted,


William H. Edgar
WILLIAM H. EDGAR
Executive Director

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TRANSMITTAL TO COUNCIL:


WALTER J. SLIPE
City Manager

Contact Person: Kenneth Stroth 440-1310

RESOLUTION NO. 88-367

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

May 3, 1988

APPROVED
BY THE CITY COUNCIL

MAY 03 1988

OFFICE OF THE
CITY CLERK

APPLICATION FOR SECTION 108 LOAN FOR PUBLIC HOUSING SITE ACQUISITION AND AMENDMENT TO THE CDBG PROGRAM

WHEREAS, the U. S. Department of Housing and Urban Development ("HUD") has reserved for the Authority an allocation of forty-eight (48) new public housing units; and

WHEREAS, HUD shall pay approximately \$2,903,520 toward cost of development of said units and the expected cost of development of said units and land banking future sites is \$4,403,520.

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

Section 1. The Executive Director of the Sacramento Housing and Redevelopment Agency is hereby authorized and directed to prepare an application to the U. S. Department of Housing and Urban Development for a Section 108 loan for \$500,000 against future Community Development Block Grant (CDBG) allocations to assist in the acquisition of sites and other Section 108 eligible costs for forty-eight (48) new public housing units and reserve sites by the Housing Authority of the City of Sacramento.

Section 2. The Executive Director of the Sacramento Housing and Redevelopment Agency is hereby directed to schedule a public hearing to amend the CDBG statement of objectives and proposed use of funds in accordance herewith.

Section 3. The Executive Director of the Sacramento Housing and Redevelopment Agency is hereby authorized to execute and submit all certifications necessary to receive CDBG Section 108 loan funds and to execute the subsequent grant and Section 108 loan agreements.

Section 4. The Executive Director of the Sacramento Housing and Redevelopment Agency is hereby authorized to purchase additional parcels for use in future federal new construction Program Reservations.

MAYOR

ATTEST:

SECRETARY

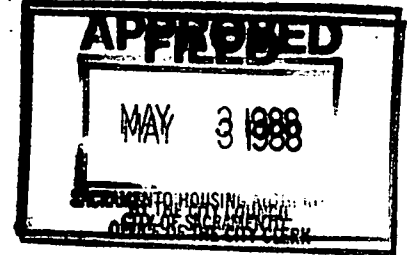
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RESOLUTION NO. 88-020 *as 36*

Amended

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF



May 3, 1988

PURCHASE OF PARCELS FOR HUD HOUSING PROGRAM RESERVATION
AC30-P005-027, APPROVAL OF USE OF SECTION 108 LOAN FUNDS
(AGAINST FUTURE CDBG PROGRAM RECEIPTS), AMENDMENT TO AGENCY
BUDGET, AND APPROVAL OF USE OF DOWNTOWN TAX INCREMENT HOUSING
SET-ASIDE FUNDS

WHEREAS, the United States Department of Housing and
Urban Development ("HUD") has issued program reservation
CA30-P005-027, for construction of multi-family housing in the
City of Sacramento; and

WHEREAS, the following sites ("Project Site") have been
identified for acquisition by the Authority:

425 West Silver Eagle Road
Assessor's Parcel Number ("APN") 250-0121-027

431 West Silver Eagle Road
APN 250-0121-026

2528 through 2540 Connie Drive
APN 266-0382-001
APN 266-0382-002
APN 266-0382-003

Broadway at Fairgrounds Drive
APN 011-0200-012

WHEREAS, the following site has been identified for
acquisition by the Authority for future Program Reservations:

1000 and 1004 Rio Lane
APN 016-0161-018
APN 016-0161-030

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

Section 1: The Executive Director is authorized to
purchase various parcels in connection with HUD Public Housing
Program Reservation CA30-P005-027 in accordance with the terms
set forth in the attached staff report and to take all actions
necessary to carry out such purchases.

Section 2: The Executive Director is authorized to purchase an additional parcel for future federal allocations in accordance with the terms set forth in the attached staff report and to take all actions necessary to carry out such purchases.

Section 3: The Executive Director is authorized to use Section 108 (Community Development Block Grant) funds for this program and for purchase of various parcels in the total amount of \$500,000, of which \$300,000 has been approved by previous resolution, to execute and submit all certifications necessary to receive CDBG Section 108 loan funds, and to execute the subsequent grant and Section 108 loan agreements.

Section 4: The Executive Director is authorized to use Downtown Tax Increment Housing Set-Aside Funds in the amount of \$1,000,000 to assist in this program's development and purchase of sites, of which \$300,000 was set aside by previous resolution.

Section 5: The Executive Director is authorized to enter into an agreement with the Redevelopment Agency of the City of Sacramento regarding the expenditure of the funds to be received from the Redevelopment Agency.

Section 6. The Agency Budget is hereby amended to reflect the above public housing site acquisition funding allocations.

CHAIR

ATTEST:

CLERK

0002N

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RESOLUTION NO. 88-040

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

May 3, 1988



RECOMMENDING USE OF DOWNTOWN TAX INCREMENT FUNDS FOR SITE PURCHASE AND CONSTRUCTION

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") has reserved for the Sacramento Housing Authority an allocation of forty-eight (48) new public housing units; and

WHEREAS, these funds will be of benefit to the Redevelopment Agency in serving housing needs generated by growth in the Merged Downtown Project Area.

NOW, THEREFORE, BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO:

Section 1: The foregoing findings are true and correct.

Section 2: The Executive Director is hereby authorized and directed to amend the budget to allocate an amount not to exceed \$1,000,000 of Downtown Tax Increment funds from the 20% housing replacement fund to the aforesaid projects, \$300,000 of which has been previously approved by Resolution No. 87-100.

Section 3: The Executive Director is hereby authorized to enter into an agreement with the Housing Authority of the City of Sacramento regarding expenditures of the funds in accordance with the California Redevelopment Law.

CHAIRMAN

ATTEST:

SECRETARY

0007H

FAIR SHARE ALLOCATION PLAN - 1988
 FAMILY HOUSING UNITS
 CITY OF SACRAMENTO

Community Plan Area	1987 Population		1987 Family Units			88/89 PRIORITY AREAS
	#	%	# Units	% Units	% Units to pop (1)	
1.2 North Natomas	376	0.1%	0	0.0%	0.0%	
7.1 South Natomas - 1	4,151	1.2%	0	0.0%	0.0%	
15.1 Campus Commons	4,716	1.4%	0	0.0%	0.0%	X
8.2 North Sacramento - 2	7,831	2.3%	0	0.0%	0.0%	X
15.2 East Sacramento	35,244	10.5%	1	0.0%	0.3%	X
14.2 Pocket	36,735	11.0%	32	1.0%	8.7%	X
7.2 South Natomas - 2	21,485	6.4%	57	1.7%	26.6%	X
16.2 South Sacramento - 2	30,847	9.2%	132	3.9%	42.9%	X
15.3 East Broadway	39,373	11.7%	352	10.5%	89.5%	
8.1 North Sacramento - 1	38,484	11.5%	417	12.5%	108.5%	
13.0 Downtown	30,437	9.1%	518	15.5%	170.4%	
16.1 South Sacramento - 1	18,824	5.6%	345	10.3%	183.5%	
14.3 Meadowview	32,093	9.6%	718	21.5%	224.1%	
14.1 Land Park	34,495	10.3%	774	23.1%	224.7%	
	335,091	100.0%	3346	100.0%	100.0%	

(1) Fair Share is achieved when (% units / % population = 100%)

