



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



May 2, 1989

Budget and Finance Committee
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Modification to Approach to Provision of Facilities
for County In-Kind General Assistance Program

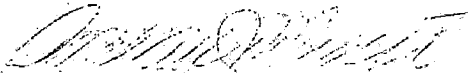
SUMMARY

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


RECOMMENDATION

The staff recommends approval of the attached resolutions approving the purchase of the warehouse.

Respectfully submitted,


ANDREW J. PLESCIA
Acting Executive Director

TRANSMITTAL TO COMMITTEE:


JACK R. CRIST
Deputy City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



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April 18, 1989

Housing Authority of the
City of Sacramento
Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Modification to Approach to Provision of Facilities
for County In-Kind General Assistance Program

SUMMARY

This report recommends purchase, as opposed to lease, of a warehouse facility for provision of shelter services in conjunction with the County's In-Kind General Assistance Program.

BACKGROUND

The County Board of Supervisors recently promulgated a change in policy relating to the provision of general assistance to indigent homeless people within the County. Under the newly adopted policy, homeless Welfare General Assistance Program applicants are now provided with shelter, housing search and employment counseling, meals and a small monthly cash grant (\$25/month) as opposed to the previous system under which they were provided with a \$263/month grant but no shelter or related services.

This change in policy was supported by the Richards Blvd. and Downtown Merchants Association and by the Alkali Flat Project Area Committee on the premise that the overall indigent homeless population would be better served and controlled within the parameters of such a program.

In conjunction with the implementation of the program designed to implement this policy, the Agency has extended its services and expertise in assisting homeless persons to the County. Under this arrangement, we are involved not only in the provision of shelter, but also in the housing search, job search and related services.

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Additionally, in pursuit of its obligations under this arrangement, the Agency had planned to lease a small warehouse facility at 1224 North B Street, immediately adjacent to the existing Salvation Army shelter at 12th and North B Streets. That warehouse, which was to be renovated and made ready using County funds, was to be leased to the Salvation Army, who in turn would provide space for 40-50 In-Kind General Assistance recipients.

The particular location of this warehouse was important to us in that, given its adjacency to the existing Salvation Army facility, it could be served with the same staff and kitchen as the existing facility, both of which are very important programmatic elements from a cost perspective. Unfortunately, the owner of the warehouse in question has now become reluctant to lease to us, as he had previously agreed to, because of his extreme concern over liability issues given the fact that a substantial number of people will be housed in the facility on a nightly basis. Therefore, we are now recommending purchase of the structure. Because of the close relationship between the programs, we think it appropriate to use funds previously set aside for the public inebriate facility (the Agency had set aside \$400,000 for preliminary work on the detox facility relocation, of which \$335,000 remains in the account.) The funds which the County had previously committed to the lease (\$8,000/yr.) will now be used to reimburse the Agency for purchase funds advanced.

The agreed upon purchase price for the facility is \$185,000 (or \$48/sq. ft. including land). This is the best price which could be negotiated on our behalf by the firm of Coldwell Banker, which has acted as our broker in this matter. While not the most competitive price for this type of space, it is, we believe, less than the cost of construction of a new facility and, given its convenient location, worth the price. We are, therefore, recommending acquisition. Rehabilitation and preparation for occupancy will be accomplished with previously approved County funds.

FINANCIAL DATA

A total of \$185,000 is recommended to be allocated for this acquisition from funds previously set aside for assistance in relocation of the detox facility. (A separate report is forthcoming on that issue.) Rehabilitation funds of \$150,000 have previously been approved by the County.

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ENVIRONMENTAL DATA

A Negative Declaration, Control No. 148-HS-88, was previously prepared and adopted for the lease and rehabilitation of the warehouse. Acquisition rather than lease does not constitute a significant change in the scope of the Project, thus the environmental documentation is still adequate and complete, and the Negative Declaration is appropriate.

POLICY IMPLICATION

The Redevelopment Agency and Housing Authority have both been previously involved in provision of support for our homeless programs in a variety of ways. This action does not represent a significant departure from the thrust of those previous actions.

VOTE AND RECOMMENDATION OF COMMISSION

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

AYES:

NOES:

ABSENT:

RECOMMENDATION

Adopt the attached resolution authorizing the Acting Executive Director to purchase the warehouse facility at 1224 North B Street using \$185,000 in Downtown tax increment funds previously approved for use on the relocation of the detox facility and to renovate it using County funds.

Respectfully submitted,


ANDREW J. PLESCIA
Acting Executive Director

AJP/JM/keb
179-2410

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RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

TRANSFER OF FUNDS FOR HOMELESS FACILITY

WHEREAS, the Redevelopment Agency of the City of Sacramento wishes to help address the issue of provision of shelter to the homeless;

The Acting Executive Director is hereby authorized to transfer \$185,000 in Downtown Tax Increment funds (Cost Code B00204) to the Housing Authority of the City of Sacramento Housing - Miscellaneous Acquisition Fund (Cost Code A05015) for purchase of the property and warehouse facility at 1224 North B Street for use as a homeless shelter.

CHAIR

ATTEST:

SECRETARY

1100WPP2(311)

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RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO
ON DATE OF

ACQUISITION OF SITE FOR AND DEVELOPMENT OF HOMELESS FACILITY

WHEREAS, the Housing Authority of the City of Sacramento wishes to help address the issue of provision of shelter to the homeless;

The Acting Executive Director is hereby authorized to:

1) Purchase and obtain title to the property at 1224 North B Street using funds provided by the Redevelopment Agency of the City of Sacramento;

2) Advertise for and select through competitive bidding a contractor(s) to renovate and improve the facility using County provided funding and/or other funds which may be made available for this purpose; and

3) Execute and enter into a lease of the facility to the Salvation Army (or other operator) for operation under the guidelines approved by the Board of Supervisors for this program.

CHAIR

ATTEST:

SECRETARY