



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



12

August 16, 1988

Budget and Finance Committee
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Approval of Appraisal Contract - Library Block

SUMMARY

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

RECOMMENDATION

The staff recommends approval of the attached resolution approving the appraisal contract.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:

Jack R. Crist

JACK R. CRIST
Deputy City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



August 23, 1988

Redevelopment Agency of the
City of Sacramento

Honorable Members in Session:

SUBJECT: Approval of Appraisal Contract, Library Block

SUMMARY

This staff report recommends approval of the attached resolution authorizing the Executive Director to enter into a contract with David E. Lane, M.A.I., for appraisal of the remaining disputed properties in the library project block.

BACKGROUND

On September 22, 1986, the Redevelopment Agency of the City of Sacramento entered into an agreement with Richard Stover, M.A.I., for appraisal of the privately-owned parcels on the block bounded by 8th, 9th, I and J Streets, known as the library block. Mr. Stover's appraisals were the basis for our offers to purchase the properties on the library block. The Agency was able to negotiate the purchase of four of the desired properties for prices within 13 percent of Mr. Stover's appraisals. Because we were unable to successfully negotiate the purchase of the 15 remaining parcels, the purchase prices must be determined in court.

The first of the court cases went to trial in July, and the verdict was returned on July 28. Much to our dismay, the jury determined a value for the property which is 55 percent over the Agency's appraised value. Agency staff is concerned that this verdict not set a precedent for the remaining jury decisions, and therefore would like to undertake measures to prevent repetition of this result.

8-23-88

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
August 23, 1988
Page 2

Brent Bleier, the attorney handling the eminent domain litigation for the Agency, has recommended that the Agency obtain a second appraisal on the remaining properties in preparation for trial. Neither Mr. Bleier nor Agency staff doubt the credibility of Mr. Stover's appraisals, but rather believe that the testimony of two qualified and independent appraisers will strengthen the Agency's hand in court.

Though the buildings on the library block have been demolished, it will be possible for the appraiser to view photographs of the buildings, drawings of their dimensions and interior arrangements, and lease rate information. Moreover, the value of the condemned properties rests in the land, rather than the structures themselves. Values attributable to land can be ascertained through analysis of sales of properties of similar size and disposition in the downtown. The recommended appraiser, David E. Lane, M.A.I., has been in practice in Sacramento since 1965, after nine years with the Redevelopment Agency as Chief Land Agent.

FINANCIAL DATA

The appraiser has agreed to bill the agency on an hourly basis, at the appraiser's current hourly rate. The appraiser has assured the Agency that his cost will not exceed \$50,000, including trial preparation and actual trial time. The appraiser's contract will be funded by the contingency account in fund 103 approved by the Agency on April 5, 1988. In the April 5 action, the Agency set aside approximately \$3 million in project funds to guard against adverse jury verdicts. Use of the entire project contingency would necessitate the phasing of the project, as previously approved.

ENVIRONMENTAL REVIEW

Approval of the appraiser's contract does not constitute a project according to the California Environmental Quality Act and, therefore, does not require an environmental evaluation.

POLICY IMPLICATION

The Agency has, at various times in the past, hired two independent appraisers to evaluate properties for acquisition. Execution of a second contract for appraisal of the library block does not, therefore, represent a change in policy or procedure.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
August 23, 1988
Page 3

RECOMMENDATION OF COMMISSION

At its regular meeting of August 15, 1988, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

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

RECOMMENDATION

The staff recommends approval of the attached resolution which authorizes the Executive Director to execute a contract with David E. Lane, M.A.I., for the appraisal of the fourteen properties on the block bounded by 8th, 9th, I and J Streets for which a final purchase price has not been determined.

Respectfully submitted,

William H. Edgar
WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Thomas V. Lee, 440-1355

0097C

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

August 23, 1988

APPROVAL OF SECOND APPRAISER'S CONTRACT LIBRARY PROJECT

WHEREAS, the Agency desires to obtain a second appraisal for the fourteen properties on the block bounded by 8th, 9th, I and J Streets not yet obtained by the Agency.

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

Section 1: The Executive Director is authorized to execute a contract with David E. Lane, Inc., for appraisal of said properties, for a contract amount not to exceed \$50,000 including costs.

Section 2: The Agency budget is hereby amended to reallocate \$50,000 from contingency (account 5699) to appraisals (account 4831), 1987 Tax Allocation Bond Fund (fund 103).

CHAIR

ATTEST:

SECRETARY

1100WPP2(96)

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council
April 23, 1988
Page Two

Housing - For 1989 this allocation is increased to cover interest charges on the Section 108 Loan which, when approved and funded, will finance site acquisition for HUD-assisted low-income housing construction.

Public Services - This allocation varies because in 1988 it included part of the Human Rights/Fair Housing funding. For 1989, all of Human Rights/Fair Housing is being categorized as Administration.

Administration - The inclusion of the total Human Rights/Fair Housing funding increases this allocation for 1989.

Projected revenues are based on staff's current estimates of the entitlement amount and minimum funds available from prior years for reprogramming.

For your information, in late 1987, Congress passed the first free-standing housing reauthorization to become law in seven years: the Housing and Community Development Act of 1987. It authorized the CDBG Program through 1989. Additionally, the CDBG Program appears to be faring better in the federal budget process than many other programs. (Although the Administration budget included a 14% reduction in CDBG, the Senate Appropriations Committee and the House of Representatives have approved full funding.) Based on this information, staff estimates that the 1989 grant will equal that received in 1988 of \$3,411,000. More definite figures may be available for the November hearings on the Final Statement, but final amounts will probably be unavailable until the grant is received in early 1989.

Citizen Participation Plan

The Housing and Community Development Act of 1987 requires grantees to certify that they are following a detailed citizen participation plan which includes neighborhood participation; reasonable and timely access to meetings, information and records; technical assistance to groups developing proposals with the level and type of assistance determined by the grantee; public hearings at all stages of the community development program; and timely written answers to complaints and grievances within 15 days where practicable.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council
August 23, 1988
Page Three

Because citizen participation has been an integral part of the City CDBG program since 1982, very few changes or additions to actual practice had to be made. The plan shown as Exhibit B details the three-tiered levels of citizen participation, how each tier impacts the program, how meetings are noticed, and how the TACs are appointed. It also defines technical assistance that will be provided citizens, including translation services.

FINANCIAL DATA

The attached priority statement reflects staff's best estimates of 1989 CDBG revenues.

ENVIRONMENTAL REVIEW

All projects to be submitted in the 1989 CDBG Final Statement will be reviewed under both federal and State of California environmental law prior to approval in November 1988.

POLICY IMPLICATION

This report follows existing policy by proposing activities that further the national CDBG objective of benefitting low and moderate income persons and by implementing the City Three-Year Community Development Plan adopted by the City Council on April 27, 1987.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of August 15, 1988, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Amundson, Simon, Simpson, Strong, Wooley, Moose

NOES: None

NOT PRESENT TO VOTE: Pettit, Wiggins

ABSENT: Sheldon, Yew

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento City Council
August 23, 1988
Page Four

RECOMMENDATION

The staff recommends adoption of the attached resolution which (1) approves the 1989 CDBG Priority Statement as a funding guide for preparation of the Final Statement, and (2) approves the Citizen Participation Plan for 1988-1990.

Respectfully submitted:

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL

WALTER J. SLIPE
City Manager

Contact Person: Maxine Cornwell, Program Manager
Community Development Block Grant (440-1322)

MC/tg

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

August 23, 1988

1989 CDBG PRIORITY STATEMENT AND 1988-90 CITIZEN PARTICIPATION PLAN

WHEREAS, the City of Sacramento annually submits a Final Statement to the U.S Department of Housing and Urban Development on how it proposes to use its Community Development Block Grant; and

WHEREAS, the City of Sacramento annually adopts a statement of priorities to ensure the best use of funds to meet local needs.

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

Section 1: The 1989 CDBG Priority Statement attached hereto as Exhibit "A" is hereby adopted as a conceptual funding guide for preparation of the full 1989 Final Statement.

Section 2: The Citizen Participation Plan attached hereto as Exhibit "B" for 1988 through 1990 is hereby adopted.

CHAIR

ATTEST:

CITY CLERK

1100WPP2(90)

1989 PRIORITY STATEMENT

CITY OF SACRAMENTO
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM
PRELIMINARY PROJECTED USE OF FUNDS

	1988 BUDGET	1989 PROPOSED BUDGET
I. <u>CAPITAL IMPROVEMENTS</u>		
A. Target Area Improvements	\$ 730,000	\$ 635,000
B. Labor Compliance Administration	20,000	20,000
SUBTOTAL	750,000	655,000
 II. <u>HOUSING PROGRAMS</u>		
A. Rehabilitation Loan Fund	\$ 300,000	\$ 340,000
B. Rehabilitation Administration	325,000	285,000*
C. Relocation Program	30,000	30,000
D. Emergency Repair Grants	170,000	170,000
E. Building Code Inspection	80,000	80,000
F. Section 108 Loan Repayment	426,000	475,000
G. Neighborhood Housing Services	150,000	150,000
SUBTOTAL	\$1,481,000	\$1,530,000
 III. <u>PUBLIC SERVICES</u>		
A. Workrecreation	132,000	132,000
B. Shared Housing	50,000	50,000
C. Housing Outreach Maintenance Education (HOME) - Lutheran Social Services	10,000	10,000
D. Homeless Program for the Mentally Ill - TLCS	262,500	262,500
E. Human Rights/Fair Housing Commission	40,500	(See Adminis- tration)
F. Self-Sufficiency Incentive Program	30,000	0
SUBTOTAL	\$ 525,000	\$ 454,500

* The Housing Rehabilitation Division will administer programs in addition to the CDBG Loan Fund and the ERP Program including approximately \$3.2 Million from the Rehabilitation Bond Fund, the Rental Rehabilitation Program, Section 312 Loans, and any other programs that become available. Additionally, approximately \$40,000 will be available from the Rental Rehabilitation program for administration, a cost borne previously by CDBG.

City of Sacramento
 1989 Priority Statement
 Page Two

	<u>1988 BUDGET</u>	<u>1989 PROPOSED BUDGET</u>
IV. <u>ECONOMIC DEVELOPMENT</u>	\$ 200,000	\$ 200,000
V. <u>ADMINISTRATION</u>		
A. CDBG and MBE/WBE* Programs	\$ 354,448	\$ 357,140
B. Human Rights/Fair Housing Commission	\$ 82,000	\$ 122,500
SUBTOTAL	\$ 436,448	\$ 479,640
IV. <u>CONTINGENCY</u>	\$ 209,288 (5.8%)	\$ 221,860 (6%)
TOTAL	<u>\$3,601,736</u>	<u>\$3,541,000</u>
SOURCE OF FUNDS:		
Reallocation of Fiscal Year 1986	\$ 1,000	
Estimated Entitlement	\$3,411,000	\$3,411,000**
Reprogrammed Funds	189,736	130,000
TOTAL	<u>\$3,601,736</u>	<u>\$3,541,000</u>

* Minority Business Enterprise/Women's Business Enterprise

**Estimated Amount

1640k

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM
CITY AND COUNTY OF SACRAMENTO

CITIZEN PARTICIPATION PLAN
(1988 - 1990)

I. INTRODUCTION

The Housing and Community Development Act of 1987 requires the City and County of Sacramento, as Community Development Block Grant (CDBG) Program Grantees, to follow a citizen participation plan which addresses several key elements (see "Objectives" section below).

Citizen participation has been an integral part of both the City and County CDBG Program; Target Area Committees (TACs) have been in place in the County since 1978 and in the City since 1982. The TACs represent the actual neighborhoods where CDBG funds are targeted and are an important part of program development, implementation, and evaluation. Regardless of modifications made in federal regulations regarding citizen participation in the CDBG Program, Sacramento has remained committed to this process.

This plan seeks to encourage and foster the citizen participation component of the CDBG Program. It identifies strategies to obtain participation from those persons directly affected by the CDBG Program, to provide accurate information and timely notification of CDBG activities, to provide education and assistance to citizens to access the program, to involve citizens during all stages of the process, and to respond to specific complaints and needs of citizens.

II. OBJECTIVES

This plan addresses the following objectives as defined by the 1974 Housing and Community Development Act as amended. The Citizen Participation Plan must:

1. Provide for and encourage citizen participation, with particular emphasis on participation by persons of low and moderate income who are residents of slum and blight areas and of areas in which section 106 funds are proposed to be used, and in the case of a grantee described in section 106(a), provides for participation of residents in low and moderate income neighborhoods as defined by the local jurisdiction;

2. Provide citizens with reasonable and timely access to local meetings, information, and records relating to the grantee's proposed use of funds, as required by regulations of the Secretary, and relating to the actual use of funds under this title;
3. Provide for technical assistance to groups representative of persons of low and moderate income that request such assistance in developing proposals;
4. Provide for public hearings to obtain citizen views and to respond to proposals and questions at all stages of the community development program, including at least the development of needs, the review of proposed activities and review of program performance, which hearings shall be held after adequate notice, at times and locations convenient to potential or actual beneficiaries, and with accommodation for the handicapped;
5. Provide for a timely written answer to written complaints and grievances, within 15 working days where practicable; and
6. Identify how the needs of non-English speaking residents will be met in the case of public hearings where a significant number of non-English speaking residents can be reasonably expected to participate.

III. CITIZEN PARTICIPATION STRUCTURE

The general structure of the CDBG citizen review component is three-tiered: Target Area Committees, the Sacramento Housing and Redevelopment Commission, and the Board of Supervisors/City Council. Target area project ideas occur at the Target Area Committee or grass roots level. These ideas are then recommended to the Sacramento Housing and Redevelopment Commission, a countywide and citywide committee which reviews all housing and redevelopment activities. The recommendations then proceed to the Board of Supervisors or City Council for final review/approval.

The Target Area Committees (TACs) are made up of residents and business owners of CDBG target areas. As appointments are made to these Committees, every effort is made to ensure geographic representation throughout the target area where CDBG-funded activities are proposed. The TACs are ongoing committees meeting throughout the CDBG cycle to recommend proposals for funding, obtain neighborhood input, and monitor progress and performance projects. They also help develop long range plans for their respective areas which ultimately become part of the city and county community development plans.

TAC membership is widely solicited throughout the target areas. Initially, extensive outreach was made to obtain membership, and, as vacancies occur, outreach activities are used to recruit new members. Such activities include distribution of flyers throughout the community and notification to neighborhood newspapers.

When time permits, notification of vacancies is mailed to all target area residents or an announcement is included in the yearly CDBG newsletter which is distributed to all target area residents. Every effort is made to ensure that TAC members represent all segments of the community particularly low and moderate income persons, minorities, and residents of sections of the target area where CDBG activities are planned. All appointments to the TACs are made by the Board of Supervisors or the City Council.

The Sacramento Housing and Redevelopment Commission (SHRC) reviews all neighborhood projects recommended by the TACs as well as those programs which are "countywide" or "citywide" such as housing rehabilitation and economic development. The TACs make suggestions on countywide or citywide programs, but overall funding allocations and final policy recommendations must be made at the Commission level because of the "areawide" nature of these programs. The TACs are invited to attend Commission meetings and personally present TAC recommendations.

All recommendations made by the TACs and the Commission are then forwarded to the Board of Supervisors or the City Council.

IV. PUBLIC MEETING/HEARING PROCESS

All meetings/hearings at the TAC, SHRC, Board of Supervisors and City Council levels are open to the public. Notice of all meetings is made in accordance with the Brown Act and its amendments and, therefore, provides adequate notice time and thorough information regarding subject matter of meetings.

A. TAC Process

In addition to the public posting of TAC meeting agendas in accordance with the Brown Act (72 hours prior to meeting), agendas along with minutes of the prior meeting are sent to TAC members approximately five to seven days before the meeting date. A list of interested citizens is also maintained for each target area, and meeting agendas are mailed to these persons. Efforts are made to maintain neighborhood newspaper contacts on the interested citizen list so notification of meetings may be included in such papers.

Annual hearings to obtain input and propose projects for the CDBG Application are noticed in the yearly newsletter sent to all target area residents. Topics covered in the newsletter generally include information on CDBG-funded activities, explanation of the role of the TACs, discussion of the hearing process and potential projects the TAC may be proposing for funding, and invitation for input from the community.

B. SHRC and Board of Supervisor/City Council Process

Hearings on the annual projected use of funds and amendments to be held before the SHRC, Board, and Council are publicly noticed, and agendas are publicly posted. Public notice is published in a paper of general circulation at least one week prior to the hearing.

TAC meetings are held in the community during evening hours. SHRC meetings are held at the Sacramento Housing and Redevelopment Agency office on the first and third Monday evenings of the month. City Council meetings are held at City Hall every Tuesday evening, and Board of Supervisors meetings are held every Tuesday and Thursday (CDBG activities are generally heard by the Board on Tuesday morning). All meeting locations are handicapped accessible.

V. PRESENTATION OF VIEWS AND PROPOSALS/TECHNICAL ASSISTANCE

Citizens are welcomed and encouraged to present their views and proposals regarding the CDBG Program. Proposals and comments on capital improvement activities should be addressed to the TAC of the area where the activity is being proposed. Countywide or citywide proposals should be addressed to the SHRC.

Proposals may be made verbally or in writing at public meetings or directly to CDBG staff.

Extensive technical assistance is provided to all TACs. CDBG staff provides knowledge and advice to the Committees but does not direct their efforts nor dictate their action. Technical assistance to the TACs often involves helping them identify needs, develop activities and/or strategies to meet those needs, assess priorities, address neighborhood needs not specifically related to CDBG (self-help assistance), and understand the overall process.

Technical assistance will also be provided to groups representing low and moderate income persons who request such assistance to develop proposals. Assistance will be given based on staff time available but at a minimum will include an explanation of the CDBG process.

Staff is always available to answer both individual and group concerns or questions regarding the CDBG Program and the process for developing proposals, and to make referrals for other types of information.

VI. CONSIDERATION OF COMPLAINTS/OBJECTIONS

Citizens may formally object to decisions or recommendations made regarding CDBG activities.

Written complaints and grievances will be responded to within fifteen (15) working days where practicable.

VII. ASSISTANCE TO NON-ENGLISH SPEAKING AND HEARING IMPAIRED PERSONS

If a significant number of non-English speaking or hearing-impaired residents are expected to participate in a public hearing being held on CDBG activities, staff will retain appropriate assistance to allow such residents to participate. Assistance will generally consist of obtaining appropriate interpreter services. The CDBG program has various resources available in such circumstances including Lutheran Social Services (Southeast Asian interpretation), SHRA staff (Spanish interpretation), and Norcal Center on Deafness (signing).

Attempts will be made to retain assistance for anyone needing such services; however, such assistance will be considered mandatory only in instances where a "significant number" of residents are expected to participate. ("Significant number" will be a common sense judgement, but particular attention will be paid in instances where residents are likely to be affected by CDBG activities.)

VIII. AGREEMENT CITIES

The mechanism for citizen participation in the Agreement Cities of Folsom, Galt, and Isleton is the City Councils in each of the jurisdictions. Public hearings are held before the Councils during the CDBG Application process to obtain input on potential projects. Review of activities and program performance is also accomplished through the City Councils.

CDBG staff provides technical assistance to the Agreement Cities and is available to assist concerned groups or citizens with developing proposals or gaining knowledge of the CDBG Program. CDBG staff will also respond as stated in Section VI to formal complaints or objections from citizens of the Agreement Cities.