



Agency Rpt.

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

August 3, 1983

CITY MANAGER'S OFFICE
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AUG 1 1983
SACRAMENTO HOUSING AUTHORITY
CITY OF SACRAMENTO

Housing Authority of
the City of Sacramento
Sacramento, California

AUG 23 1983

Honorable Members in Session:

SUBJECT: Approval of Procedure for the Disposition of Housing
Authority Surplus Land

SUMMARY

The attached resolution regards approval for a procedure for the disposition of surplus Housing Authority land.

BACKGROUND

The Authority has in the past, and may in the future, accumulate property which is surplus to its needs for public housing. When this occurs, the Authority must sell these surplus properties. Agency staff has developed proposed procedures for such surplus land sales. These procedures have been drafted to comply with State laws governing surplus land sales by Housing Authorities (Government Code Section 54220 and Health and Safety Code Section 34315.7).

The procedures provide that Authority surplus property will be disposed of for the following purposes, descending in order of priority:

1. To public or private developers for low and moderate income housing consistent with the adopted City Housing Assistance Plan;
2. To private developers for development of market rate housing; and,
3. At public auction to the highest bidder, for other purposes consistent with applicable zoning provisions.

8-23-83

All Districts

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A staff report and resolution would be submitted to the Authority for seeking authorization to declare the land as "surplus" and authorizing the Executive Director to advertise the subject land for sale at the appraised value, or at an amount below the appraised value, if necessary to ensure interest and participation in the project. Consistent with these procedures, staff will prepare a notice and publish it once, in several papers of general circulation, i.e., Bee, Union, specifying that priority for accepting an offer will go first to a developer of low and moderate income housing, second to a developer of market rate housing. The ad will include location and general description of property, sale price, the name, address and telephone number of designated responsible staff, and date and method for submitting offers. If no acceptable offers to purchase are received as a result of these ads, a public auction will be held once or twice a year, depending on the need.

Notices of public auction(s) will be posted in three or more places, i.e., bulletin boards at the Agency, City Hall, County Building, and Post Office, simultaneously with the newspaper publication of notice. Property will be sold to the highest bidder, provided it is not at an amount lower than the established market value or, as stated above, at a small percentage under value, to ensure interest and participation. Oral bids may be made from the floor, provided an initial bid has been accepted by the Authority. If no acceptable bids to purchase are received as a result of the public auction, the property will be retained by the Authority for possible future use or later sale.

From time to time, there may be remnant parcels of unusable portions of surplus land which will be disposed of by Procedure for Remnant Parcels outlined in the proposed disposal procedure. The highest and best use for this type of property is plottage to adjacent property(ies). It would not be feasible to go through the formal disposal procedure for this type of "sale". Each such sale would be handled on an individual case-by-case basis.

FINANCIAL DATA

Costs connected with sales of property completed through the first method outlined above would include appraisal fees, advertising, and other incidentals; costs for sales through public auction would be the same, with the exception of the cost of the appraisal fees. All costs would be funded through Emergency Reserve Funds and replaced from the price of sale. The balance of sale proceeds would be placed into the fund from which the purchase money was originally appropriated and expended.

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VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of August 15, 1983, the Sacramento Housing and Redevelopment Commission adopted a motion recommending the adoption of the attached resolution. The votes were as follows:

- AYES: Amundson, Angelides, Hall, Luevano, Luttrell, Miller, Moose, Pettit, Teramoto, Vargas, Walton
- NOES: None
- ABSENT: Glud. Ose

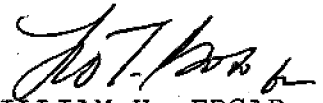
POLICY IMPLICATION

The actions proposed in this staff report are consistent with previously approved policy and there are no policy changes being recommended. This is a new policy/formalization of practice used to dispose of surplus land.

RECOMMENDATION


The staff recommends adoption of the attached resolution approving the Procedure for the Disposition of Housing Authority Surplus Land.

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

WHE/GGS:cmh

TRANSMITTAL TO COUNCIL:


WALTER J. SLIVE
City Manager

Contact Person: Leo T. Goto

RESOLUTION NO. 83-038

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

August 23, 1983

**PROCEDURE FOR THE DISPOSAL
OF HOUSING AUTHORITY SURPLUS LAND**

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

Section 1. The Executive Director is authorized to
dispose of surplus and/or excess Housing Authority property
pursuant to procedures specified in "Disposal of Housing Author-
ity Surplus Land", attached to this Resolution as Exhibit A.

CHAIRMAN

ATTEST:

SECRETARY

APPROVED
SACRAMENTO HOUSING AUTHORITY
CITY OF SACRAMENTO

AUG 23 1983

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DISPOSAL OF HOUSING AUTHORITY SURPLUS LAND

Introduction

The following procedures for disposal of Housing Authority surplus land are intended to comply with Section 54220 of the Government Code and the Health and Safety Code Section 34315.7. It is a two-step process involving first, an offering only to developers of low and moderate income housing and housing generally, and second, an auction to the highest bidder. A staff report and Authority resolution will be required first, to declare the property "surplus" and second, to approve final disposition.

Priorities

Housing Authority surplus property shall be disposed of for the following purposes, in descending order of priority:

1. To public or private developers for low and moderate income housing and mixed income residential projects where at least 20% of the units are low/moderate units consistent with the adopted City Housing Assistance Plan;
2. To private developers for development of housing generally; and
3. At public auction to the highest bidder for any purpose.

Procedure

- I. Obtain an appraisal for the property.
- II. Staff report and resolution to the Authority, declaring the land as "surplus" and authorizing the Executive Director to advertise it for sale pursuant to these procedures.
- III. Offer to sell the property at appraised market value for low and moderate income housing and for housing generally.
 - A. Staff shall prepare a notice and publish it once in several newspapers of general circulation (i.e., Bee, Union), specifying that priority for accepting an offer will be first to a developer of low and moderate income housing and second, to a developer of housing generally. The ad should include the following.
 1. The location and a general description of the property;
 2. The appraised value of the property or an amount below the appraisal, if necessary to ensure interest and participation in the project.
 3. The name, address and telephone number of Agency staff who can provide more information regarding the property;
 4. Date and method for submitting offers. At least two weeks should be permitted to submit responses.

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- 1. To public or private developers for low and moderate income housing consistent with the adopted City Housing Assistance Plan;
- 2. To private developers for development of housing generally; and
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Procedure

- I. Obtain an appraisal for the property.
- II. Staff report and resolution to the Authority, declaring the land as "surplus" and authorizing the Executive Director to advertise it for sale pursuant to these procedures.
- III. Offer to sell the property at appraised market value for low and moderate income housing and for housing generally.
 - A. Staff shall prepare a notice and publish it once in several newspapers of general circulation (i.e., Bee, Union), specifying that priority for accepting an offer will go first to a developer of low and moderate income housing and second, to a developer of housing generally. The ad should include the following:
 - 1. The location and a general description of the property;
 - 2. The appraised value of the property or an amount below the appraisal, if necessary to ensure interest and participation in the project.
 - 3. The name, address and telephone number of Agency staff who can provide more information regarding the property;
 - 4. Date and method for submitting offers. At least two weeks should be permitted to submit responses.

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- B. Notice of the public sale shall be posted in three or more places, i.e., Agency bulletin board on the first floor, City Hall bulletin board, County Building bulletin board, and Post Office bulletin board simultaneously with newspaper publication of notice.
 - C. Post "FOR SALE" signs on the property, containing notice of the public sale.
 - D. Telephone or write people/companies who Agency staff believe may be interested in purchasing the property and notify them of the public sale.
 - E. If one or more acceptable responses to the advertisement are received, staff will prepare a report recommending approval of a response. First priority must be given to a response which proposes to develop low and moderate income housing. If more than one offer for low and moderate income housing is received, staff may use criteria such as project feasibility, to select one of the offers.
 - F. If a response which proposes to develop low and moderate income housing is accepted, an agreement must be included which will assure that the property is, in fact, used for that purpose.
 - G. If a response is accepted which proposes to develop housing generally, an agreement must be entered into, assuring that the property is used for that purpose.
- IV. If no acceptable responses are received to the above offer, the property shall be sold to the highest bidder at public auction.
- A. Staff will prepare a report and resolution authorizing the Executive Director to sell the property to the highest bidder at public auction.
 - B. Staff will prepare a notice and publish it, once a week for three consecutive weeks, in a paper of general circulation advertising the public auction.
 - C. The same posting and telephone/writing notice procedures as outlined in Sections III B, C, and D above will also be followed.
 - D. Prepare a form "WRITTEN BID FOR PURCHASE OF REAL PROPERTY" including an envelope addressed to the proper entity showing "SEALED BID FOR AUTHORITY PROPERTY AT _____ TO BE OPENED AT _____ A.M./P.M., _____, 1983".
 - E. Day of public auction: The property will be sold to the highest bidder, providing the highest bid is not less than the appraised value for the property; however, the sale price may be at an amount below the appraised value of the proper, if necessary to ensure interest and participation in the project.

- F. Before any written proposal is accepted, Authority will call for oral bids. An oral bid may be made only by a person who has submitted a written proposal which complies with the requirements of the notice. The first oral bid for said real property must exceed the highest written proposal by at least five percent (5%).
- G. If there are no acceptable bids, the property will be retained by the Authority for possible future use or later sale.

PROCEDURE FOR REMNANT PARCELS

From time to time, in the purchase of a project site, a small, unusable by itself, portion of property will be declared "surplus". The highest and best use of this type of property is plottage to an adjacent property. The procedure is:

1. Staff report and resolution to the Authority, declaring the land as surplus and authorizing the Executive Director to
 - a. Offer to "sell" the property to the adjacent property owner(s) for some reasonable value. "Reasonable" may be defined as some equitable form of exchange, i.e., maintenance of surplus land, fencing-in, etc.
 - b. Transfer of title will be by recorded Quitclaim Deed and Agreement for Sale of Real Property containing all necessary conditions to the transfer.
2. Should the offer to purchase be rejected by adjacent property owners, the property will be retained by the Authority for possible future use, later sale, or some approved alternative use.