



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**

Agency / Jt. Committee



33

November 14, 1989



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

Honorable Members in Session:

Subject: Acquisition of Sites in the Richards Boulevard Area

SUMMARY

This report regards the acquisition of land in the Richards Boulevard Area for the future facilities and activities associated with the Agency's homeless program. The subject site consists of three contiguous parcels located at 111 North 12th Street, 1221 and 1223 North A Street, immediately adjacent to the existing Salvation Army site. (See attached map)

The staff recommends adoption of the attached resolution authorizing the Executive Director to purchase the subject site.

BACKGROUND

On June 27, 1989, Housing Authority Resolution No. 89-024 authorized staff to pursue acquisition of land in the Richards Boulevard Area for the future facilities and activities associated with the Authority's homeless program.

It should be noted that pursuant to the June 1989 resolution, staff has opened the temporary 60 men modular shelters, and 20 women modular shelters on September 22 and October 14, 1989, respectively. These units were opened with the understanding they were to be temporary and to be removed within four years, and replaced with a permanent facility located in the Richards Boulevard area.

District 1
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(1)

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The staff has been actively seeking potential sites in the area for the permanent facility and the associated services. The subject site became available and is adjacent to the Salvation Army site and warehouse annex (presently being rehabilitated for 52 beds, to be completed in 60 days) and the temporary modular units. The staff has optioned the property subject to appraisal and authorization from the Housing Authority for acquisition.

The subject site is approximately 30,800 square feet with a 6,100 square foot warehouse type structure. Presently, there is a small food processing plant operating on the site. The existing lease runs for approximately two more years, and staff has indicated to the owners and existing operators that we intend to honor the lease and permit the tenancy to continue until expiration by the terms of the lease. This site along with other parcels that the Authority assembles in the future will be used to house the permanent facility and activities of the Authority's Homeless Program.

The staff has discussed the sale of the site with the owners for the last several months. Their final offer for sale is \$245,000.00, approximately 23% higher than the appraised value of \$200,000.00. Normally, we would not offer more than 15% above the appraised value. In this instance, however, the specific location is of particular value to us. If we had to condemn the site, our experience is that the probable settlement costs would be in the 25 to 30 percent over appraisal range anyway, therefore, staff believes that this is a justifiable price. (It should also be noted that the acquisition will be consummated without going to great expense for legal and relocation cost.) Thus, we recommend the acquisition of the site.

FINANCIAL DATA

The appraisal report for the subject site is located in the Authority's General Counsel office. The final sale price of \$245,000.00 is approximately 23% higher than the appraised value. The Authority should allocate an additional amount not to exceed \$2,000.00, for escrow fees and title insurance. Staff recommends a loan from the Authority's Self Insurance Program

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with repayment from the City's proposed 1989 Certificate of Participation (COP) Bond Issue of which the Authority will receive approximately fourteen million dollars for various activities. These expenditures are to become a cost of the Richards Boulevard Project Area upon completion of the establishment of the project area; therefore a loan from the 1989 COP to the Richards Boulevard Project Area will be pending. Interest on all of these loans will be due and payable at 7.75%.

POLICY

The proposed action is consistent with Authority Resolution No. 89-024 regarding the permanent location of shelter and expansion of facilities and services associated with the homeless program.

ENVIRONMENTAL

CEQA: The proposed action to acquire property is exempt from environmental review per Section 15061 (b) (1). The acquisition and continued leasing of the listing structure will not result in a physical change in the environment. The concept of potentially using the site sometime in the future is being reviewed in the Environmental Impact Report for the Richards Boulevard Redevelopment Plan. If that plan is approved (and EIR certified), further site specific environmental review will be conducted during actual project design.

NEPA: Not applicable, no federal funding involved.

MBE/WBE

There is no impact.

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VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of November 6, 1989 the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

- AYES: Amundson, Moose, Parnell, Sheldon, Simon, Simpson, Strong, Wooley, Yew, Wiggins
- NOES: None
- ABSENT: None

RECOMMENDATION:

The staff recommends adoption of the attached resolution: 1) authorizing the Executive Director of the Housing Authority of the City of Sacramento to acquire the subject site for the purchase price of \$245,000.00, with associated escrow and title insurance costs in an additional amount not to exceed \$2,000.00, and 2) authorizing a loan from the Self Insurance Fund in an amount not to exceed \$247,000.00, to be repaid upon issuance of debt and 3) authorizing a loan from the 1989 COPs to be repaid by the Richards Boulevard Project Area upon establishment of the project area.

Staff further recommends recognition of the exempt status of the project per CEQA Section 15061 (b) (1).

Respectfully submitted,



ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL:


WALTER J. SLIPE

Contact Person: Tom Lee, 440-1357

2410WPP(286)



RESOLUTION NO. 89-044

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF _____

BUDGET AMENDMENT PURCHASE OF REAL PROPERTY

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

Section 1: The 1989 Sacramento Housing and Redevelopment Agency Budget is hereby amended to reflect the use of \$247,000 in either 1989 Certificate of Participation funds or Self Insurance Program funds for the purchase by the Housing Authority of the City of Sacramento of the real property located at 111 North 12th Street and 1221 and 1223 North A Street, also known as Assessor's Parcel Nos. 002-0041-047, -048 and -054. If Self Insurance Program funds are used, the funds shall be repaid from the proceeds of the Agency portion of the 1989 City of Sacramento Certificate of Participation.

CHAIR

ATTEST:

SECRETARY

1100WPP2(489)

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____



RESOLUTION NO. 89-089

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

BUDGET AMENDMENT PURCHASE OF REAL PROPERTY

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

Section 1: The 1989 Sacramento Housing and Redevelopment Agency Budget is hereby amended to reflect the use of \$247,000 in either 1989 Certificate of Participation funds or Self Insurance Program funds for the purchase by the Housing Authority of the City of Sacramento of the real property located at 111 North 12th Street and 1221 and 1223 North A Street, also known as Assessor's Parcel Nos. 002-0041-047, -048 and -054. If Self Insurance Program funds are used, the funds shall be repaid from the proceeds of the Agency portion of the 1989 City of Sacramento Certificate of Participation.

CHAIR

ATTEST:

SECRETARY

1100WPP(489)

FOR CITY CLERK USE ONLY

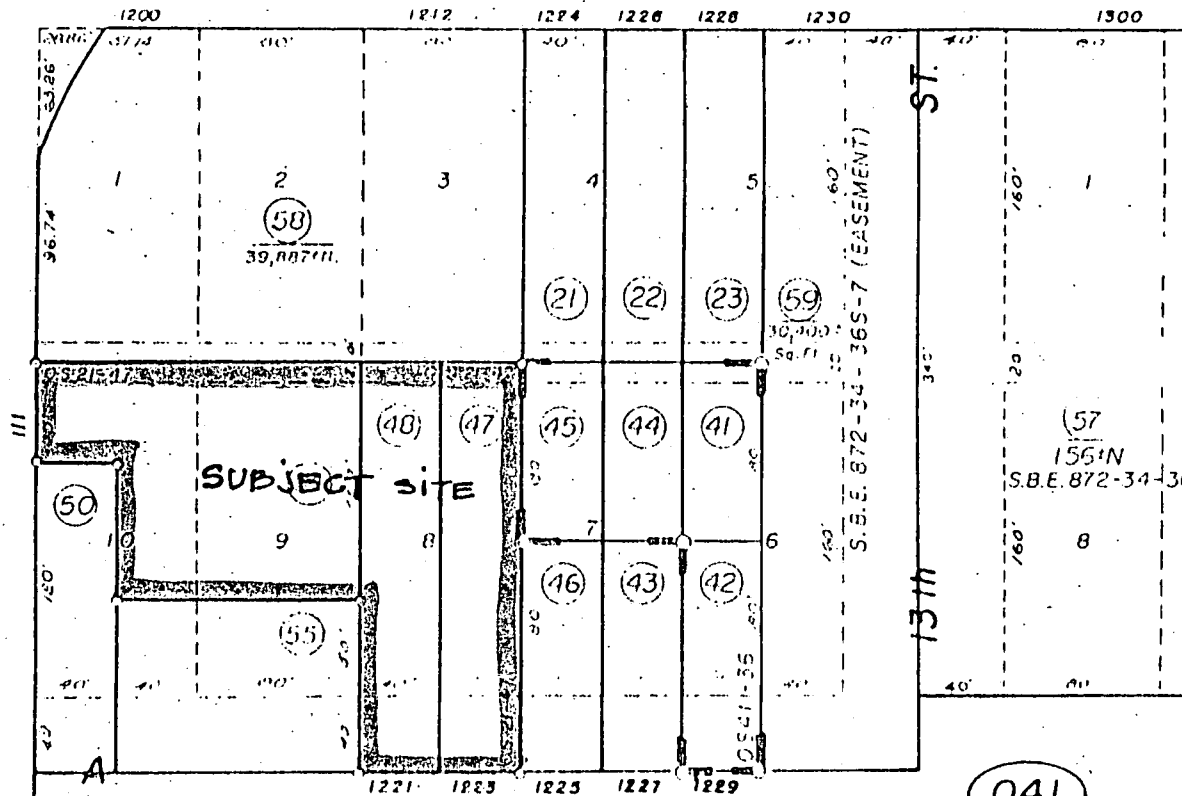
RESOLUTION NO.: _____

DATE ADOPTED: _____

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