



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



16

April 17, 1990

Budget and Finance Committee  
of the City Council  
Sacramento, CA

Honorable Members in Session:

SUBJECT: Community Development Block Grant (CDBG) Funding for  
Repairs of Agency-Owned Units in the Meadowview Area

SUMMARY

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

RECOMMENDATION

The staff recommends approval of the attached resolution approving the funding.

Respectfully submitted,

ROBERT E. SMITH  
Executive Director

TRANSMITTAL TO COMMITTEE:

JACK R. CRIST  
Deputy City Manager

Attachment



# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



April 24, 1990

City Council, and Housing Authority  
of the City of Sacramento  
Sacramento, California

Honorable Members in Session:

SUBJECT: Community Development Block Grant (CDBG)  
Funding for Repairs of Agency Owned Units  
in the Meadowview Area

## SUMMARY:

This report outlines the measures the Agency is taking to aid in improving Section 8 and Agency owned housing units in the Meadowview area. The rehabilitation of Housing Authority owned units will be, in part, funded by CDBG.

The proposed action will transfer \$67,160 from 1990 CDBG contingency funds to the Meadowview Rehabilitation project leaving a 1990 contingency balance of \$23,191.

## BACKGROUND:

On November 21, 1989, the City Council adopted the Meadowview Action Strategy. The strategy involves Agency staff working with the community to help better coordinate City services and to encourage housing rehabilitation and economic development activity in the area. As cited in the earlier report, the residents are concerned with the overall housing deterioration, lack of shopping facilities, job training and the incidence or perception of sociological problems such as crime, drug and gang activity.

One of the major first steps in implementing the action plan was a walk-by survey of housing units to assess the need for rehabilitation. The survey was conducted by Meadowview Community Action, Inc. with the assistance of Sacramento State University students. (This report deals with Agency efforts to improve Agency owned or Section 8 units in Meadowview. The other components of the Meadowview Strategy can be found in Attachment A.)

(1)

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

City Council, and Housing Authority  
of the City of Sacramento  
April 24, 1990  
Page Two

## Agency Owned Units

The survey results indicated that while the overall housing stock in Meadowview is still in very good structural condition, numerous cosmetic problems, important to overall community perception, were found.

Most problems were noted on privately owned housing, however, some were also noted on Agency owned units. (We are communicating separately with owners of rental units which have a Section 8 certificate holder as the occupant and which were found to need upgrading.)

Of the 6,321 housing units in Meadowview, 80, or 1.27% of that total are Agency owned. Of the 80 units, 37 units were found to be in need of cosmetic repairs (painting, fencing, driveway repairs, downspouts, lawn repairs, etc.). These would eventually have been taken care of through our normal maintenance program, however, budget limitations make that a slow process. Because we wanted accelerated results in this instance, additional funds are required. This report provides additional funding, over and above the normal maintenance budget, for this effort.

A list of, deficiencies noted on Agency owned units in Meadowview and the plan of action on each is attached.

## Section 8 Units

### The Gap between Section 8 Housing Standards and "Neighborhood Standards"

Section 8 program minimum quality standards are rigorous in their health and safety requirements, but pay limited attention to site or structure appearance. Of the 282 Section 8 units in Meadowview, 53 were found to be cosmetically deficient. However, only a few of the 53 Section 8 units found to be deficient are expected to be "citable" under Section 8 standards. Even correcting the "citable" offense would likely not achieve a high standard of appearance because citable offenses tend to be structural/mechanical as opposed to cosmetic.

The federal government will not allow us to impose additional appearance related standards over and above the structural and code related standards they outline for basic Section 8 eligibility. Lacking a regulatory requirement that Section 8 owners upgrade their units' appearances to "neighborhood standards," the Agency is implementing a strategy to persuade these owners to improve their properties.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

City Council, and Housing Authority  
of the City of Sacramento  
April 24, 1990  
Page Three

The Agency mailed a letter (Attachment B) on March 16, 1990 to Section 8 property owners outlining the benefits they accrue through improving their properties. These benefits include:

- o Approvable Section 8 rents will keep pace with market rents;
- o Section 8 rent increases are much easier to grant;
- o Section 8 renters will tend to stay rather than move;
- o Units maintain their marketability if vacancies do occur.

This correspondence will be followed by a meeting with Section 8 owners to further explore these advantages and explain Agency and State rental rehab programs which can assist owners in making these improvements. Agency efforts combined with increased neighborhood activism in this area will hopefully result in positive, visible improvements to properties.

## POLICY IMPLICATIONS:

This Meadowview action plan is to be viewed as a pilot program since it represents a departure from previously established approaches. The proposed use of City CDBG funds is, however, in accordance with the overall program goal of providing decent housing to low income residents of the City and is in accordance with the 1988-1990 CDBG three year plan goals.

This action requires that the CDBG Program be amended subsequent to public notice and hearing. The public is on notice to participate in your discussion at your April 16 meeting. The funding is justified as a benefit to low income individuals.

## FINANCIAL DATA:

A total of \$95,670 is required to repair the Agency owned units. However, the 1990 Maintenance Budget has set aside \$28,510 to perform this work. The difference of \$67,160 will be funded through the City's Community Development Block Grant Contingency Funds. This will require an amendment to the 1990 CDBG Final Statement and the 1990 Agency Budget.

## MBE/WBE EFFORTS:

Utilization of minority and women owned businesses will be emphasized throughout this program consistent with adopted Agency policies.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

City Council, and Housing Authority  
of the City of Sacramento  
April 24, 1990  
Page Four

## ENVIRONMENTAL REVIEW:

This proposed action consists of policy decisions which are exempt from both the California Environmental Quality Act (CEQA Guidelines Section 15378(b)(3)) and National Environmental Policy Act (NEPA per 24 CFR Part 58.34 (a)(2)) review at this time. Any rehabilitation and developmental projects which are a result of these policies will be reviewed on a case by case and/or site specific basis as necessary.

## VOTE AND RECOMMENDATION OF COMMISSION:

At its meeting of April 16, 1990, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES:

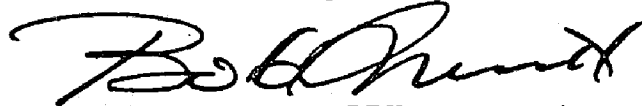
NOES:

ABSENT:

## RECOMMENDATION

The staff recommends approval of the attached resolution authorizing the Executive Director to amend the 1990 CDBG program by transferring \$67,160 from 1990 contingency funds to the Meadowview Rehabilitation project. Funds are to be granted to the Housing Authority for the purpose of rehabilitating Authority owned rental units.

Respectfully submitted,



ROBERT E. SMITH  
Executive Director

TRANSMITTAL TO COUNCIL:

---

WALTER J. SLIPE  
City Manager

Contact Person: John E. Bridges (440-1337)  
3200WPP.546

# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF \_\_\_\_\_

AUTHORIZE THE USE OF CITY CDBG FUNDS TO REHABILITATE  
HOUSING AUTHORITY OWNED RESIDENTIAL UNITS IN THE  
MEADOWVIEW NEIGHBORHOOD

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF  
SACRAMENTO:

Section 1: The City hereby amends the CDBG Program to  
fund a grant of \$67,160 to the Housing Authority of the City of  
Sacramento to rehabilitate Housing Authority owned rental units in  
the Meadowview area of the City of Sacramento.

\_\_\_\_\_  
MAYOR

\_\_\_\_\_  
CITY CLERK

P:\SHARE\RESO\JAM90-50

FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

# RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF \_\_\_\_\_

ACCEPTING COMMUNITY DEVELOPMENT BLOCK GRANT FUNDS  
FOR REHABILITATION OF RESIDENTIAL UNITS

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

Section 1: The Authority does hereby accept a grant of  
Community Development Block Grant funds from the City of Sacramento  
in the amount of \$67,160 for the rehabilitation of its residential  
units in the Meadowview area.

\_\_\_\_\_  
CHAIR

\_\_\_\_\_  
SECRETARY

P:\SHARE\RESO\JAM90-50

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED. \_\_\_\_\_

## ATTACHMENT A

### Privately Owned Housing Rehabilitation

The staff will contact and meet with owners of privately-owned units in need of rehabilitation in order to inform them of financing programs available to improve their properties. Neighborhood efforts will be directed toward encouraging property owners to maintain their properties.

- o Support self-help rehab effort through MCA.

### Home Ownership

- o Provide 50 Mortgage Credit Certificates to assist first time home buyers (May 1990 if approved)
- o Provide five down payment assistance loans (at 0% interest) combined with 8.65% 30-year FHA insured mortgages and up to \$3,000 in rehabilitation loans.
- o Promote the area as a good place to buy and live. Develop a brochure about Meadowview and market the area to lenders, realtors and homebuyers.
- o Initiate anti-red lining efforts, if such are found in the area.
- o Provide residents information on home loan counseling activities in Sacramento.

### Economic Development

- o Assist with the commercial revitalization at the southeast corner of Meadowview Road and 24th Street.

### Employment

- o Through the Meadowview Job Center, help link unemployed residents with job opportunities.

### Youth/Workreation

- o Continue to offer summer youth employment opportunities through the Workreation Program (eight youths per summer).

### Drug Abuse Prevention

- o Seek sponsors for drug abuse prevention programs/workshops.

### Proposed Actions

- o "Hotline" for problems with Agency owned and Section 8 housing units.
- o Abandoned vehicle abatement program to help improve the visible attractiveness of the area.

**Section 8 Inspections and Remedial Action**

In February, 1990, the Agency hired a half-time staff person to implement the Meadowview Action Strategy. As a follow up to the MCA survey, Agency staff inspected the twenty six (26) Section 8 units identified as needing repairs in the MCA housing survey for the area south of Meadowview Road.

Twenty-one (21) of these 26 were found to warrant close inspection by Leased Housing inspectors who conducted a drive-by inspection in December 1989.

Seven (7) of these 21 failed detailed inspections by Leased Housing inspectors. Their owners were sent notices to correct the deficiencies.

**Agency Owned Units**

There are 80 Agency owned units in the Meadowview housing survey area consisting of single family dwellings and duplexes. An inspection was conducted for each property to determine the maintenance work requirements. The work requirement assessment and the associated costs are as follows:

Work requirements

<u>Activity</u>	<u>Units</u>	<u>Total Costs</u>	<u>Proposed Completion Date</u>
Roofs	6	\$13,370	Repair 1/15/90
	10	22,300	Replace 4/1/90
			Include in 1990
			CIAP application
Exterior Painting	30	21,495	Partial 1/15/90
	23	15,100	Complete 4/1/90
			Bid after budget approval
Gutters/Downspouts	17	5,570	Partial 1/15/90
	27	2,705	Complete 4/1/90
			Bid after budget approval
Sidewalks	7	860	Repair 1/15/90
	22	3,040	Replace 6/1/90
			Include in 1990
			CIAP application
Driveway Pads	6	2,100	Repair 1/15/90
	27	64,572	Replace 6/1/90
			Include in 1990
			CIAP application
Fences	16	3,530	1/15/90
	22	8,450	Bid after budget approval

Attachment A (Page Three)

<u>Activity</u>	<u>Units</u>	<u>Total Costs</u>	<u>Proposed Completion Date</u>
Trees	2	1,300	1/15/90
	17	10,500	Bid after budget approval
Landscaping	19	2,670	Misc. 1/15/90
	8	1,895	Reseed Lawns 4/1/90
Other (General Maintenance)	29	6,125	Bid after budget approval
	40	<u>4,400</u>	1/15/90
			Include in 1990 CIAP application
	<b>Total Costs</b>	<b>\$95,670</b>	

Items to be requested in the 1990 CIAP application are not included in the total cost. The staff will immediately begin work on correcting these identified items as soon as CDBG funding is received and a budget amendment is approved.

Comprehensive Improvement Assistance Program

Through the Comprehensive Improvement Assistance Program, 60 scattered housing sites in the Meadowview Area have either been repaired, are under repair, or will be repaired under current funding.

The total cost for these repairs is \$656,825 or an average cost of \$10,947 per unit.

Newly identified work requirements will be requested in the 1990 CIAP application.



# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



## ATTACHMENT B

Dear Property Owner:

The City of Sacramento recently contacted our Agency to express its desire to upgrade the general neighborhood conditions in the greater Meadowview Area. The City's main concern is that many rental units in the area have not been maintained in a manner to protect property values. In fact, some poorly-maintained units have contributed to a general decline in values on certain streets.

The conditions that typically promote a decline in property values range from poor maintenance to flagrant health and safety hazards. Some examples of these conditions are listed below.

- \*Peeling and weathered exterior paint surfaces
- \*Broken-down vehicles parked in the street or driveway
- \*Vehicles parked on the front lawns
- \*Cracked and oil-stained driveways
- \*Front yards that have holes and poorly-maintained lawns
- \*Broken-down or poorly maintained fencing
- \*Overgrown backyards littered with debris and trash
- \*Garage doors that need painting or repair
- \*Rain gutters and downspouts in disrepair

In a survey of more than 282 federally-subsidized rentals participating in the Section 8 Housing Assistance Payments Program, your rental was identified as a concern by the City. The Section 8 Program shares the concerns of the neighborhood.

We recommend that you visit your rental unit to review its present condition and correct any deficiencies that you may find. Properly-maintained rental units participating in the Section 8 Program have the following advantages:

- \*Approvable Section 8 rents will keep pace with market rents
- \*Section 8 rent increases are much easier to grant
- \*Repair items found by our Inspectors tend to be minor
- \*Your Section 8 renter will tend to stay rather than move
- \*Your unit maintains its marketability if a vacancy does occur

9948L

CHART A: RECOMMENDED REPROGRAMMING ACTIONS  
CITY OF SACRAMENTO  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

YEAR COST CENTER	PROJECT	CURRENT ALLOCATION	RECOMMENDED ALLOCATION	NET CHANGE TO CONTINGENCY	COMMENTS
1990/LO4286	<u>Beginning Contingency Balance:</u>			\$46,293	
1988/K04706	12th Street Section 108 Repayment	\$103,038	\$ -0-	+\$103,038	Surplus funds in project
New	Meadowview Rehabilitation	\$ -0-	\$ 67,160	-\$ 67,160	Necessary for Meadowview Housing Rehabilitation Project.
	<u>Ending Contingency Balance:</u>		\$ 67,160	\$ 82,171 *	

\* This number does not include an anticipated 1% reduction of our 1990 CDBG grant amount (approximately \$40,000) related to HUD's inability to recapture all UDAG funds at this time.