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DEPARTMENT OF  
PLANNING AND DEVELOPMENT

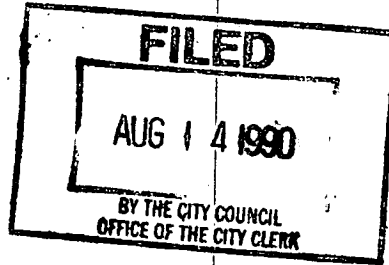
CITY OF SACRAMENTO  
CALIFORNIA

1231 I STREET  
SACRAMENTO, CA

ADMINISTRATION  
ROOM 300  
95814-2987  
916-449-5571

ECONOMIC DEVELOPMENT  
ROOM 300  
95814-2987  
916-449-1223

NUISANCE ABATEMENT  
ROOM 301  
95814-3982  
916-449-5948



City Council  
Sacramento, California

Honorable Members In Session:

Subject: Fairfield Court Apartments - Information Update 2

**SUMMARY:**

This is an information report to advise Council what action has been taken pursuant to Council resolution 90-535 on July 24, 1990 regarding this property.

**BACKGROUND:**

On July 3, 1990 City Council conducted a public hearing (item 4.1) regarding the appeal of Ready Mortgage Partnership No. R0201 from the decision of the Housing Code Advisory and Appeals Board regarding the demolition of a dangerous building--Fairfield Court Apartments--located at 2635 Fairfield Street. Council action required that the first 26 apartment units be renovated to correct substandard conditions beginning not later than seven (7) working days and ending not later than thirty (30) calendar days from July 3, 1990. Additionally renovation of the remaining nineteen (19) units was to begin not later than forty five (45) days and end not later than one hundred and twenty (120) days from the Hearing. If any of those established deadlines were not met and/or repairs were not being aggressively pursued the case was to be referred to the City Attorney's Office to file a receivership action.

As of the Information Update Report to Council on July 24, 1990 Ready Mortgage had hired a City recommended contractor to open eleven units and assess damage for bid purposes. The work to open the units was begun within the prescribed seven (7) working days. As the sheet rock was removed, the extent of damage was noted as greater than had been previously anticipated. The City Council was advised on July 24, that the damage was so extensive the entire 120 day period, at a minimum, would be required to renovate the forty five (45) unit building.

**CURRENT STATUS:**

Since the magnitude of the repair work has become known Ready Mortgage Company has been seeking competitive bids and to arrange for financing. On August 2, 1990 Mr. Bill Ready, of Ready Mortgage, spoke with Don Nelson, Building Inspector III and sent him the enclosed confirming letter by FAX. Mr. Ready has also told Mr. Nelson that he will have a signed contract for the repair work in our hands and will apply for a building permit for the rehabilitation prior to the City Council meeting of August 14, 1990.

The thirty (30) day deadline contained in Council Resolution No. 90-535 expired at the close of business on August 2, 1990. Following Council direction, staff has referred the case to the City Attorney's Office for receivership action. However, if substantial progress on the repair work is completed in the immediate future, the receivership action could be suspended.

**FINANCIAL DATA:**

Not applicable.

**MBE/WBE EFFORTS:**

Not applicable.

**RECOMMENDATION:**

This report is provided for information only.

Respectfully submitted,



MICHAEL M. DAVIS, DIRECTOR  
Planning and Development

**FOR COUNCIL INFORMATION**

WALTER J. SLIPE  
CITY MANAGER

August 14, 1990  
District 2

Contact Person:

Tim Sullivan, Manager  
Building Inspection Division  
449-2186

Enclosure

MD:RW:om



**READY MORTGAGE COMPANY**

PLANNING AND DEVELOPMENT

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Don Nelson  
City of Sacramento

August 2, 1990

VIA FAX RE: Fairfield Apartments, Sacramento

Dear Don:

This will confirm our conversation of this afternoon wherein I informed you of the following:

1. We have demolished and opened up 11 units for purposes of allowing them to be inspected by potential general contractors; that work was completed two weeks ago at a cost of over \$ 7,500.
2. We now have a termite inspection report and after backing out the estimated cost of the redundant work which would be done by normal renovation, it appears that the cost to repair the actual termite damage and protect against future infestation is less than \$ 13,000.
3. We have three contractors actively involved in the bidding process with two others interested in doing a survey next week.
4. The estimates so far range from as low as \$ 400,000 to over \$ 675,000 from the City recommended Star Construction. Although Star was very responsive and did complete our demolition on time and on budget, their bid is probably over \$ 300,000 higher than others for the same work, thus we'll not use them for the main contract.
5. We expect to have a final contract in place by no later than 8/15/90 and probably sooner.
6. We have received preliminary approval for our financing and hope to complete that process by 8/15/90.
7. We wish to apply for building permits for reconstruction of the first 11 demolished units. What is the process at this time? We estimate cost to be \$ 6,000 per unit not including the roof, appliances, air conditioners or parking area repairs. We wish to receive the permits in an effort to try to comply with the City's wishes; what do we do now to comply?

We are going to get the job done. The City council's time parameters were not and are not reasonable or justifiable in light of what are the realities of the marketplace and our abilities to get qualified contractors out to the site and induce them to bid out this job. As you already know, Sacramento is a very busy City these



**READY MORTGAGE COMPANY**

**PLANNING AND DEVELOPMENT**

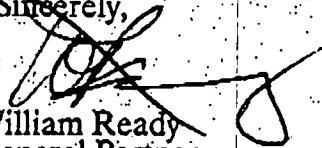
**AUG 07 1990**

**RECEIVED**

days, especially in the construction arena. Most qualified contractors are already busy, labor is scarce, qualified foremen are tied up elsewhere and all general contractors have a right to be leary of such a large rehabilitation project.

We are making excellent progress in light of these obstacles and we will continue to do so if you will let us operate in an environment where we can negotiate a contract in the normal manner. I expect to be in contract with a qualified contractor by the end of next week and I hope that you'll agree that the delay is reasonable in light of the realities.

Sincerely,



William Ready  
General Partner  
Fairfield Investors