



INVESTING IN COMMUNITIES

NOTICE OF REGULAR MEETING MEETING
**Sacramento Housing and Redevelopment
Commission**

Wednesday, September 21, 2016 – 6:00 pm
801 12th Street
2nd Floor Commission Room
Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS

While the Commission welcomes and encourages participation in the Commission meetings, please limit your comments to three minutes, so that everyone may be heard. If you wish to speak under Citizens Comments or on a posted agenda item, please fill out a speaker card and present it to the Agency Clerk. SHRA provides opportunities for the public to address the Commission at this time in order to listen to opinions regarding non-agendized matters within the subject matter jurisdiction of SHRA. Consistent with the Brown Act, the public comment periods on the agenda are not intended to be "question and answer" periods or conversations with Commission members. Members of the public with questions are encouraged to contact staff before or after the meeting. Commission attendees are requested to silence any electronic devices that they have in their possession during the meeting.

1. **APPROVAL OF MINUTES** - September 7, 2016 Meeting

SPECIAL PRESENTATION

2. City/County Discussion on Homelessness

CONSENT

3. Approval of 4501 9th Avenue (Donner Field) Interim Lease

BUSINESS/DISCUSSION ITEMS

4. 2017 Annual Plan for the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento; Submission of the 2017 Annual Plan to the Department of Housing and Urban Development
5. Approval of Vacant Lot Disposition Strategy - City Report
6. Approval of Vacant Lot Disposition Strategy - County Report
7. Adopt Ordinance Amending Chapter 18.20 of the Sacramento City Code, relating to the Residential Hotel Unit Withdrawal, Conversion and Demolition and the Annual Report on Residential Hotels

INFORMATIONAL PRESENTATIONS

8. SHRA Budget Workshop - Overview
9. SHRA Budget Workshop – Development Department

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

REPORTS: Copies of documents relating to agenda items are available for review in the Agency Clerk's office located at 801 12th Street, Sacramento CA 95814. Agendas and reports are also posted online at www.shra.org. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Agency Clerk's office during normal business hours and will also be available at the meeting.

AMERICANS WITH DISABILITIES ACT: Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Agency Clerk at (916) 440-1363 at least 48 hours prior to the meeting.



INVESTING IN COMMUNITIES

MINUTES

Sacramento Housing and Redevelopment Commission (SHRC) Meeting

September 7, 2016

Meeting noticed on September 2, 2016

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Chair Creswell. A quorum of members was present.

MEMBERS PRESENT: Creswell, Griffin, Raab, Macedo, Morgan, Painter, Simas, Staajabu

MEMBERS ABSENT: Alcalay, Johnson, Rios

STAFF PRESENT: La Shelle Dozier, David Levin, Tina McKinney, Tyrone Williams, Celia Yniguez, Jim Shields, Anne Nicholls, Lira Goff, James Shields, JoAnna Davis, Asa Standfeldt, Tanya Tran, Gregory Potts, Robbie Folks, Sarah Thomas, MaryLiz Paulson, Angela Hall, Mark Hamilton, Cecette Hawkins, Reggae Brown.

APPROVAL OF AGENDA – The Agenda was approved as submitted.

CITIZENS COMMENTS – MaryLiz Paulson introduced Reggae Brown of SHRA's Resident Services Department. Ms. Brown then introduced four Family Self Sufficiency (FSS) Program Graduates, Maureen Virgil, Teresa Macias De Garduno, Anouluck Siackasorn, and Angela Divens. Each of them made comments about their positive experience in the FSS program.

1. APPROVAL OF MINUTES – August 3, 2016 meeting - The meeting minutes were approved unanimously as submitted.

CONSENT

2. Housing Authority Participation in the Carmichael Property and Business Improvement District

On a motion by Commissioner Morgan, seconded by Commissioner Griffin, the Commission recommended approval of the staff recommendation for the item listed above. The votes were as follows:

AYES: Creswell, Griffin, Raab, Macedo, Morgan, Painter, Simas, Staajabu

NOES: None

ABSENT: Alcalay, Johnson, Rios

ABSTAIN: None

RECUSE: None

PUBLIC HEARING

4. 2017 Annual Plan for the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento; Submission of the 2017 Annual Plan to the Department of Housing and Urban Development

MaryLiz Paulson presented the item. Sarah Ropeleto of Legal Services of Northern California gave public comment.

PRESENTATIONS

5. Vacant Lot Strategy

Celia Yniguez presented the item. Public Comment was given by Anthony Lehr of Chalk and Loaves and Fishes and William Glover of Sacramento Neighborhood Coalition.

Commissioner Creswell asked to be presented with the outcomes of the dispositions.

6. Sacramento Housing and Redevelopment Agency Comprehensive Annual Financial Report (CAFR) For The Year Ended December 31, 2015 - City Report

7. Sacramento Housing and Redevelopment Agency Comprehensive Annual Financial Report (CAFR) For The Year Ended December 31, 2015 - County Report

Tina McKinney presented the item.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

None.

EXECUTIVE DIRECTOR REPORT

The Executive Director reviewed the following:

1. The next meeting is scheduled for September 21, 2016 at 6:00 pm.
2. SHRA staff will let Commissioners know of upcoming events.

COMMISSION CHAIR REPORT

Chair Creswell thanked the Agency for bringing successful FSS participants forward.

ADJOURNMENT

As there was no further business to be conducted, Chair Creswell adjourned the meeting at 7:10 p.m.

Clerk



September 16, 2016

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of 4501 9th Avenue (Donner Field) Interim Lease

SUMMARY

The attached report and resolution are submitted to you for review prior to review by the County of Sacramento.

RECOMMENDATION

Approve staff recommendation as outlined in the report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



REPORT TO HOUSING AUTHORITY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Public Hearing
October 13, 2016

Chair and Members of the Housing Authority

Title: Approval of 4501 9th Avenue (Donner Field) Interim Lease

Location/Council District: 4501 9th Avenue, District 5

Recommendation: Adopt a **Housing Authority Resolution** a) authorizing a one-year lease of 4501 9th Avenue to the Fortune Charter School; and b) making related environmental findings.

Contact: Geoffrey Ross, Assistant Director, Development 440-1357

Presenters: Bern Wikhammer, Program Manager, Development

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: The vacant parcel located at 4501 9th Avenue (Donner Field) is behind the former Donner School building on Stockton Boulevard between 8th and 9th Avenues. The site was originally acquired in 1985 for redevelopment purposes. On September 1, 2012, the Authority and the Fortune School of Education (Fortune School) executed a one-year lease with three one-year extensions for Donner Field. The Fortune School operates a K-8 charter school in the adjacent building and uses the parcel (1.23 acres) for outdoor recreation. In return, the Fortune School has maintained, secured and insured the parcel during the term of the lease. The lease expired on August 31, 2016 and an interim 2-month lease was executed to allow time to obtain approval for a new lease.

This report requests authority to execute a new one-year interim lease, with the option to terminate at any time, to allow the Fortune School the time to locate an alternate location for their outdoor activities.

Policy Considerations: Public noticing is required for any lease agreement for a one-year period. This is a requirement per federal law for housing authority properties and per redevelopment law for those acquired by the former Redevelopment Agency.

Economic Impacts: Not applicable.

Environmental Considerations: The lease agreement associated with the Donner Field Site at 4501 9th Avenue is not considered a project under the California Environmental Quality Act (CEQA) and therefore not subject to CEQA pursuant to Guidelines Section 15061(b)(3).

National Environmental Policy Act (NEPA): There is no federal funding or any other federal action involved with this action; therefore, the National Environmental Policy Act (NEPA) does not apply.

Commission Action: At its meeting of September 21, 2016, the Sacramento Housing and Redevelopment Commission reviewed the staff recommendation for this item. The votes were as follows.

AYES:

NOES:

ABSENT:

Rationale for Recommendation: The proposed one year lease of 4501 9th Avenue will provide the Fortune School with sufficient time to secure another location for outdoor recreation for their students.

Financial Considerations: Consideration for the interim lease shall be the securing, maintenance and insuring of the property. There will be no monetary charge.

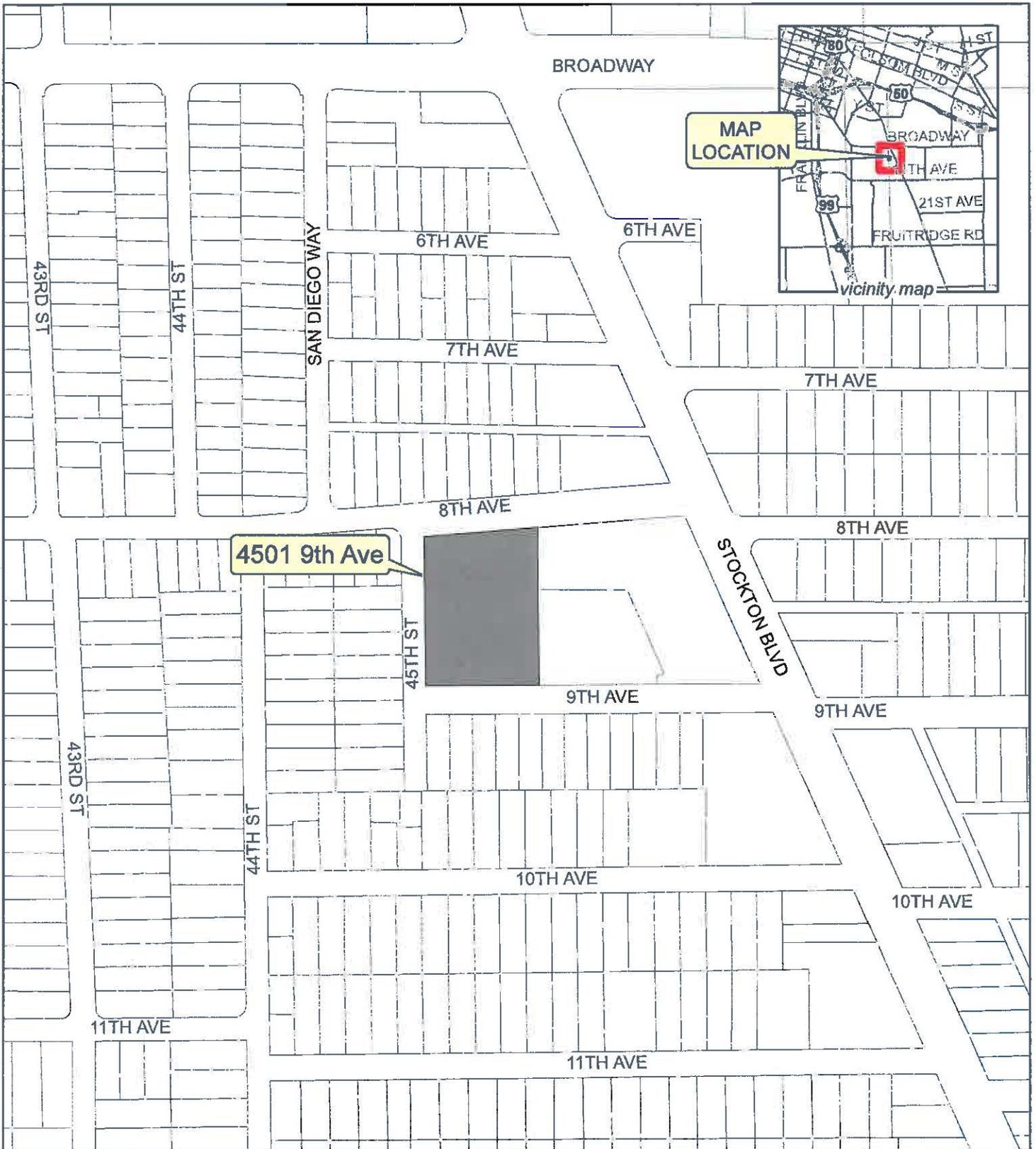
M/WBE/Section 3 and First Source Considerations: The items discussed in this report do not involve federal funding; therefore, there are no M/WBE or Section 3 considerations. The First Source Program or similar programs are not applicable to this report.

Respectfully Submitted by: 
LA SHELLE DOZIER
Executive Director

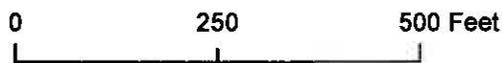
Table of Contents

- 01 Site Map
- 03 Housing Authority Resolution
- 02 Exhibit A – 4501 9th Avenue Lease Agreement

4501 9th Avenue



4501 9th Ave



SHRA GIS
June 7, 2012

RESOLUTION NO. 2016 -

Adopted by the Housing Authority of the City of Sacramento

on date of

INTERIM LEASE APPROVAL OF HOUSING AUTHORITY OWNED PROPERTY FOR USE BY THE FORTUNE CHARTER SCHOOL

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento acquired the Donner Field Site (4501 9th Ave) as a future housing site on March 21, 1986. The property was transferred to the Housing Authority in 2012 when the redevelopment agency was dissolved.
- B. The Fortune School of Education has been operating the William Lee College Prep School, authorized by the Sacramento Board of Education, in the buildings located at 3300 Stockton Blvd and 4545 9th Ave. since September 5th, 2012.
- C. The Fortune School of Education has been leasing the Donner Field Site owned by the Housing Authority under an interim lease authorized by Housing Authority Resolution Number 2012-003 which was executed on September 1st, 2012. This lease allows the school and its students to use the field for play activities and physical education and the Housing Authority desires to continue this interim use. The lot is adjacent to the structure leased by the school for classroom instruction.
- D. As an interim use, staff recommends issuing a new lease for the lot at 4501 9th Avenue to Fortune Charter School, which serves low income families in the area. In exchange, Fortune Charter School will continue to secure, maintain and insure the parcel for the duration of the interim lease thereby preserving and maintaining this asset until such time as it is feasible to dispose of the property. No structures will be constructed on the parcel by Fortune School.
- E. California Environmental Quality Act (CEQA): The interim lease agreement associated with 4501 9th Avenue is not considered a project under CEQA and therefore not subject to CEQA pursuant to Guidelines Section 15061(b)(3).
- F. National Environmental Policy Act (NEPA): The interim lease agreement associated with 4501 9th Avenue does not involve the use of federal funds, and therefore NEPA is not applicable.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. All recitals, including but not limited to the environmental findings, are found to be true and correct and are hereby adopted.
- Section 2. The Executive Director, or her designee, is authorized to enter into an interim lease for one year. The Housing Authority shall have the ability to terminate the interim lease without penalty after 30 days from notification.

Table of Contents:
Exhibit A Lease Agreement

Exhibit A

LEASE AGREEMENT

THIS LEASE (Lease), dated **September __, 2016** is between the **HOUSING AUTHORITY OF THE CITY OF SACRAMENTO (LESSOR)**, and the **FORTUNE SCHOOL OF EDUCATION (LESSEE)**.

RECITALS

A. LESSOR is the owner of real property known as 4501 9th Avenue, Sacramento, California in the County of Sacramento, State of California, (the Premises), more particularly described in the Property Description, Exhibit A, attached hereto and incorporated herein (the Premises).

B. The Redevelopment Agency of the City of Sacramento acquired the property for housing on March 21, 1986.

C. In 2011 the California Legislature enacted AB 1x 26, which coupled with a subsequent decision of the State Supreme Court, resulted in the dissolution of redevelopment agencies as of February 1, 2012.

D. The City of Sacramento, by Resolution Number 2012-018 (adopted on January 31, 2012), designated the Housing Authority of the City of Sacramento as the local authority to retain the housing assets and functions previously performed by the Redevelopment Agency of the City of Sacramento.

E. The Redevelopment Agency of the City of Sacramento, by resolution Number 2013-001 (adopted on January 31, 2012) transferred its housing assets and housing functions to the Housing Authority of the City of Sacramento.

F. The Housing Authority of the City of Sacramento, by Resolution Number 2012-001 (adopted on January 31, 2012), accepted the housing assets and housing functions previously performed by the Redevelopment Agency of the City of Sacramento.

G. LESSEE is entering into an interim lease for the buildings located at 3300 Stockton Boulevard and 4545 9th Ave. in Sacramento to open William Lee College Prep as authorized by the Sacramento County Board of Education.

H. LESSEE desires this Interim Lease to allow students to use the field for play activities and physical education. The lot owned by the Housing Authority is adjacent to the structure leased by the Fortune school for classroom instruction.

I. No structures will be constructed on the parcel and Fortune School of Education is willing to participate in its maintenance and upkeep.

J. LESSEE acknowledges that LESSEE is leasing the Premises from the Housing Authority which is a Housing Authority formed pursuant to California State Law (California Health & Safety Code Sections 34200 *et seq.*) and that this document is governed by that law. This INTERIM LEASE (hereinafter LEASE) is consistent with, and furthers, the goals and needs of the Housing Authority. Such LEASE will assist in the maintenance and preservation of this asset while LESSOR evaluates the Premises future redevelopment and use, which will be addressed as soon as feasible.

IT IS AGREED:

1. **LEASE TERM:**

A. LESSOR grants to LESSEE a tenancy of the Premises for one year commencing on November 1, 2016, according to the Schedule in Section 2, below.

B. LESSEE understands and acknowledges that LESSOR intends to develop housing on the Premises, as soon as development becomes feasible. This LEASE and the use contemplated by this LEASE are, therefore, temporary in nature. LESSEE shall not by this LEASE or otherwise be entitled to relocation benefits or replacement property or premises resulting from expiration or termination of this LEASE.

C. There shall be no holdover beyond the Lease Term.

2. **SCHEDULE:**

A. The LEASE term shall commence on November 1, 2016 and expire on October 31, 2017.

3. **RENTAL RATE:**

Consideration for this LEASE shall be the securing, maintenance of and insuring of the Property. There will be no monetary charge.

LESSEE shall at all times during this LEASE be responsible for and maintain and clean the Premises. This includes but is not limited keeping the Premises free of debris and mowing the grasses on the Premises once a week except for the months of November, December, January and February when mowing will be subject to the weather but in no case less than once every three weeks.

4. **USE:**

A. LESSEE accepts the Premises in its present "as is" condition and LESSOR is under no obligation to undertake any improvements to make the Premises suitable for

LESSEE's intended use. LESSEE, at its sole cost, shall maintain the Premises in good condition and keep them free of garbage and debris.

B. The Premises shall be used by LESSEE only for customary school yard activities, including play activities and physical education, but for no other uses without LESSOR's written consent.

5. ALTERATIONS BY LESSEE:

LESSEE may make no alterations to the leased premises without the prior written consent of LESSOR. No building or structures shall be constructed on the Premises.

6. UTILITY SERVICE PAYMENT:

The LESSEE is responsible for any and all utilities, if any, that may be required in LESSEE's use of the Premises including but not limited to water, electricity and drainage.

7. INDEMNIFICATION:

LESSEE agrees to indemnify, defend and hold LESSOR and LESSOR'S governing boards, employees, agents and contractors harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments arising by reason of any death, bodily injury, personal injury, or property damage resulting from any cause occurring in or about or resulting from an occurrence in or about Premises during the Lease Term; the negligence or willful misconduct of LESSEE or LESSEE's agents, employees, and contractors wherever it occurs; or, an Event of LESSEE's Default.

The provisions of this Section 7 shall survive the expiration or sooner termination of this Lease.

8. INSURANCE:

During the Lease Term, LESSEE must maintain the following insurance coverage from insurance providers licensed to do business in California and having an industry rating that is reasonably acceptable to LESSOR. Failure to maintain the required insurance is a material breach of this Lease. Before beginning any work under this Lease, LESSEE must provide LESSOR with certificates of insurance or copies of the insurance policies demonstrating the required coverage, and the required endorsements naming LESSOR as an additional insured. LESSEE must assure that such certificates and endorsements are in a form reasonably acceptable to the LESSOR and reflect fulfillment of all of the requirements of this Lease. LESSEE must assure that the

coverage afforded under the policies can only be canceled after thirty (30) days prior written notice to the LESSOR of the pending cancellation. LESSEE must mark such notice to the attention of the LESSOR's Procurement Services Office at the following address:

The Housing Authority of the City of Sacramento
801 12th Street
Sacramento, California 95814
Attn: Risk Management

a) The required insurance coverage is the following: (i) Two Million Dollars (\$2,000,000) or more of commercial general liability coverage including, without limitation, coverage for liability, public liability and property damage. The liability shall be endorsed to name the LESSOR as an additional insured.

b) Cancellation: LESSEE will provide the LESSOR with the cancellation clause and/or any amendatory endorsements that modify or change the policy cancellation clause of the insurance policies in force. It is the LESSEE's responsibility to notify the LESSOR of any notice of cancellation, non-renewal or non-payment of premium in accordance with your policy provisions. In the event insurance is cancelled or not renewed, the LESSEE shall notify the LESSOR within forty eight (48) hours of such cancellation or non-renewal.

_____ **LESSEE's Initials**

LESSEE is in material breach of this Lease for so long as LESSEE fails to maintain all of the required insurance. LESSOR has the right, but not the obligation, to pay any delinquent insurance premiums and any other charges to reinstate or maintain the required insurance policies and coverage. Upon LESSOR's demand, LESSEE must immediately reimburse LESSOR for any and all costs incurred by LESSOR in so obtaining or maintaining insurance.

9. REPAIR CONTRACT:

LESSOR shall designate sources to be called when repairs to the leased premises are required. Said sources shall be called in the event LESSEE is unable to contact LESSOR within a reasonable time.

10. RISK OF HAZARDS:

LESSEE shall not do anything on the Premises, nor bring or keep anything thereon which will in any way increase the risk of fire or the rate of insurance, or which shall conflict with the regulations of any fire district having jurisdiction.

LESSEE shall not do anything on the Premises, nor bring or keep anything thereon or use or apply chemical or hazardous materials on the Premises.

11. LESSEE OWNED ITEMS:

All permanent fixtures, partitions or other improvements made or installed under the requirements of this Lease, by either LESSOR or LESSEE, shall remain the property of the LESSOR. LESSEE shall repair any damage to the leased premises resulting from removal of any fixture, partition or other improvement installed by LESSEE.

12. GOOD NEIGHBOR:

LESSEE's use of the Premises shall be in a manner consistent with the general use of school yards located in residential neighborhoods.

13. WRITTEN COMMUNICATIONS:

A. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party pursuant to this Lease shall be in writing and either served personally or sent by prepaid, first class, certified mail.

Such matters shall be addressed to the other party at the following address or such other address as a party may designate to the other by notice:

<u>To LESSOR at:</u>	<u>To LESSEE at:</u>
Housing Authority of the City of Sacramento 801 12 th Street Sacramento, CA 95814	Fortune Charter School Margaret Fortune 2890 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833

B. Any matter mailed pursuant to this paragraph shall be deemed communicated within forty-eight (48) hours from the time of mailing.

14. RIGHT AND REMEDY:

No delay or omission in the exercise of any right or remedy of either party on any default of the other party shall impair such a right or remedy or be construed as a waiver of such default. Any waiver by either party of any default of the other party shall be in writing and shall not be a waiver of any other default concerning the same or any other provisions of the Lease.

15. RULES AND REGULATIONS:

LESSEE'S occupancy and use of the Premises shall at all times be conducted in manner that is in compliance with applicable statues, regulations and ordinances. Violation of these Rules and Regulations will be a default by LESSEE, in which case LESSOR may terminate this Lease on 48 hours written notice.

16. GOVERNING LAW:

This Lease shall be governed by and construed in accordance with the laws and regulations of the State of California.

LESSOR:
HOUSING AUTHORITY OF
THE CITY OF SACRAMENTO

LESSEE:
FORTUNE CHARTER SCHOOL

By: _____
LA SHELLIE DOZIER,
Executive Director

By: _____
MARGARET FORTUNE,
President/CEO

DATE: _____

APPROVED AS TO FORM:

DATE: _____

AGENCY COUNSEL

EXHIBIT A

Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Parcel 3, as shown on the Parcel Map entitled Lots 1-26 Inclusive as shown on the Plat of Tresch Tract, according to the official plat thereof, filed in the office of the Recorder of Sacramento County, California, on March 3, 1914 in Book 14 of Maps, Map No. 58.

APN: 014-0223-004-0000

September 21, 2016



Sacramento Housing and Redevelopment Commission
Sacramento, California

Honorable Members in Session:

SUBJECT 2017 Annual Plan for the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento; Submission of the 2017 Annual Plan to the Department of Housing and Urban Development

RECOMMENDATION

Staff recommends adoption of the attached resolution which: 1) certifies that the required public hearing has been held and comments have been received, 2) approves the *2017 Public Housing Agency (PHA) Annual Plan* consisting of the Public Housing Admissions and Continued Occupancy Policy for both the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento and the Administrative Plan for the Housing Choice Voucher program, for the Housing Authority of the County of Sacramento only, 3) authorizes the Executive Director or her designee to make non-substantive changes to the Plan based on any additional public comments received, 4) authorizes the Executive Director or her designee to make changes to the PHA Plan as directed by the Department of Housing and Urban Development (HUD) or required to comply with the Quality Housing and Work Responsibility Act of 1998, 5) certifies that the plan is consistent with the *Consolidated Plan* per 24 Code of Federal Regulations (CFR) § 903.15, and 6) authorizes the Executive Director or her designee to execute and submit all required documents for the submission and certification of compliance of the 2017 PHA Annual Plan to the Department of Housing and Urban Development or to comply with the Quality Housing and Work Responsibility Act of 1998.

CONTACT PERSONS

Jo Anna Davis, Management Analyst, Housing Choice Voucher Program, 916-440-1309
Cecette Hawkins, Management Analyst, Conventional Housing Program, 916-440-1658
MaryLiz Paulson, Assistant Director, Conventional Housing Program, 916-440-1334
Sarah Thomas, Assistant Director, Housing Choice Voucher Program, 440-1397

SUMMARY

This report recommends consideration of the *2017 PHA Annual Plan (Plan)* for the Housing Authorities of the City and County of Sacramento (collectively "Housing Authority") that are consistent with the *Five-Year Consolidated Plan (2013-2017)*. The

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission

September 21, 2016

Page 2

2017 PHA Plan also includes the 2017 Capital Fund Annual Plan which details the anticipated improvements that will happen next year at PHA properties.

The 2017 PHA Plan also consists of:

- *Public Housing Admissions and Continued Occupancy Policy (ACOP);*
- *Capital Fund Plan Annual Statement; and*
- *Administrative Plan for the Housing Choice Voucher program (Administrative Plan).*

These documents provide a comprehensive guide to the Housing Authority's policies, programs, operations, and strategies for meeting local housing needs and goals consistent with the Housing Authority's overall goals to improve operating efficiencies and services to residents. These documents can be found on SHRA's website (go to www.shra.org and click on 2016 PHA Plan to access draft documents for 2017).

BACKGROUND

Applicable federal law and HUD regulations require that each Housing Authority develop and adopt a *Plan* and update it on an annual basis. The 2017 PHA Plan is an annual update to the 5 Year PHA Plan. The Housing Authority submitted its last 5 Year Plan to HUD in 2014 for 2015-2019. The next 5 Year Plan is due in 2019 to begin in 2020.

When updating the PHA Plan, staff reviewed policies and procedures, available funding and any new HUD policies and updated their guiding documents. These proposed changes were presented to the Resident Advisory Board (RAB), which then solicited resident input about proposed changes to the policy documents and changes they would like to have made at their sites. The RAB brought these requests to PHA management for consideration and, if appropriate, to be incorporated into the ACOP and the Capital Fund Plan. After considering this feedback, SHRA staff met with the RAB and community stakeholders to present a revised version of proposed changes to program policies and gathered their feedback for the final document.

Coordination with Legal Services of Northern California (LSNC) took place throughout the year to review policies and proposed changes. In addition, SHRA staff met with LSNC staff during the public comment period to receive their comments and input.

Notices announcing the 45-day public comment period and the location of the draft documents were published in local newspapers and posted on the website at www.shra.org.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission
September 21, 2016
Page 3

The Annual Plan contains summaries of the significant changes proposed for 2017. Policy documents have been revised to incorporate these changes:

- The Conventional Public Housing program's policies are contained in a policy document called the *Admissions and Continued Occupancy Policy (ACOP)*.
- The Conventional Public Housing program's plan for the current year's utilization of Capital Grant funds are included in the *Capital Fund Annual Statement*, and
- The Housing Choice Voucher (HCV) program's policies are contained in the *Administrative Plan*.

There are 21 significant changes proposed for 2017. They are organized by:

- 13 significant changes proposed by the Public Housing program; and
- Eight significant changes proposed by the HCV program.

Significant changes to the Public Housing ACOP (13 changes)

Significant changes to the 2017 ACOP include five regulatory updates to policies to align with new HUD regulations and two changes were made to be consistent with the HCV Administrative Plan. Other changes related to leases include removing language regarding the ability to comply with the lease, prohibiting waterbeds, and adding termination of assistance due to severe damage of PHA property. Information on all significant changes can be found in the attached *Significant Changes to the 2017 HCV Administrative Plan and ACOP* document.

Significant Change to the HCV Administrative Plan (8 changes)

Significant changes to the 2017 HCV Administrative Plan include two regulatory updates to policies to align with new HUD regulations. Revisions to admissions policies include information detailing the delays due to pending outcomes of final court rulings of criminal activity. Other changes were made to the procedure for adding household members and revisions related to absence in the home by military personnel which were to increase the amount of time they can be temporarily absent from the home. Information on all significant changes can be found in the attached *Significant Changes to the 2017 HCV Administrative Plan and ACOP* document.

FINANCIAL CONSIDERATIONS

The *Capital Fund Program (CFP) 5-Year Action Plan* identifies the anticipated annual allocations from HUD and the proposed uses for those funds. The 2017 Annual Plan (CFP) updates the 5-Year Action Plan and makes annual adjustments for funding realities. The recommended action before the Commission requires no additional funding consideration.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission

September 21, 2016

Page 4

POLICY CONSIDERATIONS

The Public Housing Authority complies with applicable federal laws and regulations, including the Quality Housing and Work Responsibility Act of 1998 (QHWRA).

ENVIRONMENTAL REVIEW

The Capital Fund Program Five-Year Action Plan (2015-2019) was previously analyzed in accordance with CEQA and NEPA. All programs included in the Five-Year Action Plan were found to be Exempt under CEQA Guidelines and Exempt or Categorically Excluded under NEPA Guidelines. The actions proposed in this 2017 Annual Plan are in support of the Five-Year Plan.

California Environmental Quality Act (CEQA): The following actions are considered administrative and therefore determined not to be a project subject to provisions of CEQA per 14 California Code of Regulations (CCR) § 15378(b): 1) certification that the required public hearing has been held and comments received, 2) approval of the 2017 PHA Annual Plan, 3) authorization of submittal of the 2017 PHA Annual Plan to HUD, 4) certification that the Plan is consistent with the Consolidated Plan per 24 Code of Federal Regulations (CFR) §§ 903.5, and 903.15, and 5) execution of all necessary documents for the submission and certification of compliance of the 2017 PHA Annual Plan as required by HUD and to comply with the Quality Housing and Work Responsibility Act of 1998.

Changes to the PHA Annual Plan are administrative and are therefore determined not to be a project subject to provisions of CEQA per 14 CCR §15378(b).

Changes to the Capital Fund Program involve adjustments for funding realities only, and do not propose any new projects. The Capital Fund Program identifies projects which are "contemplated actions," and do not demonstrate a commitment of funds. Prior to implementation of any particular activity (or aggregated activities) identified in the Annual Plan, environmental clearance will be conducted in accordance with CEQA Guidelines.

National Environmental Policy Act (NEPA): The following actions are considered administrative and therefore determined to be Exempt from NEPA per 24 CFR § 58.34(a)(3), "administrative and management activities": 1) all changes to the Annual Plan, 2) certification that the required public hearing has been held and comments received, 3) approval of the 2017 PHA Annual Plan, 4) authorization of submittal of the 2017 PHA Annual Plan to HUD, 5) certification that the plan is consistent with the Consolidated Plan per 24 CFR §§ 903.5, and 903.15, and 5) execution of all necessary

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission

September 21, 2016

Page 5

documents for the submission and certification of compliance of the 2017 PHA Annual Plan as required by HUD and to comply with the Quality Housing and Work Responsibility Act of 1998.

Changes to the Capital Fund Program involve adjustments for funding realities only, and do not propose any new projects. The Capital Fund Program identifies projects which are "contemplated actions," and do not demonstrate a commitment of funds. Therefore, the activities contemplated in the Annual Plan are considered Exempt according to 24 CFR § 58.34(a)(1), "environmental and other studies, resource identification, and the development of plans and strategies." Prior to implementation of any particular activity identified in the Annual Plan, environmental clearance will be conducted in accordance with NEPA regulations.

M/WBE, SECTION 3 AND FIRST SOURCE CONSIDERATIONS

Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable. The First Source Program is not applicable to the report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachments (Available www.shra.org)

Attachments 1-6 are on file with the Clerk. Attachments 7 and 8 are included with the Staff Report.

1. *City of Sacramento 2017 Annual PHA Plan*
2. *County of Sacramento 2017 Annual PHA Plan*
3. *Public Housing Admissions and Continued Occupancy Policy (ACOP)*
4. *Capital Fund Program Annual Statement - City*
5. *Capital Fund Program Annual Statement – County*
6. *Housing Choice Voucher Program Administrative Plan*
7. *Significant Changes Summary*
8. *Significant Changes to the 2017 HCV Administrative Plan and ACOP*
9. *Legal Services of Northern California Comments*
10. *Sacramento Resident Advisory Board Comment*

RESOLUTION NO. SHRC-

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

**ON DATE OF
September 21, 2016**

2017 PUBLIC HOUSING AGENCY ANNUAL PLAN FOR THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO AND HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO

WHEREAS, the 2013-2017 Consolidated Plan is a planning document that identifies housing and community development needs in the City and County of Sacramento, and outlines a strategy to address those needs.

WHEREAS, the proposed 2017 Public Housing Agency (PHA) Plan is consistent with the 2013-2017 Consolidated Plan which was approved by the City and County of Sacramento.

WHEREAS, beginning with the 2001 fiscal year budget and associated resolutions and reauthorized each subsequent year in the resolutions approving the Housing Authority of the City and Housing Authority of the County of Sacramento (collectively Housing Authority) budgets, the Sacramento Housing and Redevelopment Agency and its Executive Director are delegated authority by the governing boards of the Housing Authority to conduct a public hearing on behalf of the Housing Authority to discuss the Public Housing Agency Annual Plan (PHA Plan) as applicable and invite public comment on the plans.

WHEREAS, the proposed PHA Plan changes were presented to the Resident Committees and the Resident Advisory Board (RAB), and made available to the public on July 18, 2016.

WHEREAS, a public hearing, duly noticed for more than a 45-day period, was held on September 7, 2016 on the 2017 PHA Annual Plan on behalf of the Housing Authority and comments received were considered by the Sacramento Housing and Redevelopment Commission.

WHEREAS, the Capital Fund Program (CFP) Five-Year Action Plan (2015-2019) was previously analyzed in accordance with the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA). All programs included in the Five-Year Action Plan were found to be exempt under CEQA Guidelines and exempt or categorically excluded under the NEPA Guidelines. The actions proposed in this 2017 Annual Plan are in support of the Five-Year Action Plan and include a total of 21 administrative changes to programs which rise to the level of significant changes with respect to the circumstances under which these programs will be undertaken.

WHEREAS, activities authorized by the PHA Plan and CFP have been analyzed in accordance with CEQA and NEPA. Changes to the Annual Plan are administrative in nature and therefore are not a project subject to provisions of CEQA per 14 California Code of Regulations (CCR) §15378(b), and determined to be exempt from NEPA per 24 Code of Federal Regulations (CFR) §58.34(a)(3), "administrative and management activities." Changes to the Capital Fund Program involve adjustments for funding activities only, and do not propose any new projects. To the extent that funding becomes available, making these projects possible, individual

environmental review under CEQA and/or NEPA will be performed prior to any actual funding commitment or choice-limiting action.

NOW, THEREFORE BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1. After due consideration of the facts presented in the recitals above, the staff report and at the public hearing, the findings, including the environmental findings regarding this action, are found to be true and correct and are hereby adopted.

Section 2. The Public Housing Agency Annual Plan, consisting of the Public Housing Admissions and Continued Occupancy Policy for both the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento and the Administrative Plan for the Housing Choice Voucher program for the Housing Authority of the County of Sacramento only, is hereby approved.

Section 3. The Executive Director or her designee is authorized to make non-substantive changes to the Plan based on any additional public comments received.

Section 4. The Executive Director or her designee is authorized to make changes to the PHA Plan as directed by the Department of Housing and Urban Development (HUD) or required to comply with the Quality Housing and Work Responsibility Act of 1998.

Section 5. The Public Housing Agency certifies that the Plan is consistent with the Consolidated Plan per 24 Code of Federal Regulations (CFR) §§ 903.5 and 903.15.

Section 6. The Executive Director or her designee is authorized to execute and submit all required documents for the submission and certification of compliance of the 2017 PHA Annual Plan to the Department of Housing and Urban Development or to comply with the Quality Housing and Work Responsibility Act of 1998.

CHAIR

ATTEST:

CLERK

Significant Changes Summary

Significant changes to the Public Housing ACOP (13)

Significant changes to the 2017 ACOP include:

1. Policy guidelines for applicants with non-biological minor children such required documentation
2. Policy around supplying a Social Security Number for household members six years of age or less
3. Screening for drug abuse and criminal activity within the past five years, rather than the last seven years. Security and background checks within the past five years, rather than the last seven years
4. Streamlining income and allowance of earned income disregard for a lifetime of 24 months, rather than a 48 months.
5. Alignment of policy with HUD regulations to require third party verification of all tenants with assets less than \$5,000 upon admittance and at least three years thereafter
6. Changes that allow flat rent to be utilized as maximum rent for the calculation of proration
7. Prohibition of water beds and liquid filled furniture
8. Provision of termination if a tenant causes severe damage to PHA property that results in inhabitability
9. Updated pet policy to remove the housing authority's ability to deny registration of a pet based on a tenant's financial status
10. Alignment of policy with HUD regulations to include that the HA may elect to streamline income determination of any family member with a fixed source of income
11. Updated rent adjustment policy based on changes to income within the last 30 and/or less than \$50
12. Updated policy in the event that a tenant moves from a PHA dwelling where they have incurred debt to allow the transference of that debt to the lease of the new PHA dwelling
13. Updated program requirement for community service and self-sufficiency program including age, work duration, and total of 96 hours of service contribution by each annual certification. Also include Supplemental Nutrition Assistance Program (SNAP) to this exemption.

Significant Change to the HCV Administrative Plan (8)

Significant changes to the 2017 HCV Administrative Plan include two regulatory changes to align with HUD streamlining. These changes include:

1. Policy around supplying a Social Security Number for household members six years of age or less
2. Streamlining income and allowance of earned income disregard for a lifetime of 24 months, rather than a 48 months.

Other discretionary changes include:

1. Revised admission eligibility to explain that admissions may be delayed due to any current criminal charges that are pending a final court decision
2. Included a new provision that would allow the addition of family members in cases when adult children under 24 years of age who left the household to attend school
3. Included a new provision to allow the addition of family members who were previously removed from the household due military absence
4. Extended the time limit from one month to three months for absence of a household member due to temporary military absence
5. Updated policy that the PHA may run a credit report at any time for families claiming zero income
6. Included information on types of waitlists for project-based vouchers to include VASH (Veterans Affairs Supportive Housing)

SIGNIFICANT CHANGES 2017 Public Housing Authority Plan (ACOP and Administrative Plans)

The Public Housing Authority (PHA) must define any significant changes to its policies or plans. The PHA defines a “substantial deviation” and “significant amendment/modification” as any change in policy which significantly and substantially alters the Authority’s stated mission and the persons the Authority serves. The proposed changes below have been deemed “significant”.

New language is indicated in red. Deleted language is shown in ~~strikeout~~.

There are 21 proposed changes to the 2017 PHA Plan which have been deemed “significant”. There are 13 significant changes in the ACOP and eight significant changes in the Administrative Plan.

ADMISSIONS AND CONTINUED OCCUPANCY POLICY (ACOP)

Chapter 2 - Eligibility for Admission

B. Family Composition (HUD CFR 5.403) Def. of Family at Admission

APPLICANTS WITH NON-BIOLOGICAL MINOR CHILDREN:

An applicant household who wishes to include a non-biological child(ren) must provide documentation they are authorized to act as a guardian to the child(ren). Documentation may include:

- A court ordered guardianship order;
- A notice from the County Welfare department verifying the child is in the home of the applicant;
- A letter of placement from a foster care or adoption agency; or
- A notarized letter from the parent of the child stating the applicant has been granted custody of the child; and a letter from each school aged child’s school verifying the address at which the child is registered and the person who is listed as the guardian;

If SHRA receives contradicting information or documentation related to the custody of the child(ren), SHRA may refuse to add the child(ren) until it receives conclusive evidence of guardianship. Documentation may include letters of guardianship from the courts or a letter from an agency known to provide verification, such as the Department of Human Assistance.

D. Social Security Numbers

1. ADDITION OF A NEW HOUSEHOLD MEMBER

If a minor under the age of 6 years is part of the applicant's household and is missing their Social Security number, the applicant may become a participant, so long as the Social Security number is received within 90 days.

If SHRA determines at its discretion that the applicant family could not supply the Social Security documentation through no fault of their own, they may grant the applicant family an additional 90 days. If the family fails to supply the required documentation at the end of the given time frame (90 or 180 days), the applicant or participant family will be removed from the program and will be offered an informal review if they are still an applicant family or the applicable due process if they are a participant family.

G. Denial of Admission for Drug Related and/or Other Criminal Activity

2. SCREENING FOR DRUG ABUSE AND OTHER CRIMINAL ACTIVITY

Obtaining summary criminal history information for the purpose of screening a prospective participant/applicant includes:

- Any information concerning any arrest, conviction, or release from custody that occurred within at least the past ~~seven (7)~~ five (5) years by applicants. Any information regarding a pattern or repeated acts of criminal or drug related behavior that occurred within at least the past ~~seven (7)~~ five (5) years by applicants
- Any felony offense that involved any activity related to controlled substances or alcoholic beverages within at least the past ~~seven (7)~~ five (5) years [CA Penal Code § 11105.3]

3. SECURITY AND CRIMINAL BACKGROUND CHECK

The PHA will verify any involvement in criminal activity on the part of any applicant family or household member who intends to reside in the PHA leased premises:

- Involvement in criminal activity by any member of an applicant family or household member that would adversely affect the health, safety, or welfare of other tenants will be verified using information from the criminal records system of the City and County of Sacramento, the State of California, and the federal National Crime Information Center (the "NCIC"). The PHA will also examine criminal histories provided by other States or municipalities, court records, and other evidence that might document any criminal activity. In addition, the current and former landlords and housing providers will be asked to indicate problems during the applicant's tenancy. The Authority will review police reports for any criminal activity during the ~~seven-(7)~~ five (5) year period prior to consideration for admission.
- The PHA will use the criminal records system of the City and County of Sacramento, the State of California, the NCIC, DOJ, and other states and/or municipalities to check all applicants for any evidence of:
 - (1) Any and all information relative to any criminal convictions or activity, both felonies and misdemeanors within the ~~past-seven-(7)~~ five (5) years;

Chapter 6 - DETERMINATION OF TOTAL TENANT PAYMENT

B. INCOME AND ALLOWANCES

MAXIMUM ~~FOUR~~ TWO YEAR DISALLOWANCE

The earned income disallowance is limited to a lifetime twenty-four (24) ~~forty-eight-(48)~~ month period for each the qualifying family member. For each qualifying family member the disallowance only applies for a maximum of twelve (12) months of full exclusion of incremental increase and a maximum of twelve (12) months of phase-in exclusion during the twenty-four (24) ~~forty-eight-(48)~~ month period starting from the date of the initial exclusion.

If the period of increased income does not last for twelve (12) consecutive months the disallowance period may be resumed at any time within the twenty-four (24) ~~forty-eight-(48)~~ month period and continue until the disallowance has been applied for a total of twelve (12) months of each disallowance (the initial twelve (12) month full exclusion and the second twelve (12) month phase-in exclusion).

No earned income disallowance will be applied after the twenty-four (24) ~~forty-eight-(48)~~ month period following the initial date the exclusion was applied regardless of whether the family has received the full exclusion for

a total of twelve (12) months or the phase-in exclusion for the total of twelve (12) months.

K. Assets and Asset Income

~~Tenants can self-certify assets less than \$5,000 and these assets do not require verification.~~

Tenants with assets less than \$5,000 will require third-party verifications from financial institutions of all family assets upon admittance to the program and then again at least every 3 years thereafter.

P. PRORATION OF ASSISTANCE FOR "MIXED" FAMILIES

MAXIMUM RENT

~~Maximum rent is the maximum rent that the PHA can charge for the unit. This is not the same as flat rent/market rent. The flat rent will be utilized as the maximum rent and will be used in the calculation of prorated tenant rent for mixed families (families with one or more member who are ineligible non-citizens and not eligible for housing assistance).~~

The PHA will establish new ~~maximum~~ flat rents each year at the beginning of its fiscal year (January) and will make these rents effective with annual reexamination effective March 1 and later.

Chapter 9 - LEASING [24 CFR 966.4]

A. LEASE TERMS AND CONDITIONS

~~ABILITY TO COMPLY WITH LEASE TERMS~~

~~If during the term of the lease, the resident, due to a physical or mental disability covered by the Americans with Disabilities Act (ADA), is no longer able to comply with the provisions of the lease and cannot make arrangements for someone to aid him/her in complying with the lease, and the PHA cannot make reasonable accommodations that would enable the resident to comply with the lease, then the PHA will initiate termination of the tenancy. At the conclusion of termination of tenancy process, the PHA will terminate for cause.~~

The resident agrees not to do any of the following in the dwelling unit without first obtaining the PHA's written permission:

- Possess a waterbed or liquid filled furniture

M. INSPECTIONS OF PUBLIC HOUSING UNITS

RESIDENT DAMAGES

Residents who cause significant damage to PHA property that lead to unit uninhabitability may be subject to termination of tenancy based on the circumstances of the incident. The Tenant shall have the right to request a hearing under the PHA grievance procedure and will not have to move until the time to request a grievance has expired.

Chapter 10 - PET POLICY

K. Refusal to Register Pets

~~The PHA shall not refuse to accept the registration of a pet based on the determination that the pet owner is financially unable to care for the pet. If the PHA refuses the registration of a pet, written notification will be sent to the pet owner stating the reason for denial and shall be served in accordance with HUD notice requirements.~~

If the PHA refuses the registration of a pet, written notification will be sent to the pet owner stating the reason for denial and shall be served in accordance with HUD notice requirements.

Chapter 11 – RECERTIFICATIONS

B. ANNUAL RECERTIFICATIONS

~~Pursuant to PIH 2013-03, Temporary Compliance Assistance, the PHA has elected to offer Elderly and disabled Residents on a Fixed Income a streamlined annual recertification procedure. Streamlined means that the PHA may take last year's fixed income amounts, usually SS, SSI, SSDI, pension, annuity or any other similar periodic payments that are substantially the same from year to year, and applying the published COLA amount for the year to determine gross income.~~

Income Determination of Fixed Income Sources [24 CFR 960.257]

On April 7, 2016 HUD issued PIH 2016-05(HA), Attachment D, Streamlining Administrative Regulations for Programs Administered by Public Housing Agencies. According to this notice, any family member with a fixed source of income, a PHA may elect to determine that family member's income by means of a streamlined income determination. A streamlined income determination must be conducted by applying, for each fixed-income source, the verified cost of living adjustment (COLA) or current rate of interest to the previously verified or adjusted income amount.

The PHA will apply this streamlined income determination for all fixed income sources in the following way:

- The PHA will only use the streamlined income determination as part of a reexamination. This will require third-party verification of all income for applicants during the admissions process.
- A “family member with a fixed source of income” is defined as a family member whose income includes periodic payments at reasonably predictable levels from one or more of the following sources:
 - Social Security, Supplemental Security Income (SSI), Supplemental Security Disability Insurance (SSDI);
 - Federal, state, local, or private pension plans;
 - Annuities or other retirement benefit programs, insurance policies, disability or death benefits, or other similar types of periodic receipts; or
 - Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.
- The PHA will use a COLA or current rate of interest specific to the fixed source of income in order to adjust the income amount. The PHA will verify the appropriate COLA or current rate of interest from a public source or through tenant-provided, third party-generated documentation. If no such verification is available, then the PHA will obtain third-party verification of income amounts in order to calculate the change in income for the source.
- For any family member whose income is determined pursuant to a streamlined income determination, the PHA will obtain third-party verification of all income amounts every 3 years.

C. REPORTING INTERIM CHANGES

DECREASES IN INCOME AND RENT ADJUSTMENTS

Residents may report a decrease in income and other changes, such as an increase in allowances or deductions, which would reduce the amount of the total tenant payment. The PHA will process the rent adjustment unless the PHA confirms that the decrease in income will last less than thirty (30) days and/or less than fifty dollars (\$50) per month.

Chapter 14 - FAMILY DEBTS TO THE PHA

G. Debt Transfer

If a resident transfers to another dwelling unit operated by the PHA, the current lease shall terminate and a new lease shall be executed for the new

dwelling unit. Any debt incurred by the resident of the previous dwelling unit will transfer to the lease of the new dwelling unit.

Chapter 15 - COMMUNITY SERVICE AND SELF-SUFFICIENCY

A. PROGRAM REQUIREMENTS

Community service and economic self-sufficiency requirements mandate that each nonexempt adult household member (18 years or older) shall either contribute 8 hours per month of community service, or participate in an economic self-sufficiency program for 8 hours per month (see 24 CFR 960.603(a)). The requirements can also be met by performing a combination of 8 hours of community service and participation in an economic self-sufficiency program. The required community service or self-sufficiency activity may be completed at 8 hours each month or may be aggregated across a year. Any blocking of hours is acceptable as long as 96 hours is completed by each annual certification.

C. EXEMPT ADULTS

Public Housing residents are exempt if they are:

- Receiving Temporary Assistance for Needy Families (TANF) assistance or Supplemental Nutrition Assistance Program (SNAP) and have not been found to be in non-compliance with ~~TANF or other work requirements~~ (Note: Individual members of the family receiving benefits or services under TANF or SNAP are exempt.)

Administrative Plan 2017

CHAPTER 2 - ELIGIBILITY FOR ADMISSION

PHA Factors [24 CFR 982.552]:

~~Prospects may be denied admission based on pending criminal charges that are drug related, violent or threaten the safety of residents and personal property.~~ Admission of applicants with any current criminal charges may be delayed pending a final court decision. After the final court decision, the applicant's case will be reviewed to determine whether the applicant meets all of the admission criteria.

All families must meet or exceed the tenant selection and suitability criteria set forth in this chapter.

The PHA will not consider any convictions or arrests that are more than five years old, provided no other arrests or criminal activity has taken place during that period and the applicant ~~are~~ is not on formal probation or parole at the time they are selected from the waitlist.

An applicant must be in good standing with all Federal Housing programs in which he or she previously participated. If a debt is owed as a result of participation in any Federal Housing programs the applicant may be denied assistance. If participation has been terminated as a result of any violation of a family obligation, a family may be denied assistance. SHRA receives information about applicants' history with other federal programs from the Enterprise Income Verification (EIV) system.

Addition of a New Household Member:

If a minor under the age of six is added to the applicant's household within a six-month period prior to the household's date of admission to the program, the applicant may become a participant, so long as the minor child's SSN is received within 90 days of the admission to the program.

At its discretion, that the applicant family could not supply the Social Security documentation through no fault of their own, it will grant the applicant family an additional 90 days to provide documentation of the SSN for the minor child. If the family fails to supply the required documentation at the end of the given time frame (90 or 180 days), the applicant or participant family will be removed from the program and will be offered an informal review if they are still an applicant or an informal hearing if they are a participant family.

Penalties for Failure to Disclose and/or Provide Documentation of the SSN:

- **Applicants.** The PHA must deny the eligibility of an assistance applicant if s/he (including each member of the household required to disclose his/her SSN) does not disclose a SSN and/or provide documentation of such SSN, within 90 days, except for minors under the age of six as set forth above.

CHAPTER 5 - SUBSIDY STANDARDS

Adding Additional Members to the Household

All additions except for birth must have the prior approval of the owner and the PHA.

Approvable additions may include:

- Spouse/partner and their minor children
- Minor who had been part of the assisted household who moved out and is returning to the household
- PHA pre-approved live-in aide
- Birth of children by an existing family member
- Adoption
- Long-term foster placement or court awarded custody
- Court granted guardianship/conservatorship
- Adult children under 24 years of age who left only to attend school
- Family members previously removed from the assisted household due to military deployment

CHAPTER 6 - FACTORS RELATED TO TOTAL TENANT PAYMENT AND FAMILY SHARE DETERMINATION

C. EARNED INCOME DISREGARD (EID) [24 CFR 5.617, Federal Register issued March 8, 2016 and PIH notice 2016-05]

Initial Twelve-Month Exclusion

The annual income for a qualified family member who is a person with disabilities may not be increased as a result of increases in earned income, beginning on the date on which the increase occurred and continuing for a cumulative 12-month period.

If the period of increased income does not last for 12 consecutive months, the disregard period may be resumed at any time within the 24-month period, and continued until the disregard has been applied for a total of 12 cumulative months (the initial 12-month full exclusion).

No earned income disregard will be applied for that family member after the 24-month period following the initial date the exclusion was applied.

Second Twelve-Month Exclusion and Phase-in

After the expiration of the initial cumulative 12-month period, the PHA must exclude at least 50 percent of any increase in income of a family member who is a person with disabilities, from the annual income of a qualified family.

Maximum Two-Year Disregard

The earned income disregard is limited to a lifetime 24-month period for each family member who is a person with disabilities. For each family member who is a person with disabilities the disregard only applies for a maximum of 12 cumulative months of full exclusion of incremental increase, and a maximum of 12 cumulative months of phase-in exclusion during the 24-month period, starting from the date of the initial exclusion.

Tracking the Earned Income Exclusion

The earned income exclusion will be reported on the HUD 50058 form. Documentation will be included in the family's file to show the reason for the reduced increase in rent.

Such documentation may include:

- Date the increase in earned income was reported by the family
- Name of the family member whose earned income increased
- Reason (new employment, participation in job training program, within 6 months after receiving TANF) for the increase in earned income
- Amount of the increase in earned income (amount to be excluded)
- Date the increase in income is first excluded from annual income
- Date(s) earned income ended and resumed during the initial cumulative twelve month period of exclusion (if any)
- Date the family member has received a total of 12 months of the initial exclusion
- Date the twelve-month phase-in period began
- Date(s) earned income ended and resumed during the second cumulative twelve month period (phase-in) of exclusion (if any)
- Ending date of the maximum twenty-four month (two year) disregard period (twenty four months from the date of the initial earned income disregard)
- Date the family member has received a total of 12 months of the phase-in exclusion

Absence due to Military Service

Absence of the Head of Household or the spouse/partner, due to military service, will be considered a temporary absence.

Absence of other household member(s) due to enlistment in military training for up to three (3) months will be considered a temporary absence and their income will be counted. In such cases the family will be required to provide written verification that the household member is enlisted in training, the duration of the training, and the expected graduation or release-from-service date.

If a household member is absent due to military service not related to training as mentioned above, they will be considered permanently absent from the home. See "Permanent Absence of Family Members" above. Upon completion of a military

assignment resulting in permanent absence, this family member may be added back to the household. See Chapter 5 Section A Determining Family Unit (Voucher Size) “Adding Additional Household Members”.

CHAPTER 7 - VERIFICATION

E. VERIFICATION OF INCOME

Zero Income Status

Families claiming to have no income will be required to complete a zero income packet and provide proof that prior income has ended. There will be a review of income every 90 days, the family will be required to provide all receipts/statements as requested. Recertifications will be processed for any change in income.

At any time the PHA may run a credit report.

CHAPTER 21 - PROJECT-BASED HOUSING CHOICE VOUCHER PROGRAM

Chapter VII

ESTABLISHING PREFERENCES AND MAINTAINING THE WAIT LIST/TENANT SELECTION

A. TYPES OF WAIT LISTS

The PHA will establish separate wait lists for:

1) Tenant-Based Vouchers

Tenant-based assistance is attached to the family allowing the participant to relocate from one unit or Housing Authority to another. Preferences are found in Chapter 4 of the Administration Plan.

2) Project-Based Vouchers

The owner must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving the owner notice, the PHA will make every reasonable effort to promptly refer a sufficient number of families to the owner in order to fill such vacancies. Vacant units will be filled by families on the current Project-Based wait list, in order of preference, and then by date and time the pre-application was received where preferences are the same.

There may be site-based wait lists for the project-based voucher program or the waitlists for different sites may be consolidated if the preferences and/or eligible population are the same.

3) Project-Based VASH (Veteran Affairs Supportive Housing) Vouchers (Mather Veterans Village)

The Department of Veteran's Affairs or the Sacramento Veterans Resource Center will provide referrals for families to Mather Veterans Village (MVV) and any future VASH PBV projects. The owner or property management company for the PBV complex must promptly notify the PHA of any vacancy or expected vacancy in a contract unit. After receiving the owner's notice, the PHA will make every reasonable effort to promptly refer a sufficient number of families to the owner in order to fill such vacancies.

There may be site-based waitlists for the project-based voucher program or the waitlists for different sites may be consolidated if the preferences and/or eligible population are the same.

September 7, 2016

Sacramento Housing and Redevelopment Commission
630 I Street
Sacramento, CA 95814
Submitted via e-mail to vsmith@shra.org

Re: Comments on 2017 Draft Annual Plan for the Housing Authority of the City and County of Sacramento

Dear Honorable Members in Session:

Legal Services of Northern California provides legal assistance to low-income families throughout Sacramento County. We respectfully submit the following comments in response to the request for public comment issued by the Agency regarding the draft 2017 Housing Choice Voucher (HCV) Administrative Plan (Administrative Plan) and the Draft 2017 Admissions and Continued Occupancy Policy (ACOP).

During the comment period, we met and corresponded with Agency staff to discuss the Draft Administrative Plan and ACOP. As a result of this collaboration, staff addressed many of our concerns and is still in the process of addressing some of our comments. We very much appreciate this opportunity as well as the time and hard work Agency staff put into the drafts and into addressing our comments and concerns.

The comments below address the remaining issues not yet resolved and/or that we have agreed to disagree on. We look forward to continuing to work with Agency staff as the draft is finalized in the coming weeks.

ACOP

Chapter 13: Conduct of Formal Hearing

The language at page 13-5 stating a family must notify SHRA 5 days prior to the formal hearing if it brings counsel should be changed to clarify that the family does not waive right to counsel if notice is not provided. While SHRA can request that the family notify SHRA that it is represented by counsel, a family may still have counsel even if it fails to notify SHRA before the hearing. 24 CFR 966.56(b)(2).

Similarly, the family also cannot waive its right to see the documents or evidence that SHRA relies upon at the hearing. 24 CFR 966.56(b)(1). Therefore, the language at page 13-5 that says a family must request to view the documents no later than 5 days before the hearing, should be changed to state that SHRA requests the family ask for the documents 5 days before the hearing, but the family does not waive its rights to see all documents that SHRA will rely on at the hearing if the request is late or not made at all.

In its discussions with LSNC, SHRA has agreed to include a provision that a family's late notification to SHRA that it will bring counsel or a family's late request to view documents will not cancel a hearing but "may" cause SHRA to reschedule the hearing. Such language would address LSNC's concern, but LSNC has not yet seen the final draft.

Chapter 17: Violence Against Women Act (VAWA)

Section I of this chapter outlines the circumstances under which SHRA may terminate housing assistance to a public housing resident that claims a VAWA defense to a lease violation. This section states:

Nothing in this Policy will restrict the PHA (sic) right to terminate tenancy if the victim tenant (a) allows a perpetrator to violate a court order relating to the act or act of violence; or (b) if the victim tenant allows a perpetrator who has been barred from PHA property to come onto HA property including but not limited to the victim's unit or any other area under their control.

Federal law and regulation do not contemplate VAWA as a complete bar of termination of a victim tenant; however, the circumstances under which SHRA states it may still terminate a victim tenant are broader than federal law. 42 USCA 1404e-11(b)(2) states that an incident of domestic violence is not good cause for terminating assistance or a serious or repeated violation of an assisted lease. 42 USCA 1404e-11(c)(iii) allows a PHA to evict a victim tenant if the PHA "can demonstrate that an actual and imminent threat to other tenants or individuals employed at or providing services to the property would be present if the tenant is not terminated." Actual or imminent threat is defined in the federal regulations as "a physical danger that is real, would occur within an immediate time frame, and could result in death or serious bodily harm." 24 CFR 5.2005(e).

State law contains similar provisions. California Code of Civil Procedure(CCP) Section 1161.3 prohibits a landlord from terminating a tenancy based on acts of domestic violence against a tenant. A landlord may evict a victim tenant due to an act of domestic violence only if the tenant has allowed the perpetrator to visit the property after a police report or a protective order has named the perpetrator or if the landlord reasonably believes the perpetrator poses a physical threat to other tenants, guests, or licensees on the property. However, a landlord may only proceed with an eviction in these two circumstances after service of a three day notice to cure on the victim tenant. 42 USCA 1404e-11(c)(iv) allows for state laws to offer greater protections to victims of domestic violence in public housing; thus, CCP Section 1161.3 is not pre-empted or rendered obsolete by federal VAWA protections.

SHRA's current policy falls short of both of these layers of protections for victim tenants. Federal law requires that SHRA be able to demonstrate an actual and imminent threat before proceeding with a termination against a victim tenant; SHRA requires only that the perpetrator come to the victim's unit in violation of a court order or after being barred from PHA property.

State law requires a three day notice, giving the victim a chance to cure, before an owner proceeds with an eviction for the landlord; SHRA does not require any such notice. As currently written, the ACOP allows SHRA to terminate a tenant if the tenant is the victim of an act of domestic violence at the hands of the perpetrator who the victim had previously obtained a protective order against, even if the perpetrator is incarcerated after the incident and unable to return to the property.

In LSNC's discussions with SHRA, SHRA acknowledged that a victim tenant may permit a perpetrator to come into the victim's unit, but, given the threat of violence, the victim tenant cannot be said to have acted under free will. In response to this concern, SHRA has agreed to add the word "voluntarily" prior to the word "allow" in Section I of this chapter. LSNC recognizes that this addition helps the ACOP reflect the reality of domestic violence. However, Section I still falls short of the requirements of state and federal law, which require an additional showing that the presence of the victim tenant creates a risk to the property. LSNC suggests replacing the second sentence of the first paragraph of Section I, quoted above, with the following: "Nothing in this Policy will restrict the PHA's right to terminate tenancy if the PHA can demonstrate that an actual and imminent threat to other tenants or individuals employed at or providing services to the property would be present if the tenant is not terminated."

Administrative Plan

Receipts for Paperwork Turned In to PHA

LSNC requests that SHRA include in the Administrative Plan a statement that applicants and participants will receive a receipt when he or she turns in paperwork to the PHA. Currently, applicants and HCV participants who turn in paperwork at the SHRA are told they cannot get a receipt when they turn in paperwork. As a result, if SHRA proposes termination from the program due the family's failure to turn in paperwork but the family asserts that it did turn in the paperwork the family has no way to verify this and risks termination from the program.

Chapter 3/2: Applying for Admission and Glossary

Page 2-4 under "Requirement to Attend Interview"

During our discussions with SHRA, we commented that the initial letter referred to in this section does not, in our experience, set an interview appointment, but rather sets a deadline to turn in paperwork. As a result, this section did not reflect the actual practice or leave any leeway to applicants who may have been on the waitlist for years to extend the deadline even if the applicant had good cause or circumstances otherwise warranted an extension.

In response, SHRA offered the paragraph below which does provide better clarity but still leaves applicants with no leeway should they miss the deadline to turn in paperwork with good cause or due to mitigating circumstances. Applicants have no way of knowing when SHRA will send the initial letter and cannot anticipate when it will come at any given point over several years.

Moreover, very little time is provided for applicants to return not only the application but supporting materials that often need to be obtained from other government agencies. Given that even getting on the HCV waitlist requires the luck of winning the lottery and that many applicants already face a number of barriers due to income, disability, and limited English proficiency, an application system that does not account for mitigating circumstances or good cause is unduly rigid.

Accordingly, we request that the following changes in red be added to SHRA's proposed paragraph:

If an applicant does not respond in writing to the initial pre-application letter (Part A application) or fails to appear for a scheduled appointment to review the Part B Application, the PHA will withdraw the applicant from the waiting list. If the applicant contacts the PHA within 10 days of the missed appointment ~~or deadline provided in the initial letter~~, the PHA may reschedule the appointment with "good cause" (as defined in the Glossary of this Administrative Plan) ~~or extend the deadline due to mitigating circumstances.~~

Additionally, the glossary definition of "good cause" at page GL-6 is very narrow and does not account for all manner of circumstances that would qualify as good cause but for such a definition. Additionally, because good cause is used in numerous parts of the plan that do not involve missing appointments with SHRA (e.g. pages 14-5, 14-13), the definition does not make sense in many circumstances because it only addresses reasons someone might miss an appointment rather than e.g. being unable to turn in requested documents. Accordingly, to ensure that SHRA does not unduly restrict its own discretion or overly limit what constitutes good cause, we would recommend either that good cause not be defined at all or that SHRA revisit and broaden the definition.

Chapter 5/4: Subsidy Standards

Page 4-2 under "Adding Additional Members to the Household"

Over the last few years, SHRA has deleted significant provisions that previously provided for the ability to add family members in addition to those expressly listed without increasing the bedroom size (e.g. a spouse and their minor children or a minor returning to the household). In 2016, the draft also deleted guidance about such additions which provided a number of ways for a participant to show a non-biological child was properly in their care that would not require a low income family to either seek counsel or navigate a complicated legal system on their own. The trend has thus far been to substantially restrict the addition of family members.

Over the last year, we have seen the devastating effects that such severe policy restrictions have had on the families SHRA serves and we hope that will prompt the Commission and SHRA to reverse course. For example, until LSNC intervened, a grandmother was forced to return her teenage granddaughter to her then homeless and unstable mother. LSNC and SHRA worked

together to resolve the matter, but only were able to do so because an earlier version of the Administrative Plan applied and only after the granddaughter was harmed by the original denial and the months following before the issue was resolved.

In another matter, a participant's ailing elderly father had to go to a nursing home and had to be removed from the household. When it appeared he would be released, the family discovered that SHRA's policy would not permit him to be added back into the family though he could not live alone. In yet another, the teenage daughter of a participant left home to work and live independently, but a year later became disabled such that she could not work or live on her own. Again, SHRA's policy on its face does not allow her to return to her mother's home.

This year SHRA has proposed a limited expansion of who may be added including adult children under 24 years old who left only to attend school and family members previously removed from the household during their military deployment. SHRA indicates the reason for the change is to promote higher education. We absolutely support this expansion, but it does not go far enough to support SHRA's families and would not have prevented the harm that befell or is befalling the families described above. The preservation of the family and prevention of harm to particularly vulnerable populations are likewise important for SHRA to promote.

We, therefore, respectfully submit that SHRA permit adult children who left the household to return in more circumstances than returning from school and that elderly or near elderly parents be included among those able to be added to the household. Further, to protect the most vulnerable of potential family members - children - we request that SHRA either permit such children to be a guest in the household longer than the thirty days allotted to adult guests because our experience is the process to evaluate requests for additions take longer than that. Alternatively, we request that SHRA commit to processing requests to add family members within thirty days *and* bring back the variety of methods that a family may use to show the child is properly in their care.

Chapter 6/5: Factors Related To Total Tenant Payment and Family Share Determination

Page 5-8 under "Visitors"

This section outlines when a visitor will be deemed an unauthorized household member. LSNC and SHRA have made progress in our meetings on this section. SHRA has agreed to delete a sentence that reads: "The burden of proof that the individual is a visitor rests on the family." LSNC requested this deletion because SHRA, not the participant, bears the burden of proving that a family is in violation of their obligations under the program.

Instead, SHRA has indicated that the paragraph will be amended to state:

"If the PHA determines based on the evidence that an individual is an unauthorized member of the household, the PHA will propose to terminate assistance since prior approval was not requested for the additional household member. It is the family's

responsibility to provide evidence that the individual (who the PHA purports to be an unauthorized occupant) is a guest, and not an occupant of the residence.”

This language is an improvement, but the last sentence again improperly shifts the burden to the family when SHRA proposes termination and should be deleted.

Further, this section retains a provision that “absence” of evidence of another address “will be considered verification that the visitor is a member of the household.” This is inappropriate because: (1) as Sacramento is well aware, not all of our residents have homes; (2) a visitor has no legal obligation to provide an SHRA participant with evidence of their address and families have no legal mechanism to demand such paperwork from a visitor; and (3) this language also improperly truncates the required legal analysis a hearing officer would be required to go through to evaluate whether SHRA met its burden to affirmatively show that a visitor was, in fact, an unauthorized resident. Although absence of another residence could properly be listed as a factor that SHRA considers in evaluating whether to propose termination, it is not proper for it to be listed as conclusively establishing residence with a participant family.

Because LSNC and SHRA have been exchanging ideas on this section, we hope that it can be further refined prior to finalization of the 2017 Administrative Plan.

Chapter 15/14: Denial or Termination of Assistance

Page 14-1 under “Public Housing Authority Discretion”

The 2017 draft proposes to change SHRA policy from requiring its staff to consider mitigating circumstances to making such consideration discretionary. Specifically, the draft makes the following changes in red:

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the PHA will may consider all relevant circumstances in each case, such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who were not involved in the action or failure to act.

The change from “will” to “may” is concerning and a step backwards. LSNC has previously successfully litigated this issue with SHRA in the Sacramento Superior Court (Case No. 34-2008-00017064). As a result of that litigation, SHRA’s hearing officers began addressing mitigating circumstances in hearing decisions. SHRA argues that the change is to reflect the federal regulation, which uses the word “may” and that it will continue to consider mitigating circumstances. However, other courts, in addition to Sacramento Superior Court, that have addressed the issue have likewise held that there is a mandatory duty to consider mitigating circumstances at issue in a given case. See *e.g.* *Gaston v. CHAC* (2007) 375 Ill.App.3d 16, 23-24; see also *Carter v. Lynn Housing Authority*, 450 Mass. 626, 635-636, 880 N.E.2d 778 (Mass. Feb. 13,

2008). Further, if SHRA intends to continue considering mitigating circumstances in determining whether to deny or terminate a family, the Administrative Plan should so reflect. Otherwise, the Administrative Plan would demonstrate that SHRA does not require its staff to consider such circumstances.

Page 14-2 under "Notice" and Page 14-4 under "Disclosure of Criminal History Records to the Family"

Pursuant to HUD guidance, a PHA cannot issue a denial or termination notice based on criminal history *until* it provides the applicant/participant with the criminal record and provides an opportunity to dispute the accuracy and relevance of the record. *See* FAQs for Notice PIH 2015-19 / H 2015-10 at Q.9. PHAs are, therefore, required to notify the family of the proposed decision and provide a copy of the record prior to issuing any kind of decision denying admission. *See id.*

The current draft at page 14-2 provides that SHRA will provide an applicant/participant with a copy of the criminal record "[i]f the PHA denies assistance for criminal activity as shown by a criminal record." LSNC requested that this sentence be deleted because HUD does not permit SHRA to deny assistance and then provide a copy of the record, but rather must provide a copy and opportunity to dispute *before* issuing a denial notice.

In response, SHRA agreed to change the draft to include the paragraph below. In order to ensure that SHRA's processes more closely meet with HUD requirements, however, we would recommend that the changes in red be added:

Before the PHA takes any adverse action based on a criminal conviction record, the PHA will ~~notify the applicant of the proposed decision and~~ provide the subject of the record and the applicant with a copy of the criminal record upon written request and providing picture I.D. to insure that the PHA is maintaining the security of the personal information of the subject of record. SHRA will not mail criminal records to any address as it is a security risk. The applicant will be provided an opportunity to dispute the accuracy and relevance of that record ~~prior to denying admission.~~

We understand SHRA's concern regarding sending criminal records, but HUD actually does not qualify its requirement that the applicant be provided with the criminal record. This issue is likely to arise in future drafts or may be something SHRA and LSNC can collaborate on to ensure applicants are encouraged to seek a copy of the record in proposed notices, but at a minimum, we submit that the proposed additions be made at this time.

Thank you for considering our comments.

Sincerely,



Sarah R. Ropelato



INVESTING IN COMMUNITIES

September 16, 2016

Ms. Sarah Ropelato
Legal Services of Northern California (LSNC)
515 12th Street
Sacramento, CA 95814

Dear Ms. Ropelato,

Thank you for your letter providing feedback during the public comment period for the 2017 Proposed Annual Plan, including the 2017 Assistance and Continued Occupancy Policy (ACOP) for the Public Housing Program and the Administration Plan (Admin Plan) for the Housing Choice Voucher Program and the Administration Plan (Admin Plan) for the Housing Choice Voucher Program.

Legal Services of Northern California (LSNC) and the Sacramento Housing and Redevelopment Agency (SHRA) have a positive working relationship and have addressed concerns and issues as they arise throughout the year. In addition, SHRA and LSNC staff met prior to the closing of the public comment period to discuss and resolve the majority of LSNC's comments and concerns. Below are the remaining comments provided in your letter dated September 7, 2016 with SHRA's responses.

ACOP COMMENTS and RESPONSE

1. Chapter 13: Conduct of Formal Hearing, Page 5 & 6

LSNC Comment:

The language at page 13-5 stating a family must notify SHRA 5 days prior to the formal hearing if it brings counsel should be changed to clarify that the family does not waive the right to counsel if notice is not provided. While SHRA can request that the family notify SHRA that it is represented by counsel, a family may still have counsel even if it fails to notify SHRA before the hearing. 24 CFR §966.56(b)(2).

PHA Response:

Page 13-5 “Notification of Hearing.” In the third bullet, we will add the following language, “Lack of notice to the PHA of the presence of counsel representing the family may cause the PHA to reschedule to hearing to allow the PHA’s counsel to be present also.”

LSNC Comment:

Similarly, the family also cannot waive its right to see the documents or evidence that SHRA relies upon at the hearing. 24 CFR 966.56(b)(1). Therefore, the language at page 13-5 that says a family must request to view the documents no later than 5 days before the hearing, should be changed to state that SHRA requests the family ask for the documents 5 days before the hearing, but the family does not waive its rights to see all documents that SHRA will rely on at the hearing if the request is late or not made at all.

PHA Response:

Page 13-6 “Notification of Hearing.” In the fourth bullet referring to the family’s right to view the PHA’s documents upon which the decision is based, we will eliminate the last sentence in that bullet stating, “*Requests for such documents or evidence must be received no later than 5 days before the hearing date.*”

Currently create hearing briefs with attachments and send them to the family in advance of the hearing.

2. Chapter 17: Violence Against Women Act (VAWA)

LSNC Comment:

Section I of this chapter outlines the circumstances under which SHRA may terminate housing assistance to a public housing resident that claims a VAWA defense to a lease violation. This section states:

Nothing in this Policy will restrict the PHA (sic) right to terminate tenancy if the victim tenant (a) allows a perpetrator to violate a court order relating to the act or act of violence; or (b) if the victim tenant allows a perpetrator who has been barred from PHA property to come onto HA property including but not limited to the victim's unit or any other area under their control.

LSNC suggests replacing the second sentence of the first paragraph of Section I, quoted above, with the following: "Nothing in this Policy will restrict the PHA's right to terminate tenancy if the PHA can demonstrate that an actual and imminent threat to other tenants or individuals employed at or providing services to the property would be present if the tenant is not terminated."

PHA Response:

Domestic violence affects more than the physical wellbeing of other residents; it may also affect other residents' right to peaceful enjoyment of their dwelling units and/or the property. If the perpetrator of domestic violence is restricted from coming onto the property and the resident voluntarily allows that individual into his or her unit or onto the PHA's property regardless of any such restriction, the PHA may issue a warning notice to the resident and/or begin the process of terminating his or her tenancy in order to protect other residents and/or the PHA's property. It is the PHA's goal and mission to house low-income families. It is also the PHA's responsibility to ensure that the housing is decent, safe and sanitary and to protect residents' right to peaceful enjoyment of their home.

**HCV ADMINISTRATIVE PLAN
COMMENTS and RESPONSES**

1. Receipts for paperwork turned into SHRA

LSNC Comment:

LSNC requests that SHRA include a statement in the Administrative Plan that applicants and participants will receive a receipt when they turn in paperwork to the PHA as currently applicants and participants who turn in paperwork are told they cannot get a receipt.

PHA Response:

The Housing Authority is working on automated options to provide for our clients. However, the HCV lobby receives visits from 200-300 families each day, or 1,500 families each week, most of whom have paperwork to submit. It would be an undue administrative burden to provide receipts to all the families who submit paperwork on a daily basis (which includes staff counting the number of pages, and listing the documents submitted). Families are currently able to take a ticket from the 'check in' kiosk, which staff will honor as proof that they were in the office on that particular day. The Housing Authority will also continue to explore automated options to provide receipts in the future.

2. "Applying for Admission and Glossary", Page 2-4

LSNC Comment:

LSNC staff would like the initial application for admission to reflect the actual practice being followed by the Agency. Specifically, the following changes in red are recommended to be added to SHRA's proposed language.

If an applicant does not respond in writing to the initial pre-application letter (Part A application) or fails to appear for a scheduled appointment to review the Part B Application, the PHA will withdraw the applicant from the waiting list. If the applicant contacts the PHA within 10 days of the missed appointment or deadline provided in the initial letter, the PHA may

reschedule the appointment with “good cause” (as defined in the Glossary of this Administrative Plan) or extend the deadline due to mitigating circumstances.

PHA Response:

Staff agrees to include the suggested verbiage “*deadline provided in initial letter*” however we do not recommend including “extending the deadline due to mitigating circumstances”. We always look at mitigating circumstances on a case-by-case basis; however individual factors in each case may not always warrant an extension of the deadline.

3. Subsidy Standards, Page 4-2

LSNC Comment:

LSNC requests that SHRA permit adult children who left the household to return in more circumstances than returning from school. Additionally, LSNC has requested that elderly or near-elderly parents be included among those individuals who may be added to the household. LSNC has also requested that SHRA permit children to be guests in a household longer than the thirty days allowed by the Administrative Plan.

PHA Response:

Adults with adult children under 24 years of age

Staff recommends leaving the original language in the Administrative Plan. The reason for allowing the add-on for individuals under 24 years old who left to go to school and come back to the unit is to promote higher education. This provides these individuals the incentive to go to school knowing they may return to the home in case they are unsuccessful in finding a job upon graduation.

Elderly/Near elderly parents

Staff currently adds any adults through conservatorship which includes *any* adult family member, not just elderly parents.

Minors added as pending

Pursuant to 24 Code of Federal Regulations (CFR) §982.551(h)(2), the family must reside in the assisted unit and the composition of the assisted family must be approved by the PHA. Therefore, until the Housing Authority approves a household member, he or she may not reside in the unit.

Currently the HCV policy allows for the addition of family members based on the following situations: birth of a child, adding a spouse/partner and their minor children, minor who has been part of the household who moved out and is returning to the household, Housing Authority pre-approved Live-In Aid, birth of children by an existing family member, adoption, long term foster placement, court awarded custody, and court awarded guardianship/conservatorship. Limiting additional “add-on” categories provides the Housing Authority the opportunity to maximize the utilization of the vouchers and serve additional families from the waitlist.

4. Visitors, Page 5-8

LSNC Comment:

LSNC states that the burden of proof is not with the family to show that a visitor is an authorized guest and it is the burden of the Housing Authority to show that the family has violated their family obligations. They request the suggested (amended) Housing Authority language be amended further, specifically related to the last sentence.

If the PHA determines based on the evidence that an individual is an unauthorized member of the household, the PHA will propose to terminate assistance since prior approval was not requested for the additional household member. It is the family's responsibility to provide evidence that the individual (who the PHA purports to be an unauthorized occupant) is a guest, and not an occupant of the residence."

PHA Response:

If the PHA determines, based on the evidence, that an individual is an unauthorized member of the household, the PHA will propose termination of the resident or family from the HCV program since prior approval was not requested for the additional household member. However, the family may provide evidence to the PHA to show that the individual in question is a guest and not an unauthorized occupant. If the PHA deems that the evidence is sufficient it may rescind the proposed termination. However, if the PHA finds the evidence insufficient the family has the right to request an informal hearing on the proposed termination.

5. Public Housing Authority Discretion, Page 14-1

LSNC Comment:

LSNC staff would like the following language to be amended from "may" to "will" in order to ensure that Housing Authority are not discretionary in reviewing mitigating circumstances

In deciding whether to deny or terminate assistance because of action or failure to act by members of the family, the PHA may consider all relevant circumstances in each case, such as the seriousness of the case, the extent of participation or culpability of individual family members, mitigating circumstances related to the disability of a family member, and the effects of denial or termination of assistance on other family members who are not involved in the action or failure to act.

PHA Response:

The Housing Authority is using the actual language of the regulation which uses the word "may" instead of "will." (24 CFR §982.552(c).) At this time staff recommends leaving the

proposed language as it is, given that it reflects the exact language of the CFR. However, it is the Agency's practice to look at relevant and mitigating circumstances in cases of denials or terminations (unless they are mandatory denials or terminations based on HUD regulations).

6 "Notice," Page 14-2 and under "Disclosure of Criminal History Records to the Family." Page 14-4

LSNC Comment:

Current language in the Plan states that the Housing Authority will notify the applicant of the decision to deny assistance and provide the subject with a copy of his or her criminal record. LSNC states that per HUD guidance, a PHA cannot issue a denial or termination until it provides the applicant/participant with the criminal record.

PHA Response:

The language was changed to state that the Agency will not take any adverse action based on a criminal record until it has provided a copy of the record to the subject and has provided the family an opportunity to dispute the information.

Before the PHA takes any adverse action based on a criminal record, the PHA will provide the subject of the record and the applicant with a copy of the criminal record upon written request and providing picture I.D. to ensure that the PHA is maintaining the security of the personal information of the subject of record. SHRA will not mail criminal records to any address as this is a security risk. The applicant will be provided an opportunity to dispute the accuracy and relevance of that record prior to the PHA making a decision regarding eligibility.

LSNC's contributions are greatly appreciated. We have made an incredible amount of progress on the 2017 ACOP and Administrative Plan. We look forward to continuing to work with LSNC over the next few months to further resolve pending issues. We welcome additional comments and thank you for your valuable input.

Sincerely,


Lashelle Dozier
Executive Director
Sacramento Housing and Redevelopment Agency

Sacramento Resident Advisory Board

REPRESENTING SHRA TENANTS IN THE CITY OF SACRAMENTO AND THE COUNTY OF SACRAMENTO

1725 K STREET #101
SACRAMENTO, CA 95811
916.443.5547
SACRAB@GMAIL.COM
WWW.SACRAB.COM
501(C)(3) TAX ID:
26-3123191

September 7, 2016

Sacramento Housing and Redevelopment Agency
801 12th Street
Sacramento, CA 95814

COMMITTEES:

ALDER GROVE

ARDEN VILLA

BIO TREES

CAPITOL TERRACE

COLONIAL HEIGHTS

CORAL GABLES

COMSTOCK

CREEK SIDE

CRYSTAL GARDENS

EDGE WATER

GIBSON OAKS

GRAN CASA LINDA

LINCOLN MANOR

LITTLE BELL

MARINA VISTA

PARADISE MANOR

PINE KNOLL

SHERMAN OAKS

TWIN RIVERS

WILLIAM LAND VILLA

SHARP PROPERTIES

RE: ACOP: Annual Plan

Dear Sirs;

The Sacramento Resident Advisory Board (SRAB) has reviewed the significant changes to the ACOP and Admin Plan with the residents of public housing and SHARP.

There has been no negative feedback in our meetings and the RAB stands in support on the changes.

A vote to lend our support passed unanimously at our board meeting this morning.

Debora Surrent

Patricia Edwards

Natisha Hughes

Anthony Mann

Gale Morgan

William Blado



September 16, 2016

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of Vacant Lot Disposition Strategy

SUMMARY

The attached report and resolution are submitted to you for review prior to review by the City of Sacramento.

RECOMMENDATION

Approve staff recommendation as outlined in the report.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director

Attachment



**REPORT TO COUNCIL AND
HOUSING AUTHORITY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org**

**Public Hearing
October 13, 2016**

**Honorable Mayor and Members of the City Council
Chair and Members of the Housing Authority**

Title: Approval of Vacant Lot Disposition Strategy

Location/Council District: Districts 2, 3, 4, 5, 6, 8

Recommendation: Adopt 1) a **Housing Authority Resolution** a) approving the Vacant Lot Disposition Strategy and authorizing the Executive Director, or her designee, to take all actions necessary to implement the strategy; b) authorizing the Executive Director to apply for grants for eligible activities required for the development or disposition of Future Opportunity Sites; c) authorizing the Executive Director, or her designee, to apply to the United States Department of Housing and Urban Development (HUD) for the removal of HUD Declaration of Trusts, d) approving an amendment to the Sacramento Housing and Redevelopment Agency (Agency) budget which includes the ability to accept sale proceeds and allocate sale proceeds to the funding source used for the original purchase, and e) make related environmental findings; and 2) a **City Council Resolution** a) approving the Vacant Lot Disposition Strategy, b) authorizing the Agency to take all actions necessary to dispose of 210 Nimitz Street at fair market value, c) amending the Agency budget to accept and allocate sale proceeds to the funding source used for the original purchase of 210 Nimitz Street, and c) making related environmental findings.

Contact: Christine Weichert, Assistant Director, Development 440-1353

Presenters: Celia Yniguez, Program Manager, Development

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: The Housing Authorities of the City and County of Sacramento (Authorities) and the Sacramento Housing and Redevelopment Agency (Agency) own a total of sixty-one (61) vacant lots. These properties were acquired: 1) by the former Redevelopment Agency to provide site assembly for affordable housing developments and/or the elimination of physical and social blight in former Redevelopment Areas, 2) by the Housing Authority for use as public housing or potential development sites, or 3) by the Agency through the Neighborhood Stabilization Program.

In 2012, all redevelopment agencies were dissolved in California, including the City and County of Sacramento Redevelopment Agencies. As part of the legislation, the disposition of assets, including property, was mandated. The Sacramento City Council and County Board of Supervisors designated their respective Housing Authorities as the local bodies to retain the housing assets and functions. As a result, there are 40 former Redevelopment Agency owned properties now under the ownership of the Housing Authority, 38 of which are in the City and two of which are in the County of Sacramento.

In addition, there are 16 vacant properties owned by the Housing Authorities which were not acquired as a part of redevelopment efforts (12 of which are in the City and four of which are in the County of Sacramento). These include: 1) eight single family homes that were once utilized as public housing units but have been demolished due to major systems/structures reaching the end of their useful life, and rehabilitation costs exceeding the amount that the United States Department of Housing and Urban Development (HUD) would reimburse, 2) four properties that were purchased for the development of affordable housing, and 3) four properties on A Street that were purchased by the City Housing Authority to house a future social service complex.

Finally, five parcels were purchased under the Neighborhood Stabilization Program (NSP) for site assembly and development (three in the City and two in the County). As part of the NSP Property Recycling Program (PRP), approved by the City in 2009, the Agency was authorized to purchase real estate owned properties for redevelopment, demolition, and land banking for future redevelopment efforts.

Vacant Lot Disposition Strategy

This report recommends approval of the Vacant Lot Disposition Strategy (Strategy) which utilizes a comprehensive approach to selling underutilized vacant land and developing affordable housing (see Exhibit A).

After the elimination of redevelopment, the Agency focused on Del Paso Nuevo, the 154 acre master planned community in Del Paso Heights, in order to fulfill commitments and agreements made with HUD related to these properties. The disposition of these properties is now proceeding and staff can shift their focus to other vacant properties owned by the Agency. In addition, the Agency is in the process of rehabilitating and selling 76 vacant single family homes which were once used as public housing units. Known as the Welcome Home Program, three homes to date have been successfully sold to qualified, low-income, owner occupied, first-time homebuyers whose incomes do not exceed 80 percent of area median income (AMI).

Over the last few months, staff conducted an analysis to determine how to dispose of the properties. As part of this process, staff reviewed each parcel's proximity to other housing authority properties, acquisition funding source, size and configuration, zoning, adjacent uses, regulatory restrictions, and environmental issues. The three categories which resulted from the analysis were: Immediate Sale, Affordable Housing Opportunity Sites, and Future

Opportunity Sites. A summary of the proposed strategy for each of these categories is outlined below and a detailed description is included in Exhibit A.

Immediate Sale: Seven properties (five City properties and two County properties) zoned residential and mixed-use with minimal obstacles to disposition are proposed to be offered for immediate sale. Staff is proposing to sell properties located at 1737 Kathleen Ave., 210 Nimitz St., 2936 and 2942 38th St., and 716 Acacia Ave. (City); and 0 Elkhorn Blvd. and 5646 Odea Dr. (County) at fair market value utilizing a real estate broker.

Affordable Housing Opportunity Sites: In this category, there are five large residential development sites (three in the city, one in the county, and one combined city and county) along with 14 single family lots all located in the City.

By the end of 2016, staff anticipates issuing a Request for Proposals (RFP) for development of the single family lots. Due to regulatory restrictions on these parcels, any new homes developed must be sold to income eligible (110% of Area Median Income or less) owner occupants.

Staff will begin a competitive process to select developers for three of the five remaining sites in the coming year. Public participation will be a key component of the process. Staff will begin by issuing RFP for three sites which are: 46th and Lang Avenue, Broadway and 39th Avenue, and Coral Gables. Two sites, San Juan and Donner Field, will require a longer time period to prepare for development. The San Juan site requires planning coordination, and the Donner Field site is currently leased to a charter school. Staff is proposing to enter into another one year lease with the school to allow them to find an alternate location for their outdoor activities.

Future Opportunity Sites: Twenty-three (23) parcels (20 City and three County) require environmental remediation, title issue clearance, or HUD disposition approval prior to sale. Upon resolution of the issues, nine of these properties (which are scattered sites) will be sold at fair market value utilizing a real estate broker or made available through an RFP. These properties are located at 1224 D St., 3195 Western Ave., 4137 Rio Linda Blvd., 470 Carroll Ave., 7045 24th St., 58 Arden Way (City) and 3905 Alder St., 4558 14th Ave., and 4758 15th Ave. (County). An RFP will be issued for the Rio Linda Blvd., (10 parcels) and A St. (four parcels) sites once environmental issues have been resolved.

It should be noted that the properties on A Street and 58 Arden Way are commercially zoned. It is anticipated that the future use of the A Street properties will be consistent with its current zoning. Staff is seeking to clear the 58 Arden Way site for sale, but due to historic groundwater contamination from an off-site source, a non-residential land use restriction will be permanently recorded on the property.

Other Sites: The strategy does not include vacant properties in the Del Paso Nuevo (DPN) master plan community or a parcel located on Pansy Avenue which is being transferred to Alchemist CDC. Disposition of properties in DPN will be brought to City Council for approval in a separate report. The disposition of Pansy Avenue was approved by Council earlier this year.

Policy Considerations: Public Housing Authorities are required to comply with applicable federal laws and regulations, including the Quality Housing and Work Responsibility Act of 1998. The disposition of the subject property is consistent with the amended approved Public Housing Agency Annual Plan, the 2007 Housing Authority Asset Repositioning Strategy, and the HUD Notice PIH 2008-017 (HA) which provides guidance on disposition of certain public housing program assets under public housing asset management. The property will be disposed of at fair market value.

The recommended actions are consistent with a) the 2013-2021 Housing Element, provides a variety of quality housing types, adequate housing sites and for opportunities for all households, ownership opportunities for modest income workers, and supports quality infill development (Resolution No. 2013-415); and b) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-263).

Public noticing is required for the sale of the seven properties in the Immediate Sale category and the nine scattered sites in the Future Opportunity Sites category. This is a requirement per federal law for the housing authority properties and per redevelopment law for those purchased by the former redevelopment agency.

Economic Impacts: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): The group of properties identified as "Immediate Sale" and nine properties in the "Future Opportunity Sites: Scattered Single Family Sites" are exempt under CEQA pursuant to Guidelines Section 15332, "In-fill Development Projects", Section 15312, "Surplus Government Property Sales", or Section 15194, "Affordable Housing Exemption".

The group of properties identified as "Affordable Housing Opportunity Sites" and the Rio Linda Sites and A Street Sites in the "Future Opportunity Sites" will undergo future environmental authorizations prior to sale or development.

The approval of the Vacant Lot Disposition Strategy and associated budget amendments are a general procedure making action and not considered a project under CEQA pursuant to Section 15378(b) (2) of the State CEQA Guidelines, "general policy and procedure making", and 15378(b) (4), "fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment".

Sustainability Considerations: Development of vacant parcels is considered to be infill development and has been reviewed for consistency with the goals, strategies and policies of the 2035 General Plan. Future development will advance the following goals, strategies and policies that will directly or indirectly conserve energy resources and reduce greenhouse gas emissions, in part, from the 2035 General Plan: a) Housing Element - Strategies and Policies for Conserving Energy Resources - Climate Action Plan, subsection 7.2: Title 24 of the California Code of Regulations contains California's building standards for energy efficiency.

Other: Activities identified in the Vacant Lot Disposition Strategy do not involve the expenditure of federal funds, and as such, are exempt from environmental review under the National Environmental Policy Act (NEPA). The property at 210 Nimitz is an Agency owned property and the disposition of this property has been determined to be exempt under NEPA pursuant to 24 CFR §58.34(a)(12). Individual property dispositions which require the use of federal funding will undergo separate environmental review subject to the provisions of 24 CFR Part 58.

Commission Action: At its meeting of September 21, 2016, the Sacramento Housing and Redevelopment Commission reviewed the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

Rationale for Recommendation: Pursuant to AB 26, the disposition of former redevelopment assets must take place. Many factors were considered to determine each property recommendation included in the Vacant Lot Disposition Strategy. This strategy will allow for the immediate sale and development of properties and release of RFPs for affordable housing in the near term thereby creating housing opportunities.

Financial Considerations: This report recommends that proceeds from any property sales be returned to the funding source used for the acquisition. The funding sources used include the following: 1) Low and Moderate Income Housing Tax Increment (TI) funds; 2) Neighborhood Stabilization Program; 3) Community Development Block Grant; and 4) Housing Authority. Low and Moderate Income Housing TI and other eligible funds will be available to provide financial assistance to develop affordable housing at the Affordable Housing Opportunity Sites.

M/WBE/Section 3 and First Source Considerations: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable.

Respectfully Submitted by: 
LA SHELLE DOZIER
Executive Director

Table of Contents

- 01 Description/Analysis
- 02 City Housing Authority Resolution – Vacant Lot Strategy Approval
- 03 City Council Resolution – Vacant Lot Strategy Approval
- 04 Exhibit A - Vacant Lot Disposition Strategy

RESOLUTION NO. 2016 -

Adopted by the Housing Authority of the City of Sacramento

on date of

APPROVAL OF THE VACANT LOT DISPOSITION STRATEGY; AUTHORIZATION TO SELL CERTAIN, IDENTIFIED PROPERTIES AND MAKE BUDGET AMENDMENTS RELATED THERETO; ENVIRONMENTAL FINDINGS

BACKGROUND

- A. The Housing Authority (Authority) purchased property to provide public housing for low-income residents.
- B. The former Redevelopment Agency purchased property to assemble parcels for residential and commercial development, and the elimination of physical and social blight.
- C. In 2011 the California Legislature enacted AB 1X26, which, coupled with a subsequent decision of the State Supreme Court, resulted in the dissolution of redevelopment agencies as of February 1, 2012.
- D. Pursuant to Health and Safety Code Section 34176, City Resolution No. 2012-018, and Housing Authority Resolution No. 2012-001, the City of Sacramento designated the Authority as the designated local authority to retain the housing assets and housing functions previously performed by its Redevelopment Agency and the Housing Authority elected to serve in that role.
- E. The Authority evaluated all the vacant lots and prepared a Vacant Lot Disposition Strategy consistent with Health and Safety Code Section 34176 and applicable United States Department of Urban Development (HUD) requirements.
- F. There are sixty-one (61) vacant lots included in the Vacant Lot Disposition Strategy. The Authority owns fifty-two (52), the Housing Authority of the County of Sacramento owns eight (8), and the Sacramento Housing and Redevelopment Agency owns one (1).
- G. The Housing Authority has determined that the properties included in the Disposition Strategy are not required for its foreseeable needs (Health and Safety Code Section 34315.7).
- H. A properly noticed hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433 regarding those residential properties formerly owned by the Redevelopment Agency before its dissolution.
- I. Proper notice of this hearing is also in accordance with Health and Safety Code Section 34312.3.

- J. California Environmental Quality Act (CEQA): The group of properties identified as “Immediate Sale”, and six properties in the “Future Opportunity Sites: Scattered Single Family Sites” are exempt under CEQA pursuant to Guidelines Section 15332, “In-fill Development Projects”, Section 15312, “Surplus Government Property Sales”, or Section 15194, “Affordable Housing Exemption”.

The group of properties identified as “Affordable Housing Opportunity Sites” and the Rio Linda Boulevard Sites and A Street Sites in the “Future Opportunity Sites” will undergo future environmental authorizations prior to sale or development.

The approval of the Vacant Lot Disposition Strategy and associated budget amendments are not considered a project under CEQA pursuant to Section 15378(b)(2) of the State CEQA Guidelines, “general policy and procedure making”, and 15378(b)(4), “fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment”.

- K. National Environmental Policy Act (NEPA): Activities identified in the Vacant Lot Disposition Strategy do not involve the expenditure of federal funds, and, therefore NEPA is not applicable. The property at 210 Nimitz is an Agency owned property and the disposition of this property has been determined to be exempt under NEPA pursuant to 24 CFR §58.34(a)(12). Disposition of other properties which require the use of federal funding will undergo separate environmental review subject to the provisions of 24 CFR Part 58.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

Section 1. All of the evidence having been duly considered, including but not limited to environmental statements in the background above, are found to be true and correct and are hereby adopted.

Section 2. The Vacant Lot Disposition Strategy (Exhibit A) is approved, and the Executive Director, or designee, is authorized to take all actions necessary in the Vacant Lot Disposition Strategy’s implementation as outlined below.

- a. “Immediate Sale” (Sell Now) (Exhibit A, Section 1): The Executive Director, or designee, is authorized to take all actions necessary to remove any deed restriction on the properties, solicit and award contracts necessary to market and sell these properties, including but not limited to appraisal and brokerage services. Authorization is given to dispose of the following Housing Authority of the City owned properties:

1737 Kathleen Avenue
2936 38th Street
2942 38th Street
716 Acacia Avenue

- b. "Affordable Housing Opportunity Sites" (Exhibit A, Section 2): The Executive Director, or designee, is authorized to issue Request for Proposals (RFPs) for the development of these sites for residential use and return to the governing boards with recommendations for site development. Sites include 28 vacant lots located at: Broadway and 39th Streets; Coral Gables; Donner Field; San Juan, and 14 Scattered Single Family lots in Oak Park and Del Paso Heights.

- c. "Future Opportunity Sites – Scattered Single Family Sites" (Exhibit A, Section 3): The Executive Director, or designee, is authorized to solicit and award contracts as maybe be required for the clearing of property title, environmental review, subject to all Sacramento Housing and Redevelopment Agency (Agency) procurement requirements and policies. Once properties are marketable, the Executive Director, or designee, is authorized to solicit and award contracts necessary to RFP or market and sell these properties, including appraisals and brokerage services. 58 Arden Way (APN: 275 0113 022 0000) is to be sold for non-residential use per site requirements and existing zoning. The Executive Director, or designee, is authorized to dispose of the following Housing Authority of the City owned properties:

1224 D Street
3195 Western Avenue
4137 Rio Linda Boulevard
470 Carroll Avenue
7045 24th Street
58 Arden Way

- d. "Future Opportunity Sites – Rio Linda and A/12th Street Sites" (Exhibit A, Section 3): The Executive Director, or designee, is authorized to take actions necessary to remove any deed restriction on the properties; and to solicit and award contracts as maybe be required for the clearing of property title and environmental review subject to all Agency procurement requirements and policies. Once properties are marketable, the Executive Director, or designee, is authorized to issue an RFP for the development of these sites for residential use and return to the governing boards with recommendations for site development. Sites include 14 parcels located on Rio Linda Boulevard and North A and 12th Streets.

Section 3. The Executive Director, or designee, is authorized to apply to HUD for the removal of HUD's Declaration of Trusts, as recorded against certain properties listed in 2 c., above.

Section 4. The Executive Director, or designee, is authorized, but not limited, to apply for grant and site planning and environmental remediation funding for eligible activities required for “Future Opportunity Sites” (Exhibit A, Section 3).

Section 5. The Executive Director, or designee, is authorized to amend the Agency budget, to accept and expend grant and site planning funding, and to accept and allocate net sale proceeds to the funding source used for the original purchase of each applicable vacant lot for those properties authorized for disposition in Sections 2a and c, above.

Table of Contents:

Exhibit A: Vacant Lot Disposition Strategy

RESOLUTION NO. 2016 -

Adopted by the Sacramento City Council

on date of

APPROVAL OF THE VACANT LOT DISPOSITION STRATEGY; SALE OF 210 NIMITZ, SACRAMENTO; ENVIRONMENTAL FINDINGS

BACKGROUND

- A. The former Redevelopment Agency purchased property to assemble parcels for residential and commercial development, and the elimination of physical and social blight.
- B. In 2011 the California Legislature enacted AB 1X26, which, coupled with a subsequent decision of the State Supreme Court, resulted in the dissolution of redevelopment agencies as of February 1, 2012.
- C. The Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency created to eliminate duplicate staffing efforts and to manage and administer federal housing and community development programs on behalf of the City and County of Sacramento.
- D. The Agency evaluated all the vacant lots and prepared a Vacant Lot Disposition Strategy consistent with Health and Safety Code Sections 34671, 34312.3, and 34315.7, and applicable United States Department of Housing and Urban Development (HUD) requirements.
- E. There are sixty-one (61) vacant lots that comprise the Vacant Lot Disposition Strategy. The Agency owns one (1), the Housing Authority of the City of Sacramento owns fifty-two (52), and the Housing Authority of the City of Sacramento owns (8). The lot owned by the Agency is located at 210 Nimitz Street, Sacramento (APN 238 0072 009 0000).
- F. In 2008, the Neighborhood Stabilization Program 1 (NSP1) was approved by City Council Resolution 2008-691.
- G. The Agency purchased 210 Nimitz Street through the NSP1 Vacant Properties Program and has determined that disposition is an eligible use as it meets a Community Development Block Grant national objective.
- H. The disposition action described as part of this resolution action meet the NSP1 goal of revitalizing neighborhoods through strategic redevelopment of vacant properties.

- I. A properly noticed hearing for this action has been held in accordance with Health and Safety Code Sections 33431, 34312.3.
- J. California Environmental Policy Act (CEQA): The disposition group of properties identified as “Immediate Sale”, including 210 Nimitz, and six properties in the “Future Opportunity Sites: Scattered Single Family Sites” are exempt under CEQA pursuant to Guidelines Section 15332, “In-fill Development Projects”, Section 15312, “Surplus Government Property Sales”, or Section 15194, “Affordable Housing Exemption”.

The disposition group of properties identified as “Affordable Housing Opportunity Sites” and the Rio Linda Boulevard Sites and A Street Sites in the “Future Opportunity Sites” will undergo future environmental authorizations prior to sale or development.

The approval of the Vacant Lot Disposition Strategy and associated budget amendments are not considered a project under CEQA pursuant to Section 15378(b)(2) of the State CEQA Guidelines, “general policy and procedure making”, and 15378(b)(4), “fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment”.

- K. National Environmental Policy Act (NEPA): Activities identified in the Vacant Lot Disposition Strategy do not involve the expenditure of federal funds and therefore NEPA is not applicable. The property at 210 Nimitz is an Agency owned property and the disposition of this property has been determined to be exempt under NEPA pursuant to 24 CFR §58.34(a)(12).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. All of the evidence having been duly considered, the findings outlined above, including the environmental findings, are found to be true and correct and are hereby adopted.
- Section 2. The Vacant Lot Strategy, attached as Exhibit A, is approved.
- Section 3. The Agency is authorized to take all actions necessary to dispose of 210 Nimitz Street at fair market value, including engaging brokerage and appraisal services, and the execution of commercially reasonable purchase and sale agreements subject to approval as to form by Agency counsel.
- Section 4. The Agency is authorized to amend the Agency budget, accept and allocate sale proceeds to the funding source used for the original purchase of 210 Nimitz Street.

TABLE OF CONTENTS:
Exhibit A - Vacant Lot Disposition Strategy



**Sacramento Housing and Redevelopment Agency
Vacant Lot Disposition Strategy**

The Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento and the Sacramento Housing and Redevelopment Agency (SHRA) currently own 61 vacant lots. These lots were originally acquired for a variety of objectives including site assembly for residential and commercial development, elimination of physical and social blight, and public housing.

In 2011, the California Legislature enacted AB 26 which dissolved of all redevelopment agencies, including the Redevelopment Agency of the City of Sacramento and the Redevelopment Agency of the County of Sacramento. As part of this legislation, the disposition of assets, including property, was mandated. The Sacramento City Council and County Board of Supervisors designated their respective Housing Authorities as the local bodies to retain the housing assets and functions previously performed by the former Redevelopment Agencies to develop affordable housing. The commercial properties became the responsibility of the respective Redevelopment Agency Successor Agencies to sell and distribute the proceeds to the various taxing entities.

The elimination of redevelopment resulted in the loss of staff and tax increment financing, thereby limiting the ability to develop these sites as well as to provide assistance for their development. However, SHRA is now ready to begin implementing a phased disposition strategy. A team comprised of ten staff members from the Development Finance, Real Estate Services, Community Development, Construction, and Development departments reviewed and evaluated each site's history, characteristics, layout and location to determine an appropriate recommendation. The result of their findings is this document which is known as the Vacant Lot Disposition Strategy (Strategy).

Recommendation

The Vacant Lot Disposition Strategy is a phased approach to sell and support development of affordable housing. The Strategy is organized into three categories including the following.

- Immediate Sale
- Affordable Housing Opportunity Sites
- Future Opportunity Sites

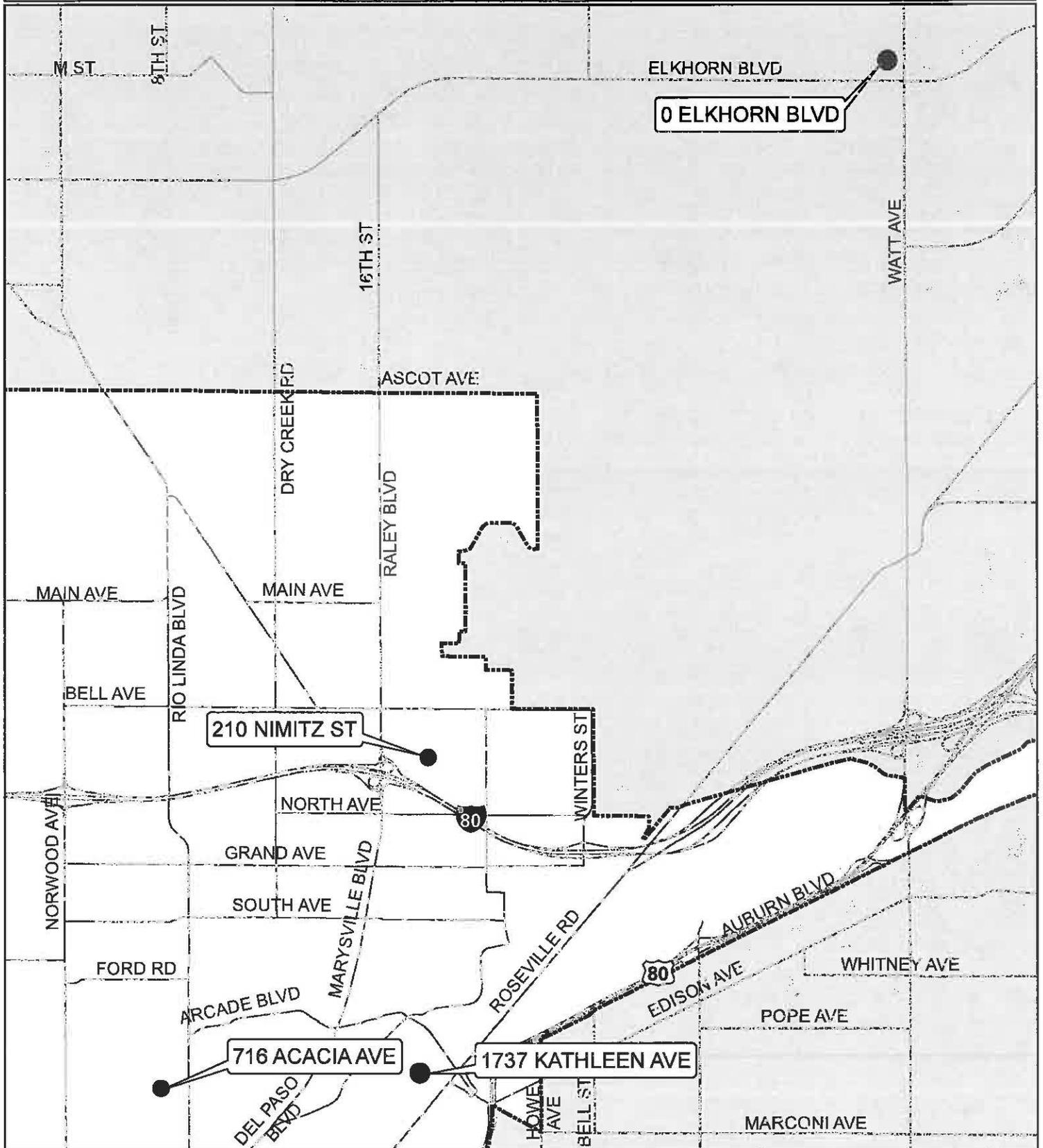
Immediate Sale

Seven properties included in this category will be sold immediately at fair market value due to several factors, including (i) there are minimum obstacles to disposition, and (ii) the properties are free of environmental contamination.

SHRA will dispose of these vacant lots through a real estate broker. Sale proceeds will be returned to the original funding source used in the original acquisition.

Address	Owner	Zoning	Size (Acres)	Neighborhood
Elkhorn Blvd (near Watt Ave)	Housing Authority (County)	SPA (residential, commercial or office use)	1.00	North Highlands
1737 Kathleen Ave	Housing Authority (City)	RMX (residential, commercial or office use; maximum 60 units/net acre)	0.68	North Sacramento
210 Nimitz St	SHRA	R-1A-SPD (single-family or duplex)	0.10	Parker Holmes
2936 38th St	Housing Authority (City)	R-1 (single-family)	0.06	Oak Park
2942 38th St	Housing Authority (City)	R-1 (single-family)	0.06	Oak Park
5646 Odea Dr	Housing Authority (County)	RD20 (maximum 20 units/net acre)	0.59	Fruitridge Pocket
716 Acacia Ave	Housing Authority (City)	R-1 (single-family)	0.17	North Sacramento

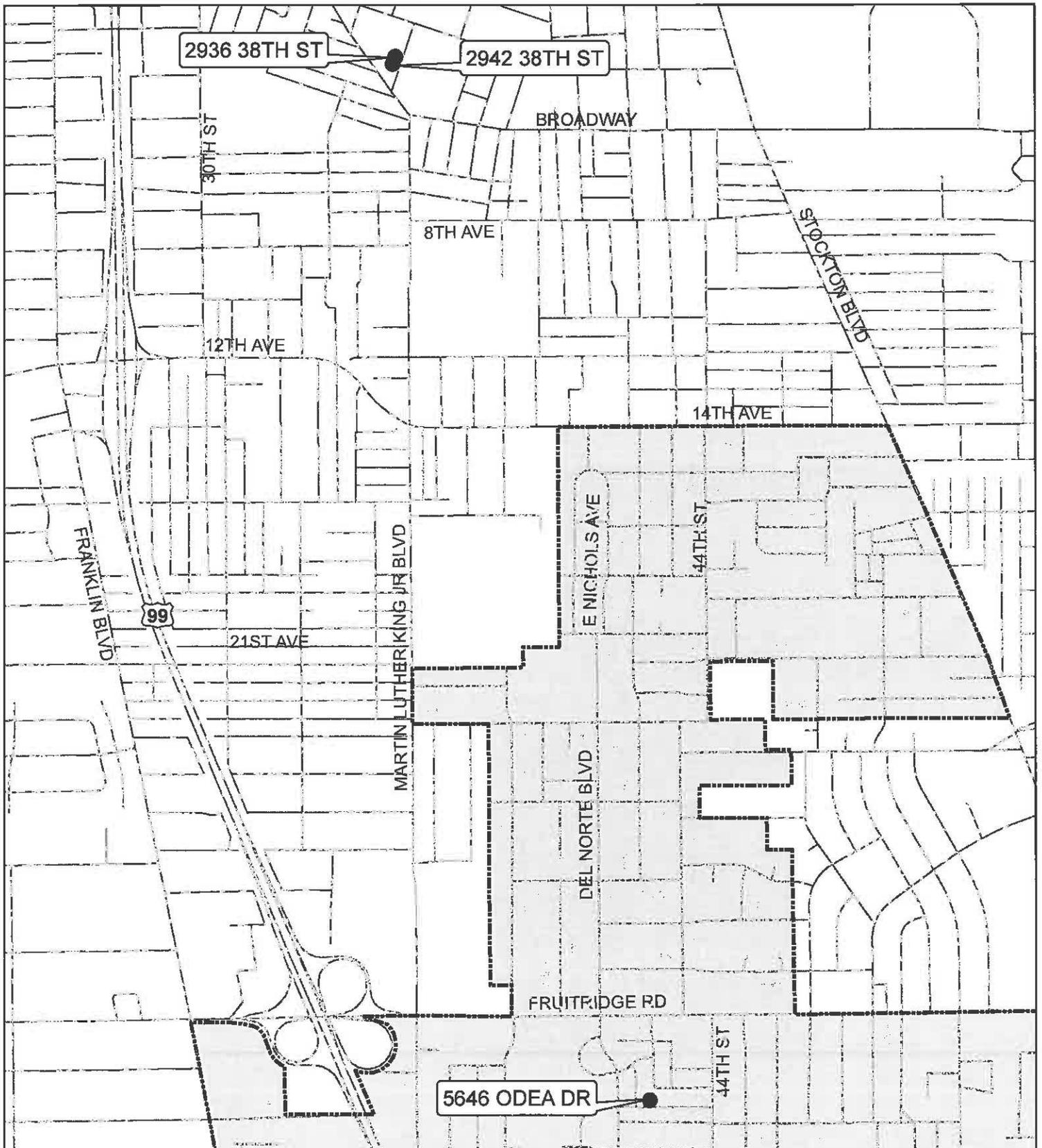
Immediate Sale Sites (North)



Sacramento County ● Vacant Lot
 City of Sacramento



Immediate Sale Sites (South)



 Sacramento County ● Vacant Lot
 City of Sacramento

Feet
0 750 1,500



Affordable Housing Opportunity Sites

A total of 31 vacant lots have been identified as available for development, including five large sites. The five large sites provide more significant development opportunity sites and/or have recorded regulatory agreements requiring affordable housing to be developed.

A Request for Proposals (RFP) will be issued for 14 single family lots in Oak Park and Del Paso Heights with the goal of constructing new homes which will be sold to income eligible owner occupants. The larger sites will be developed through various options, including public-private partnerships. Development partners will be identified through the issuance of RFPs. Each site’s development will be dependent upon developer interest as well as funding availability. Additionally, the development process at each location will include a community engagement process with residents, neighborhood and business associations. Detailed information on these 31 parcels is outlined below.

Site One - 46th Street and Lang Avenue

The 46th Street and Lang Avenue site is located south of 47th Avenue and east of Highway 99 in a residential neighborhood surrounded by single-family homes and multi-family complexes in the south area of the unincorporated County of Sacramento.

SHRA loaned funds to a non-profit developer to finance the acquisition of the parcel for construction of affordable housing. When this proposed development was not completed, SHRA took title to the parcel in 2001.

Address	Owner	Zoning	Size (Acres)	Neighborhood
46th St (near Lang Ave)	Housing Authority (County)	Split zoning - RD-5 (east): office, commercial, retail, and residential; RD20 (west): office, commercial, retail, and residential multi-family up to 20 units/net acre	7.06	Parkway North

Site Two - Broadway and 39th Street

The site is comprised of five parcels in Oak Park on the southeast corner of Broadway and 39th Street. The site was to be developed as affordable housing as part of a larger project known as The Arbors (southeast corner of Broadway and Martin Luther King Jr. Boulevard). Due to community concerns, SHRA modified the overall development strategy for the site. As a result, the 55-unit affordable senior housing development was constructed in 2013, but this half acre site was not included and was retained for future single family home ownership.

Address	Owner	Zoning	Size (Acres)	Neighborhood
3021 39th St	Housing Authority (City)	C-1-SPD (residential with limited commercial; maximum 30 units/net acre)	0.06	Oak Park
3023 39th St	Housing Authority (City)	C-1-SPD (residential with limited commercial; maximum 30 units/net acre)	0.06	Oak Park

Address	Owner	Zoning	Size (Acres)	Neighborhood
3025 39th St	Housing Authority (City)	R-1 (single-family)	0.16	Oak Park
3900 Broadway	Housing Authority (City)	C-1-SPD (residential with limited commercial; maximum 30 units/net acre)	0.08	Oak Park
3908 Broadway	Housing Authority (City)	C-1-SPD (residential with limited commercial; maximum 30 units/net acre)	0.19	Oak Park
Total			0.55	

Site Three - Coral Gables

The site is a cluster of three lots located on Coral Gables Court immediately adjacent to privately owned affordable housing and Housing Authority public housing.

Address	Owner	Zoning	Size (Acres)	Neighborhood
49 Coral Gables Ct	Housing Authority (City)	R-3-R (multi-family; maximum 30 units/net acre)	0.30	Meadowview
63 Coral Gables Ct	Housing Authority (City)	R-3-R (multi-family; maximum 30 units/net acre)	0.35	Meadowview
81 Coral Gables Ct	Housing Authority (City)	R-3-R (multi-family; maximum 30 units/net acre)	0.22	Meadowview
Total			0.87	

Site Four - Donner Field

The Donner Field site is a single lot located west of Stockton Boulevard, bounded by 8th and 9th Avenues on the north and south, 45th Street on the west, and the former Donner school building on the east. It is anticipated the site will be leased to the Fortune School of Education through November 2017.

The site was acquired in 1985 from the City of Sacramento. RFPs for development were previously issued, but due to various reasons development has not been feasible.

Address	Owner	Zoning	Size (Acres)	Neighborhood
4501 9th Ave	Housing Authority (City)	RO-SPD (residential, commercial or office use; maximum 36 units/net acre)	1.23	Oak Park

Site Five - San Juan

The site is comprised of seven lots located on Stockton Boulevard and Young Street, just south of Fruitridge Road. A total of eight parcels in the City and County were purchased to eliminate the blighting influence that the San Juan Motel and Mobile Home Park had on Stockton Boulevard and to assemble a larger site for a high quality development project. The County Redevelopment Successor Agency owns the former San Juan Motel site which is surrounded by these parcels.

Address	Owner	Zoning	Size (Acres)	Neighborhood
5716 Stockton Blvd	Housing Authority (County)	SPA (industrial or commercial use; RD-5 zoning allowing residential available as an alternative)	1.28	Stockton Boulevard
5258 Young St	Housing Authority (County)	RD20 (multi-family; maximum 20 units/net acre)	1.09	Stockton Boulevard
5266 Young St	Housing Authority (City)	R-3 (multi-family; maximum 30 units/net acre)	0.13	Stockton Boulevard
5270 Young St	Housing Authority (City)	R-3 (multi-family; maximum 30 units/net acre)	0.13	Stockton Boulevard
5300 Young St	Housing Authority (City)	R-3 (multi-family; maximum 30 units/net acre)	0.13	Stockton Boulevard
5320 Young St	Housing Authority (City)	R-3 (multi-family; maximum 30 units/net acre)	0.13	Stockton Boulevard
5340 Young St	Housing Authority (City)	R-3 (multi-family; maximum 30 units/net acre)	0.11	Stockton Boulevard
Total			3.00	

Scattered Sites - Del Paso Heights and Oak Park

SHRA intends to issue an RFP for these 14 scattered vacant lot sites within the Del Paso Heights and Oak Park neighborhoods. Since the 1980's, numerous vacant homes and parcels were purchased for the development of single family homes to increase the supply of affordable housing in the Del Paso Heights and Oak Park Redevelopment Areas and to eliminate blight caused by irregular and vacant lots and problematic liquor stores. Homes will to be sold to households earning not more than 110% of area median income.

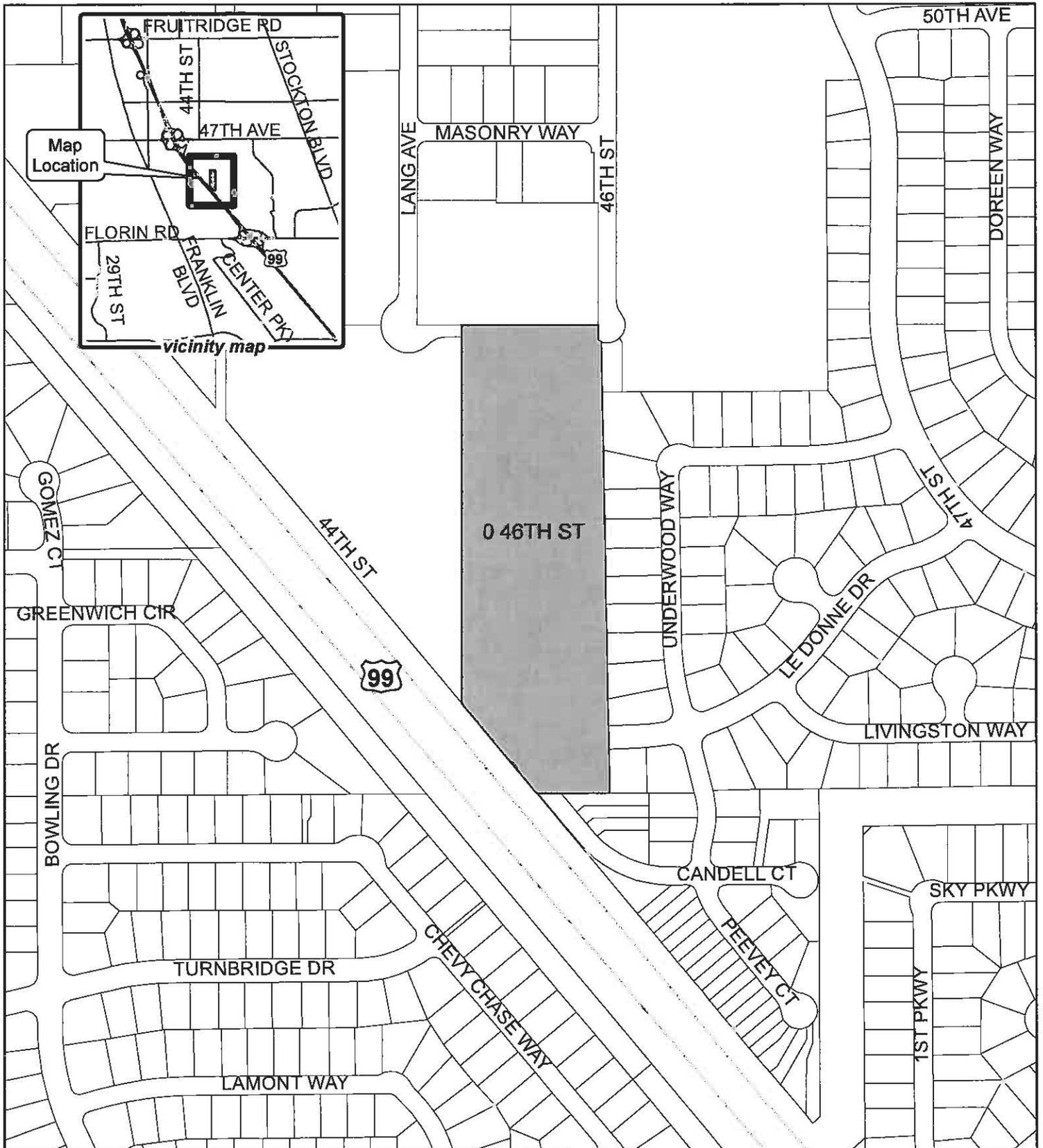
Address	Owner	Zoning	Size (Acres)	Neighborhood
3801 Altos Ave	Housing Authority (City)	RO (residential, commercial or office use; maximum 36 units/net acre)	0.16	Del Paso Heights
3805 Altos Ave	Housing Authority (City)	RO (residential, commercial or office	0.16	Del Paso Heights

Address	Owner	Zoning	Size (Acres)	Neighborhood
		use; maximum 36 units/net acre)		
3845 Altos Ave	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.10	Del Paso Heights
741 Grand Ave	Housing Authority (City)	RO-SPD (residential, commercial or office use; maximum 36 units/net acre)	0.14	Del Paso Heights
2536 37th St	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.09	Oak Park
2627 36th St	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.07	Oak Park
2629 36th St	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.07	Oak Park
2708 37th St	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.07	Oak Park
2718 37th St	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.07	Oak Park
3240 8th Ave	Housing Authority (City)	R-1 (single-family)	0.14	Oak Park
3536 20th Ave	Housing Authority (City)	R-1 (single-family)	0.10	Oak Park
3550 40th St	Housing Authority (City)	R-1 (single-family)	0.15	Oak Park
3700 2nd Ave	Housing Authority (City)	R-1 (single-family)	0.14	Oak Park
3900 4th Ave	Housing Authority (City)	R-1 (single-family)	0.11	Oak Park



Affordable Housing Opportunity Site

46th St and Lang Site



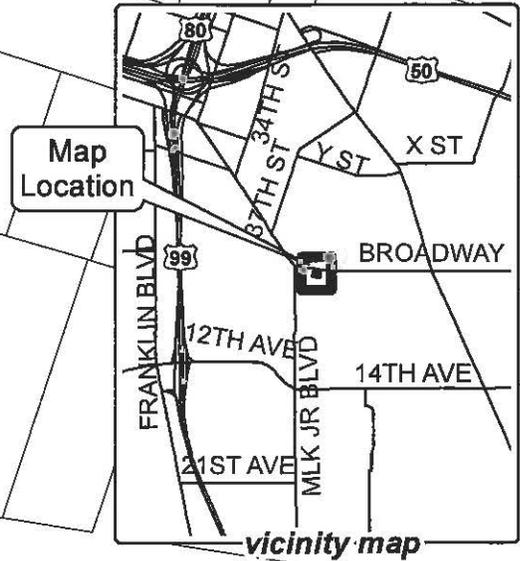
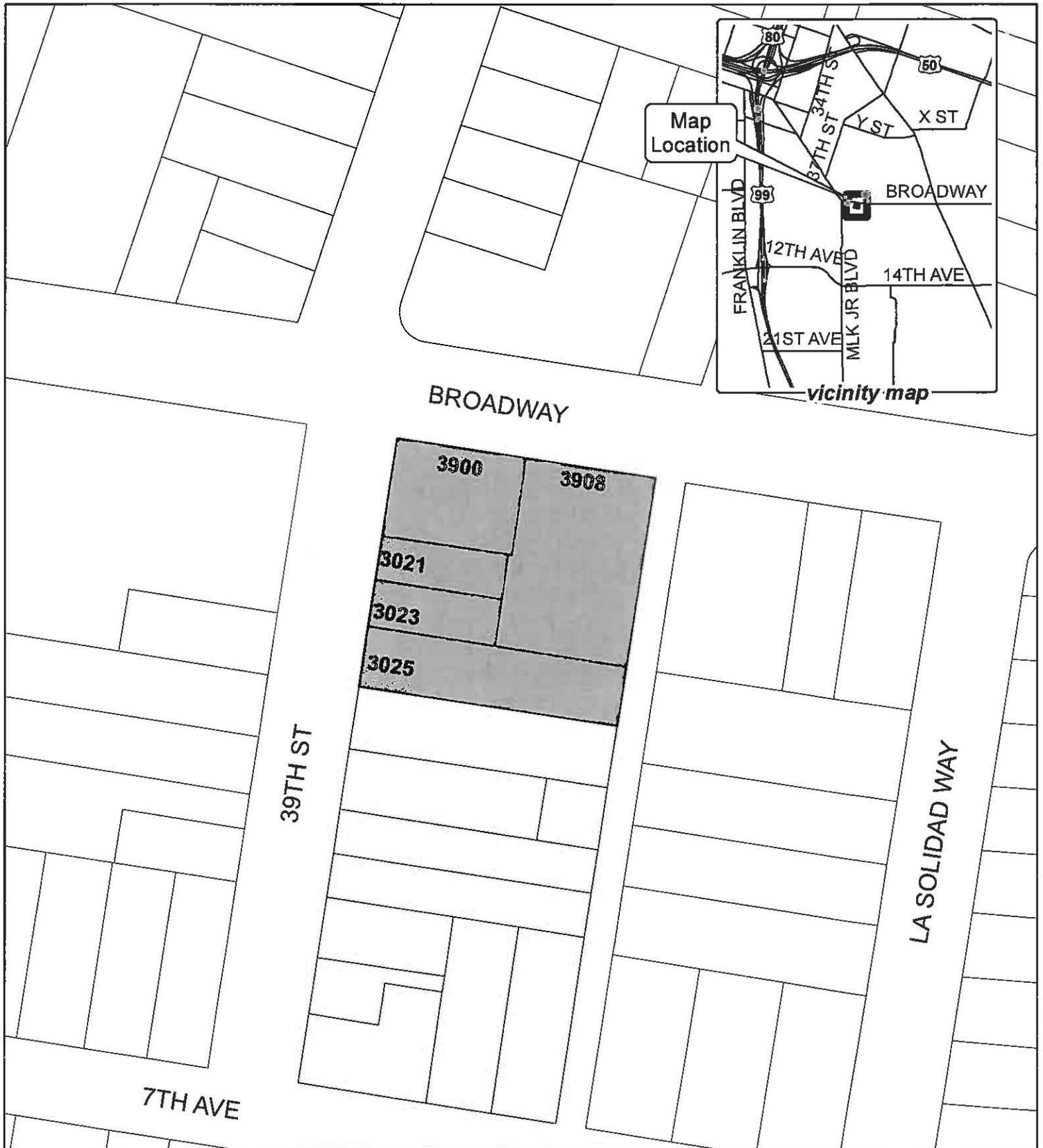
Vacant Lot



SHRA GIS
August 16, 2016



Affordable Housing Opportunity Site Broadway and 39th St Site



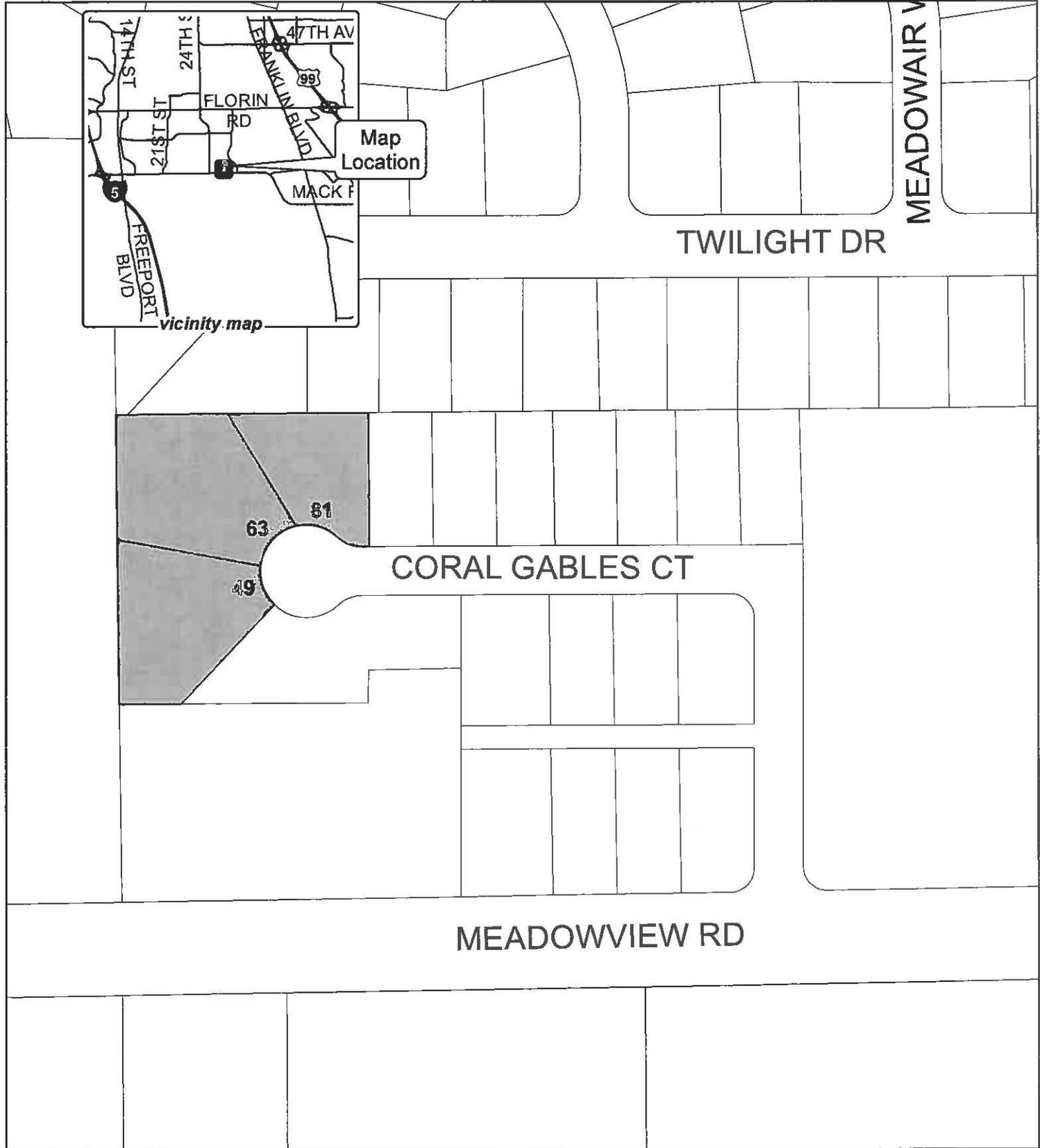
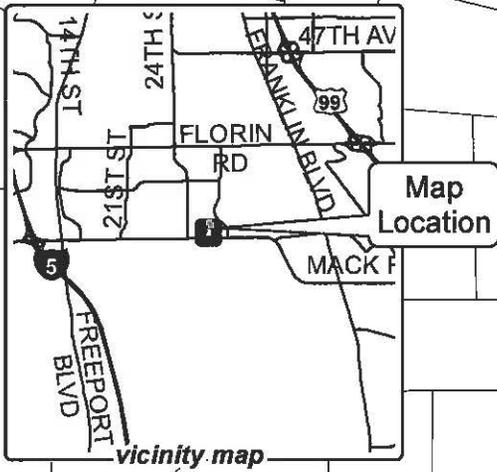
 Vacant Lot



SHRA GIS
August 16, 2016



Affordable Housing Opportunity Site Coral Gables Site



Vacant Lot



SHRA GIS
August 12 2016



Affordable Housing Opportunity Site Donner Field Site



Map
Location

7TH AVE

7TH AVE

8TH AVE

STOCKTON BLVD

8TH AVE

45TH ST

4501

9TH AVE

44TH ST

10TH AVE



Vacant Lot

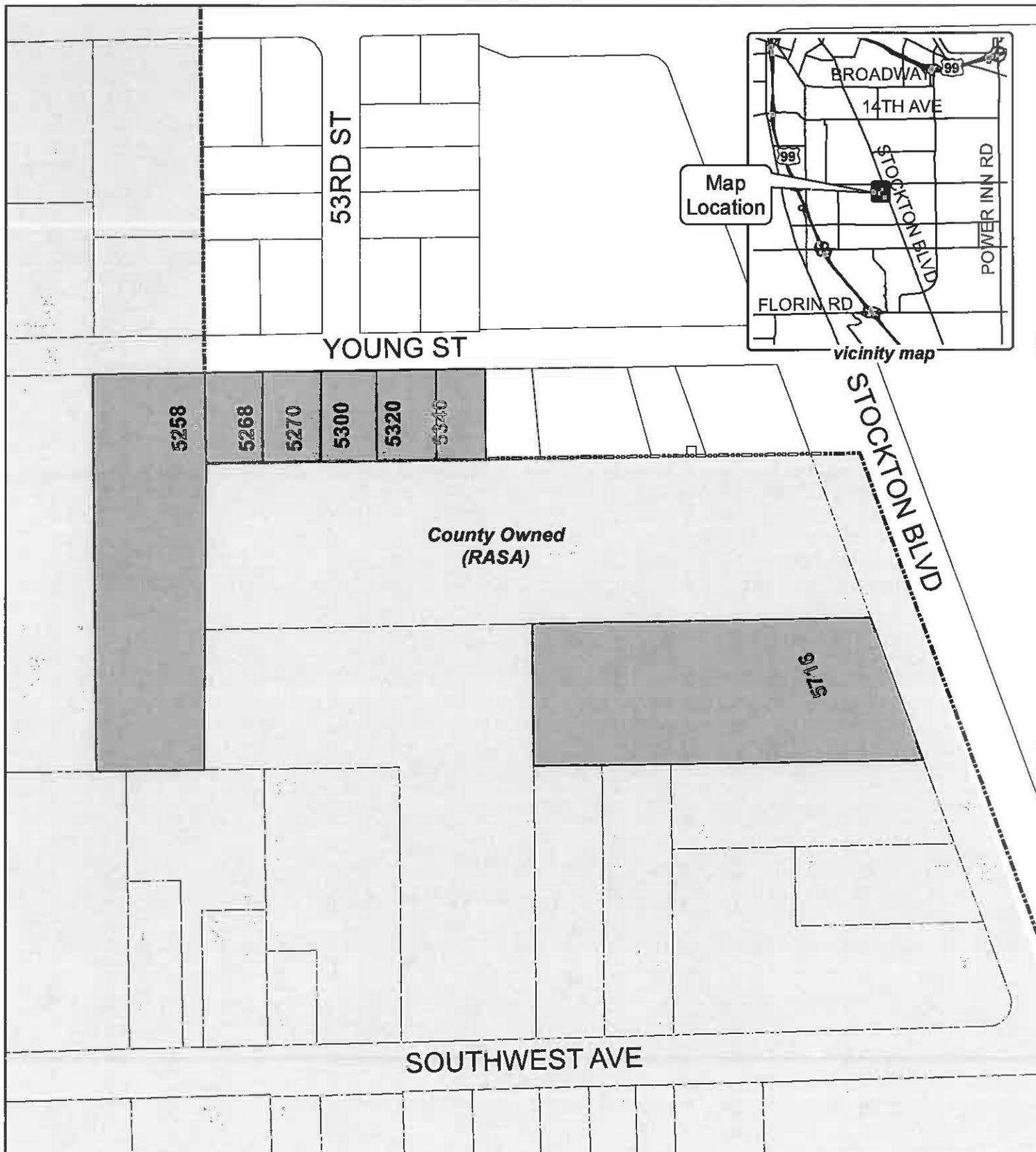


SHRA GIS
August 16, 2016



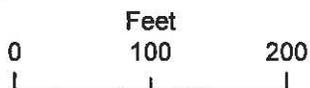
Affordable Housing Opportunity Site

San Juan Site



 Sacramento County
  Vacant Lot

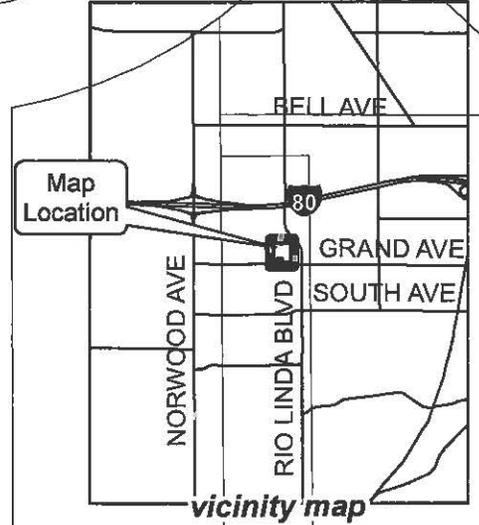
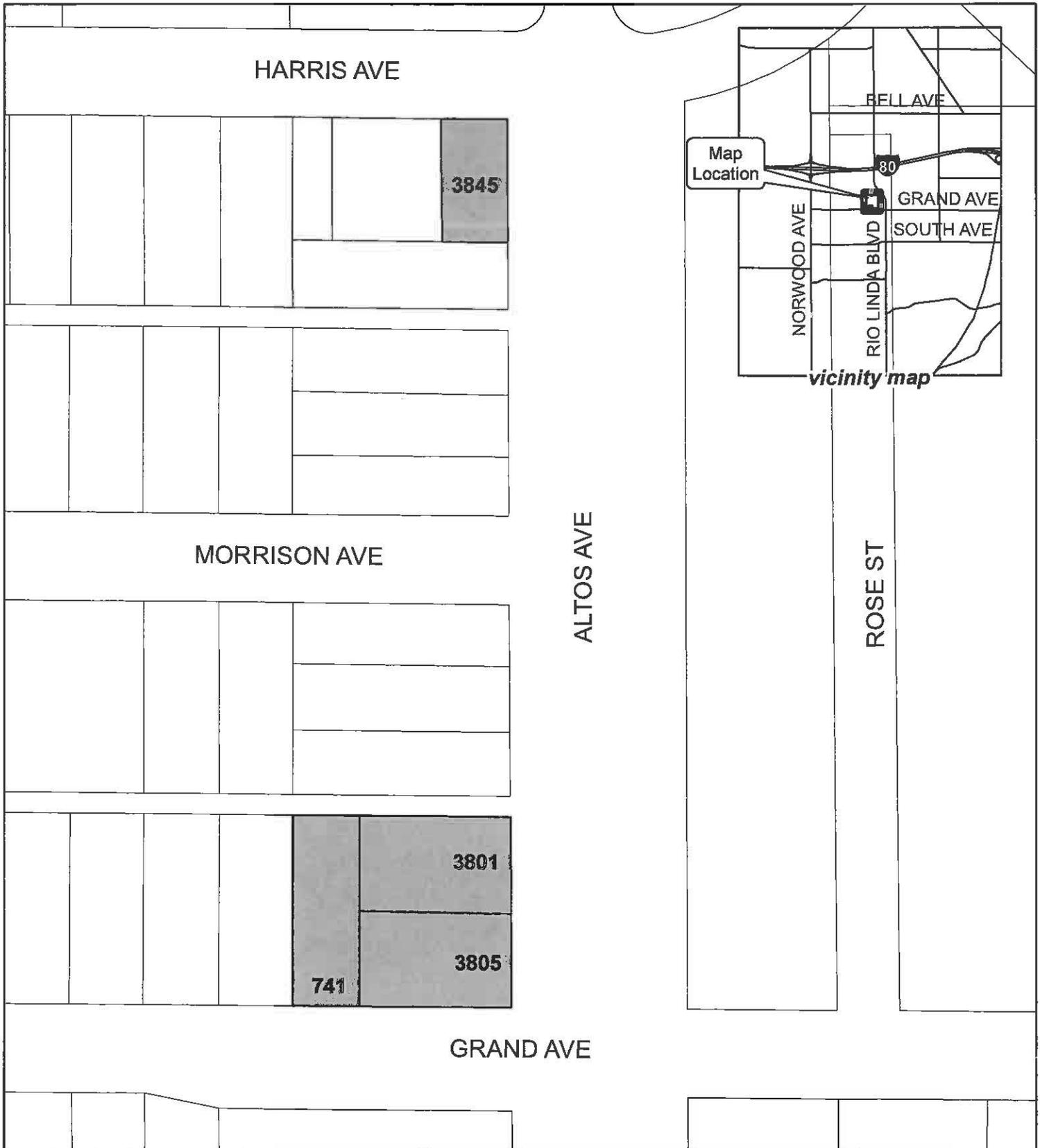
 City of Sacramento



SHRA GIS
August 16, 2016



Affordable Housing Opportunity Site Del Paso Heights Scattered Sites



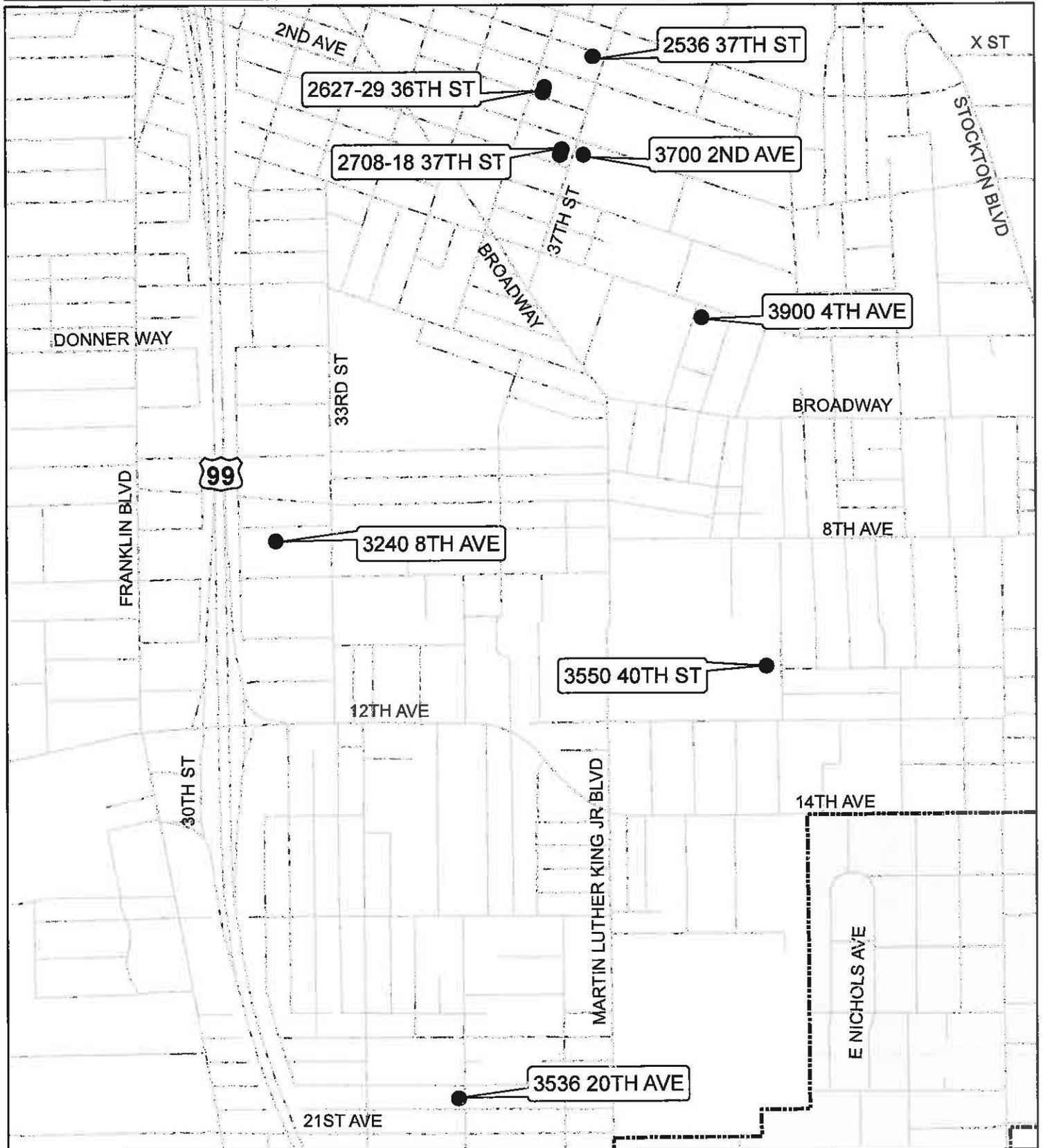
Vacant Lot



SHRA GIS
August 16, 2016



Affordable Housing Opportunity Site Oak Park Scattered Sites



Sacramento County

● Vacant Lot



City of Sacramento



SHRA GIS
September 2, 2016

Future Opportunity Sites

There are 23 vacant lots which require environmental remediation, have title issues or require the removal of a United States Department of Housing and Urban Development's (HUD) Declarations of Trust (DoT) before development can occur. This category includes two development opportunity sites and several scattered lots.

Rio Linda Boulevard Site

The Rio Linda Boulevard site is comprised of ten lots located in Del Paso Heights. It is bordered by Roanoke Avenue and South Avenue to the north and south respectively, Altos Avenue to the west and Rio Linda Boulevard to the east.

The sites were originally acquired in 1990 for the development of affordable housing. SHRA intends to clear this project site of environmental and title issues in order to develop for-sale single-family homes.

Address	Owner	Zoning	Size (Acres)	Neighborhood	Issue Type
0000 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental
0000 South Ave	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	1.52	Del Paso Heights	Environmental
3601 Rio Linda Blvd	Housing Authority (City)	RMX (residential, commercial or office use; maximum 60 units/net acre)	0.28	Del Paso Heights	Environmental, Title
3605 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental
3617 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental
3621 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.09	Del Paso Heights	Environmental
3629 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental

Address	Owner	Zoning	Size (Acres)	Neighborhood	Issue Type
3633 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental
3637 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental
801 South Ave	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.46	Del Paso Heights	Environmental
Total			3.18		

Scattered Sites

The North A/12th Street site is comprised of four lots located in the River District. The parcels are land locked and immediately adjacent to the Salvation Army. These parcels were purchased in 1989 and 1990 as part of the Housing Authority's efforts to acquire property for a social service campus. Other properties purchased during this time were developed for housing and office space for social service providers. Following environmental cleanup of the sites, SHRA will dispose of the sites through an RFP process.

Address	Owner	Zoning	Size (Acres)	Neighborhood	Issue Type
0000 A St	Housing Authority (City)	C-4-SPD (heavy commercial)	0.25	River District	Environmental
111 N 12th St	Housing Authority (City)	C-4-SPD (heavy commercial)	0.34	River District	Environmental
1221 North A St	Housing Authority (City)	C-4-SPD (heavy commercial)	0.18	River District	Environmental
1223 North A St	Housing Authority (City)	C-4-SPD (heavy commercial)	0.18	River District	Environmental
Total			0.96		

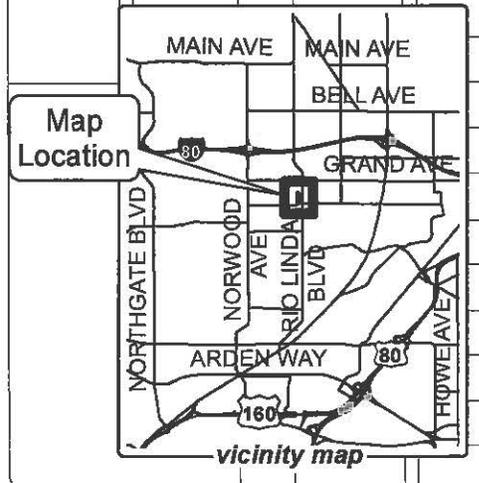
There are nine properties which require environmental remediation, have title issues, or require the removal of a United States Department of Housing and Urban Development's (HUD) Declarations of Trust (DoT). These sites will be sold following the resolution of the issues through an RFP or real estate broker.

Address	Owner	Zoning	Size (Acres)	Neighborhood	Issue Type
1224 D St	Housing Authority (City)	R-3A (multi-family; maximum 36 units/net acre)	0.15	Alkali Flat	Environmental

Address	Owner	Zoning	Size (Acres)	Neighborhood	Issue Type
3195 Western Ave	Housing Authority (City)	R-2 (single-family or duplex)	0.13	Strawberry Manor	HUD DoT
3905 Alder St	Housing Authority (County)	R-1 (single-family)	0.15	Del Paso Heights	HUD DoT, Title
4137 Rio Linda Blvd	Housing Authority (City)	R-1 (single-family)	0.39	Del Paso Heights	HUD DoT
4558 14th Ave	Housing Authority (County)	RD20 (multi-family; maximum 20 units/net acre)	0.67	Oak Park	HUD DoT
470 Carroll Ave	Housing Authority (City)	R-1A-SPD (single-family or duplex)	0.50	Del Paso Heights	HUD DoT
4758 15th Ave	Housing Authority (County)	RD-5 (residential single-family or duplex, office, commercial, and retail)	0.10	Oak Park	HUD DoT
7045 24th St	Housing Authority (City)	R-3-EA-4 (maximum 30 units/net acre; subject to Airport Land Use Commission Law)	0.11	Woodbine	HUD DoT
58 Arden Way	Housing Authority (City)	M-1-SPD (manufacturing)	1.03	North Sacramento	Environmental



Future Opportunity Site Rio Linda Site



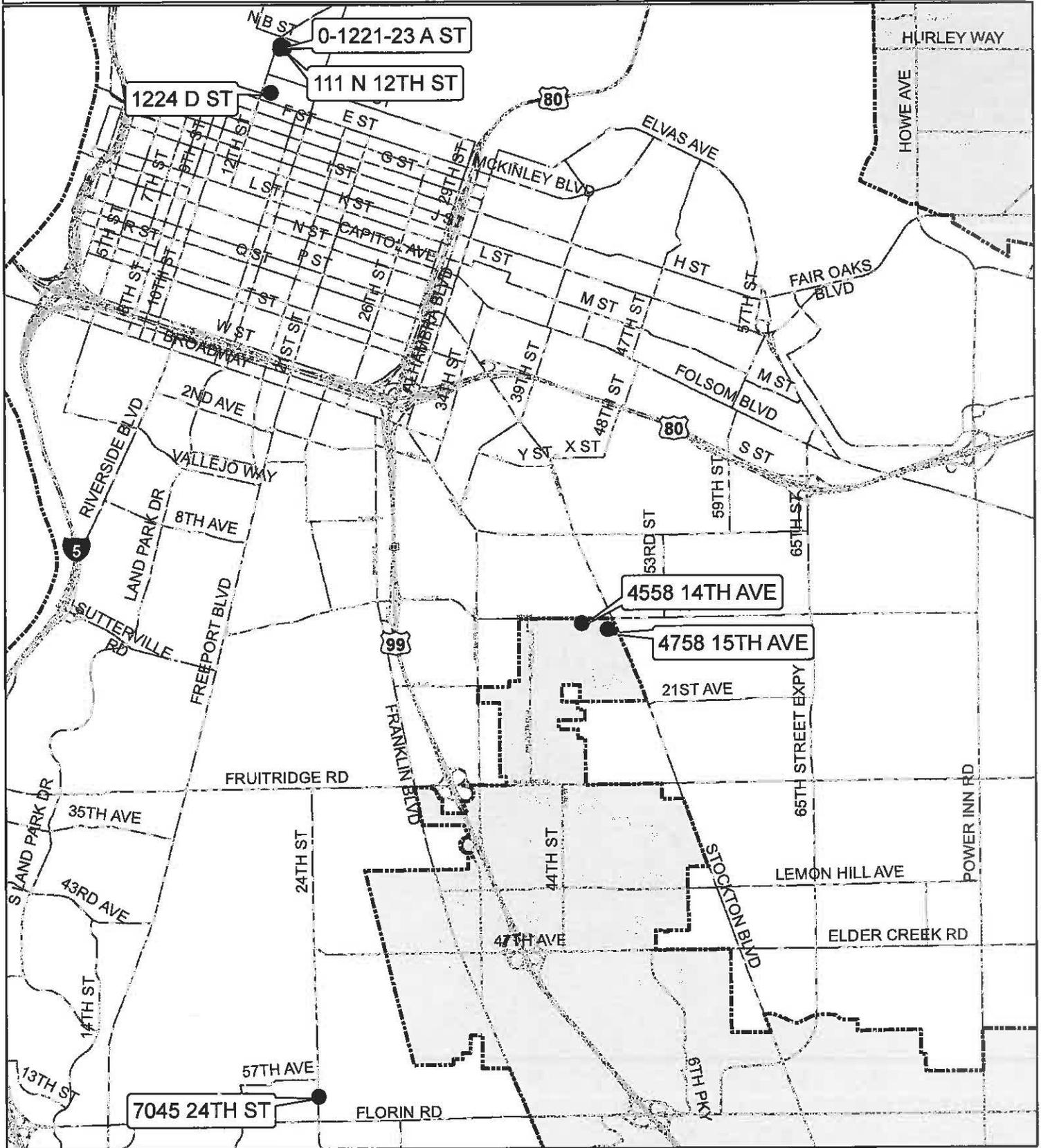
Vacant Lot



SHRA GIS
August 16, 2016



Future Opportunity Site North A St / 12th St Site and Scattered Sites (South)



Legend:
Sacramento County (shaded area)
City of Sacramento (dashed line)
Vacant Lot (black dot)

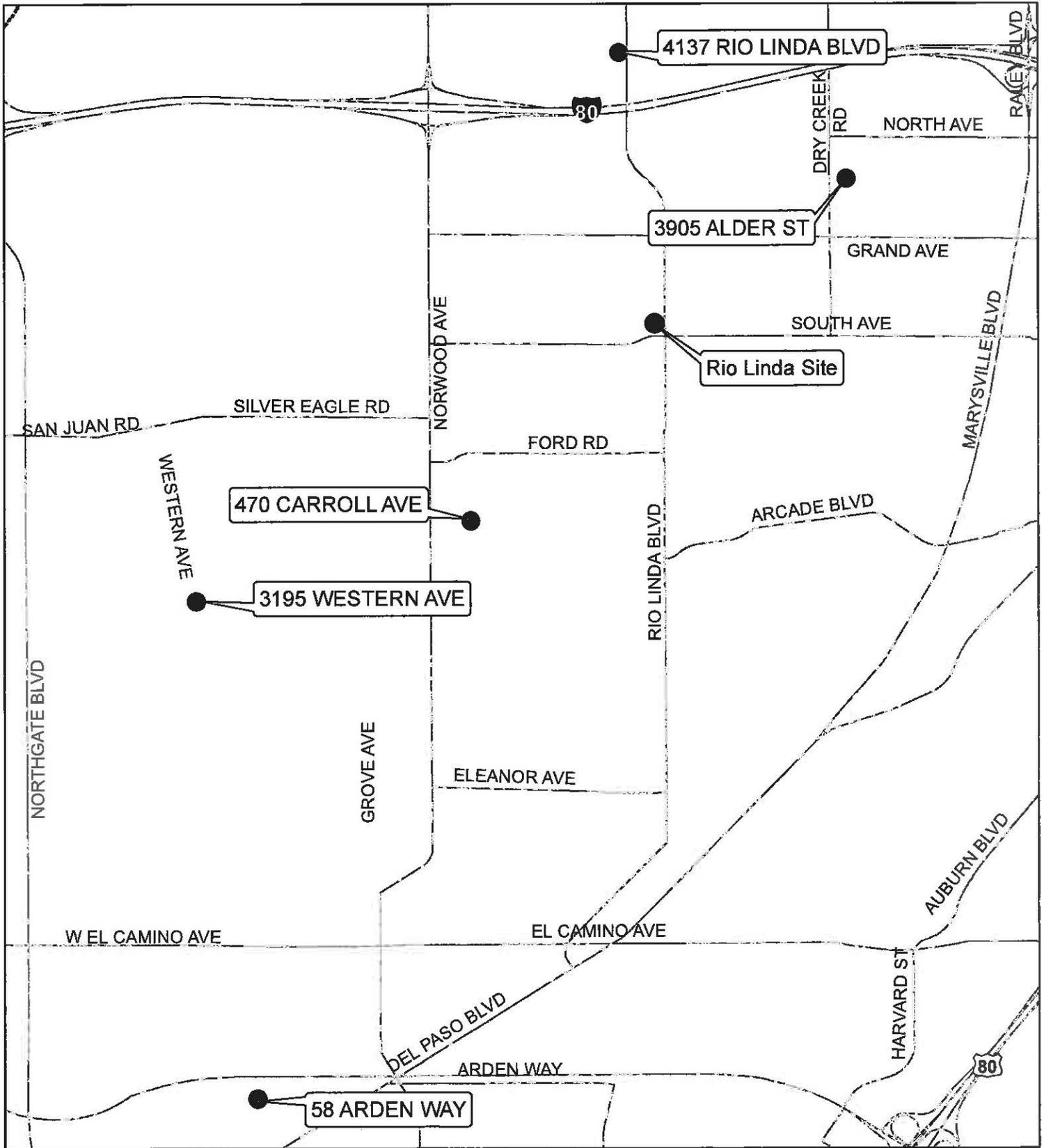
Scale: 0 to 1 Miles

North Arrow

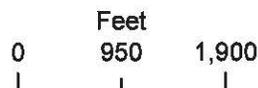
SHRA GIS August 12, 2016



Future Opportunity Site Scattered Sites (North)



● Vacant Lot



SHRA GIS
August 16, 2016

RESOLUTION NO. SHRC-_____

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF

**APPROVAL OF THE DISPOSITION OF 210 NIMITZ STREET, SACRAMENTO,
CALIFORNIA (VACANT LOT DISPOSITION)**

**BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT
COMMISSION:**

- Section 1: The property at 210 Nimitz Street is a Sacramento Housing and Redevelopment Agency (Agency) owned vacant property remaining from the Neighborhood Stabilization Program (NSP). The disposal of this property is exempt under California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15332, "In-fill development projects". The site meets all five Class 32 conditions.
- Section 2. The property at 210 Nimitz has and has been determined to be exempt under the National Environmental Policy Act (NEPA) pursuant to 24 CFR §58.34(a)(12).
- Section 3: Subject to approval by the City Council, the Agency is authorized to take all actions necessary to dispose of 210 Nimitz Street at fair market value, including engaging brokerage and appraisal services, and the execution of a commercially reasonable purchase and sale agreement as approved by Agency counsel.
- Section 4: Subject to approval by the City Council, the Agency is authorized to amend the Agency budget, accept and allocate sale proceeds to the funding source used for the original purchase of 210 Nimitz Street.

CHAIR

ATTEST:

CLERK



September 16, 2016

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of Vacant Lot Disposition Strategy

SUMMARY

The attached report and resolution are submitted to you for review prior to review by the County of Sacramento.

RECOMMENDATION

Approve staff recommendation as outlined in the report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
October 18, 2016
10:15am

To: Housing Authority of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Approval Of Vacant Lot Disposition Strategy

Supervisory
District: Serna, Kennedy, MacGlashan

Contact: Christine Weichert, Assistant Director, Development 440-1353

Overview

The Housing Authorities of the City and County of Sacramento and the Sacramento Housing and Redevelopment Agency (SHRA) own a total of sixty-one (61) vacant lots. This report recommends approval of the proposed Vacant Lot Disposition Strategy, which utilizes a comprehensive approach to selling these underutilized vacant land sites or developing affordable housing. This will be executed through three separate disposition categories. These categories are as follows: Immediate Sale, Affordable Housing Opportunity Sites, and Future Opportunity Sites.

Recommendations

Adopt a Housing Authority Resolution:

1. Approving the Vacant Lot Disposition Strategy and authorizing the Executive Director, or her designee, take all actions necessary to implement the strategy.
2. Authorizing the Executive Director to apply for grants for eligible activities required for development or disposition of Future Opportunity Sites.
3. Approving an amendment to the Sacramento Housing and Redevelopment Agency budget which includes the ability to accept sale proceeds and allocate sale proceeds to the funding source used for the original purchase.
4. Making related environmental findings.

Measures/Evaluation

The proposed strategy outlines a disposition process for 61 vacant properties (eight of which are in the County), which contribute to the County of Sacramento's 2013-2021 Housing Element goals.

Fiscal Impact

This report recommends authorizing the allocation of the sale proceeds be returned to the funding source used in the acquisition. The funding sources include the following: 1) Low and Moderate Income Housing Tax Increment funds; 2) Neighborhood Stabilization Program; 3) Community Development Block Grant; and 4) Housing Authority of the City and County. Redevelopment housing and other eligible funds will be available to provide financial assistance to development affordable housing on the Affordable Housing Opportunity Sites.

BACKGROUND

The Housing Authorities of the City and County of Sacramento and the Sacramento Housing and Redevelopment Agency (SHRA) own a total of sixty-one (61) vacant lots. These properties were acquired: 1) by the former Redevelopment Agency to provide site assembly for affordable housing developments and/or the elimination of physical and social blight in former Redevelopment Areas, 2) by the Housing Authority for use as public housing or potential public housing development sites, or 3) by SHRA through the Neighborhood Stabilization Program.

In 2012, all redevelopment agencies in California were dissolved, including the City and County of Sacramento Redevelopment Agencies. As part of the legislation, the disposition of assets, including property, was mandated. The Sacramento City Council and County Board of Supervisors designated their respective Housing Authorities as the local bodies which retained the housing assets and functions. As a result, there are 40 former Redevelopment Agency owned properties now under the ownership of the Housing Authorities. 38 of which are in the City of Sacramento and two of which are in the County of Sacramento.

In addition, there are 16 vacant properties owned by the Housing Authorities which were not acquired as a part of redevelopment efforts (12 of which are in the City and four of which are in the County of Sacramento). These include: 1) eight single family homes that were once utilized as public housing units but have been demolished due to major systems/structures reaching the end of their useful life, and rehabilitation costs exceeding the amount that the United States Department of Housing and Urban Development (HUD) would reimburse, 2) four properties that were purchased for the development of affordable housing, and 3) four properties on A Street that were purchased by the City Housing Authority to house a future social service complex.

Finally, five parcels were purchased under the Neighborhood Stabilization Program (NSP) for site assembly and development (three in the City and two in the County). As part of the NSP Property Recycling Program (PRP) approved by the County in 2009, SHRA was authorized to purchase real estate owned properties for redevelopment, demolition, and land banking for future redevelopment efforts.

DISCUSSION

This report recommends approval of the Vacant Lot Disposition Strategy (Strategy) that utilizes a comprehensive approach to selling underutilized vacant land and developing affordable housing (see Exhibit A). After the elimination of redevelopment, SHRA focused on Del Paso Nuevo, the 154 acre master planned community in Del Paso Heights in order to fulfill commitments and agreements made with HUD related to these properties. The disposition of these properties is now proceeding and staff can shift their focus to other vacant properties owned by SHRA. In addition, SHRA is in the process of rehabilitating and selling 76 vacant single family homes which were once used as public housing units. Known as the Welcome Home Program, three homes to date have been successfully sold to qualified, low-income, owner occupant, first-time homebuyers whose incomes do not exceed 80 percent of area median income (AMI).

Staff conducted an analysis to determine how to dispose of the properties. As part of this process, staff reviewed the parcel's proximity to other housing authority owned properties, the acquisition funding source, the size and configuration, zoning, adjacent uses, regulatory restrictions, and environmental issues. The three categories which resulted from that analysis were Immediate Sale, Affordable Housing Opportunity Sites, and Future Opportunity Sites. A summary of the proposed strategy for each of these categories is outlined below and a detailed description is included in Attachment 1.

Immediate Sale: Seven properties (five City properties and two County properties) zoned residential and mixed-use with minimal obstacles to disposition are proposed to be offered for immediate sale. Staff is proposing to sell properties located at 1737 Kathleen Ave., 210 Nimitz St., 2936 and 2942 38th St., and 716 Acacia Ave (City); and 0 Elkhorn Blvd. (near Watt) and 5646 Odea Drive (County) at fair market value utilizing a real estate broker.

Affordable Housing Opportunity Sites: In this category there are five large residential development sites (three in the City, one in the County, and one combined City/County) along with 14 single family lots all located in the City of Sacramento.

By the end of 2016, staff anticipates issuing a Request for Proposals (RFP) for development of the single family lots. Due to regulatory restrictions on these parcels, any new homes developed must be sold to income eligible (110% of Area Median Income or less) owner occupants.

Staff will begin a competitive process to select developers for three of the five remaining sites in the coming year. Public participation will be a key component of the process. Staff will begin by issuing RFP for three sites which are: 46th and Lange Avenue, Broadway and 39th Avenue, and Coral Gables. Two sites, San Juan and Donner Field, will require a longer time period to prepare for development. The San Juan site requires planning coordination, and the Donner Field site is currently leased to a charter school.

Future Opportunity Sites: Twenty three parcels (20 City and 3 County) require environmental remediation, title issue clearance, or HUD disposition approval, prior to sale. Upon resolution of the issues, nine of these properties which are scattered sites, which include the three County owned sites, will be sold at fair market value utilizing a real estate broker or made available through a RFP process.

COMMISSION ACTION

Sacramento Housing and Redevelopment Commission: At its meeting on September 21, 2016, the Sacramento Housing and Redevelopment Commission reviewed the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

MEASURES/EVALUATIONS

The proposed strategy provides a disposition process for 61 vacant properties, eight are in the County, and thereby contribute to the County of Sacramento's 2013-2021 Housing Element goals.

FINANCIAL ANALYSIS

This report recommends authorizing the allocation of the sale proceeds be returned to the funding source used in the acquisition. The funding sources include the following: 1) redevelopment low and moderate income housing funds; 2) Neighborhood Stabilization Program; 3) Community Development Block Grant; and 4) Housing Authority of the City and County. Redevelopment housing and other eligible funds will be available to provide financial assistance to development affordable housing on the Affordable Housing Opportunity Sites.

POLICY CONSIDERATIONS

Public Housing Authorities are required to comply with applicable federal laws and regulations, including the Quality Housing and Work Responsibility Act of 1998. The disposition of the subject property is consistent with the amended approved 2012 Public Housing Agency Annual Plan, the 2007 Housing Authority Asset Repositioning Strategy, and the HUD Notice PIH 2008-017 (HA) which provides guidance on disposition of certain public housing program assets under public housing asset management. The property will be disposed of at fair market value.

The recommended actions are also consistent with a) the 2013-2021 Housing Element, provides a variety of quality housing types, adequate housing sites and for mixed use development, and supports quality infill development (Resolution No. 2013-0666); and b) the Sacramento Promise Zone Plans and Goals, Sustainably Built Community sub-goal to increase housing types and transit growth to promote livability and connectivity within the Promise Zone (Resolution No. 2015-0727).

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The disposition group of properties identified as "Immediate Sale" and properties in the "Future Opportunity Sites: Scattered Single Family Sites" are exempt under CEQA pursuant to Guidelines Section 15312, "Surplus Government Property Sales", or Section 15194, "Affordable Housing Exemption".

The disposition group of properties identified as "Affordable Housing Opportunity Sites" will undergo future environmental authorizations prior to sale or development.

The approval of the Vacant Lot Disposition Strategy and associated budget amendments are not considered a project under CEQA pursuant to Section 15378(b)(2) of the State CEQA Guidelines, "general policy and procedure making", and 15378(b)(4), "fiscal activities which do

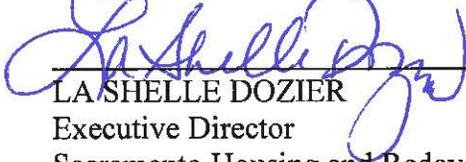
not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment”.

Other: Approval of the Vacant Lot Disposition Strategy does not involve the expenditure of federal funds, and as such, is exempt from environmental review under the National Environmental Policy Act (NEPA). The property at 210 Nimitz is an SHRA owned property and the disposition of this property has been determined to be exempt under NEPA pursuant to 24 CFR §58.34(a)(12). Individual dispositions for properties which require the use of federal funding will undergo separate environmental review subject to the provisions of 24 CFR Part 58.

M/WBE AND SECTION 3 CONSIDERATIONS

Minority and Women’s Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Section 3 requirements will be applied to the extent as may be applicable.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED

NAVDEEP S. GILL
County Executive

Attachments:
RES – Housing Authority Resolution
ATT I – Vacant Lot Strategy

RESOLUTION NO. _____

**ADOPTED BY THE HOUSING AUTHORITY OF THE
COUNTY OF SACRAMENTO**

ON DATE OF

**APPROVAL OF VACANT LOT DISPOSITION STRATEGY; AUTHORITY TO
DISPOSE OF CERTAIN, SPECIFIED PROPERTIES AND MAKE BUDGET
AMENDMENTS RELATED THERETO; ENVIRONMENTAL FINDINGS**

WHEREAS, the Housing Authority (Authority) purchased property to provide public housing for low-income residents; and

WHEREAS, the former Redevelopment Agency purchased property to assemble parcels for residential and commercial development, and the elimination of physical and social blight; and

WHEREAS, the California Legislature enacted AB 1x26 in 2011, which, coupled with a subsequent decision of the State Supreme Court, resulted in the dissolution of redevelopment agencies as of February 1, 2012. ; and

WHEREAS, pursuant to Health and Safety Code Section 34176, Board of Supervisors Resolution No. 2012-0051, and Housing Authority Resolution No. HA-2329, the County of Sacramento designated the Authority as the designated local entity to retain the housing assets and housing functions previously performed by its Redevelopment Agency and the Housing Authority elected to serve in that role; and

WHEREAS, the Authority evaluated all the vacant lots and prepared a Vacant Lot Disposition Strategy consistent with Health and Safety Code Section 34176 and applicable United States Department of Housing and Urban Development (HUD) requirements; and

WHEREAS, there are sixty-one (61) vacant lots that comprise the Vacant Lot Disposition Strategy. The Authority owns fifty-two (52), the Housing Authority of the County of Sacramento owns eight (8), and the Sacramento Housing and Redevelopment Agency owns one (1); and

WHEREAS, the Housing Authority has determined that the properties included in the Disposition Strategy are not required for its foreseeable needs (Health and Safety Code Section 34315.7); and

WHEREAS, a properly noticed hearing has been held in accordance with Health and Safety Code Sections 33431 and 33433 regarding those residential properties formerly owned by the Redevelopment Agency before its dissolution; and

WHEREAS, proper notice of this hearing is also in accordance with Health and Safety Code Section 34312.3; and

WHEREAS, the disposition group of properties identified as “Immediate Sale”, and properties in the “Future Opportunity Sites: Scattered Single Family Sites” are exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15332, “In-fill Development Projects”, Section 15312, “Surplus Government Property Sales”, or Section 15194, “Affordable Housing Exemption”. The disposition group of properties identified as “Affordable Housing Opportunity Sites” and the Rio Linda Boulevard and A Street sites included in the “Future Opportunity Sites” will undergo future environmental authorizations prior to sale or development. The approval of the Vacant Lot Disposition Strategy and associated budget amendments are not considered a project under CEQA pursuant to Section 15378(b)(2) of the State CEQA Guidelines, “general policy and procedure making”, and 15378(b)(4), “fiscal activities which do not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment”; and

WHEREAS, activities identified in the Vacant Lot Disposition Strategy do not involve the expenditure of federal funds, and, therefore the National Environmental Policy Act (NEPA) is not applicable. Individual disposition methods for properties which require the use of federal funding will undergo separate environmental review subject to the provisions of 24 CFR Part 58.

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

Section 1: All of the evidence having been duly considered, including but not limited to environmental statements included in the recitals above, are found to be true and correct and are hereby adopted.

Section 2: The Vacant Lot Disposition Strategy (Exhibit A) is approved, and the Executive Director, or designee, is authorized to take all actions necessary in the Vacant Lot Strategy’s implementation as summarized below.

- a. “Immediate Sale” (Sell Now) (Exhibit A, Section 1): The Executive Director, or designee, is authorized to take all actions necessary to remove any deed restriction on the properties, solicit and award contracts

necessary to market and sell these properties, including but not limited to appraisal and brokerage services. Housing Authority of the County of Sacramento properties authorized to be disposed are:

0 Elkhorn Blvd (near Watt Ave)
5646 Odea Drive

- b. “Affordable Housing Opportunity Sites” (Exhibit A, Section 2): The Executive Director, or designee, is authorized to issue Request for Proposals (RFPs) for the development of these sites for residential use and return to the governing boards with recommendations for site development. Sites include vacant lots located at 46th and Lang Avenue, and the San Juan site.
- c. “Future Opportunity Sites – Scattered Single Family Sites” (Exhibit A, Section 3): The Executive Director, or designee, is authorized to solicit and award contracts and take all actions as maybe be required for the clearing of property title, environmental review, and removal of United States Department of Housing and Urban Development (HUD) Declaration of Trusts subject to all Agency procurement requirements and policies. Once properties are marketable, the Executive Director, or designee, is authorized to solicit and award contracts necessary to RFP or market and sell these properties, including appraisals and brokerage services. The Executive Director, or designee, is authorized to dispose of the following Housing Authority of the County of Sacramento owned properties:

3905 Alder Street
4558 14th Avenue
4758 15th Avenue

Section 3: The Executive Director, or designee, is authorized, but not limited, to apply for grant and site planning funding for eligible activities required for “Future Opportunity Sites” (Exhibit A, Section 3).

Section 4: The Executive Director, or designee, is authorized to amend the Agency budget, to receive and expend grant and site planning funding, and to accept and allocate net sale

proceeds to the funding source used for the original purchase of each applicable vacant lot for those properties authorized for disposition in Sections 2a and c, above.

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Housing Authority of the County of Sacramento, State of California, this 27th day of September, 2016, by the following vote, to wit:

AYES: Members,

NOES: Members,

ABSENT: Members,

ABSTAIN: Members,

RECUSAL: Members,

(PER POLITICAL REFORM ACT (§ 18702.5.))

Chair of the Housing Authority
of Sacramento County, California

(SEAL)

ATTEST: _____

Clerk



Sacramento Housing and Redevelopment Agency Vacant Lot Disposition Strategy

The Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento and the Sacramento Housing and Redevelopment Agency (SHRA) currently own 61 vacant lots. These lots were originally acquired for a variety of objectives including site assembly for residential and commercial development, elimination of physical and social blight, and public housing.

In 2011, the California Legislature enacted AB 26 which dissolved of all redevelopment agencies, including the Redevelopment Agency of the City of Sacramento and the Redevelopment Agency of the County of Sacramento. As part of this legislation, the disposition of assets, including property, was mandated. The Sacramento City Council and County Board of Supervisors designated their respective Housing Authorities as the local bodies to retain the housing assets and functions previously performed by the former Redevelopment Agencies to develop affordable housing. The commercial properties became the responsibility of the respective Redevelopment Agency Successor Agencies to sell and distribute the proceeds to the various taxing entities.

The elimination of redevelopment resulted in the loss of staff and tax increment financing, thereby limiting the ability to develop these sites as well as to provide assistance for their development. However, SHRA is now ready to begin implementing a phased disposition strategy. A team comprised of ten staff members from the Development Finance, Real Estate Services, Community Development, Construction, and Development departments reviewed and evaluated each site's history, characteristics, layout and location to determine an appropriate recommendation. The result of their findings is this document which is known as the Vacant Lot Disposition Strategy (Strategy).

Recommendation

The Vacant Lot Disposition Strategy is a phased approach to sell and support development of affordable housing. The Strategy is organized into three categories including the following.

- Immediate Sale
- Affordable Housing Opportunity Sites
- Future Opportunity Sites

Immediate Sale

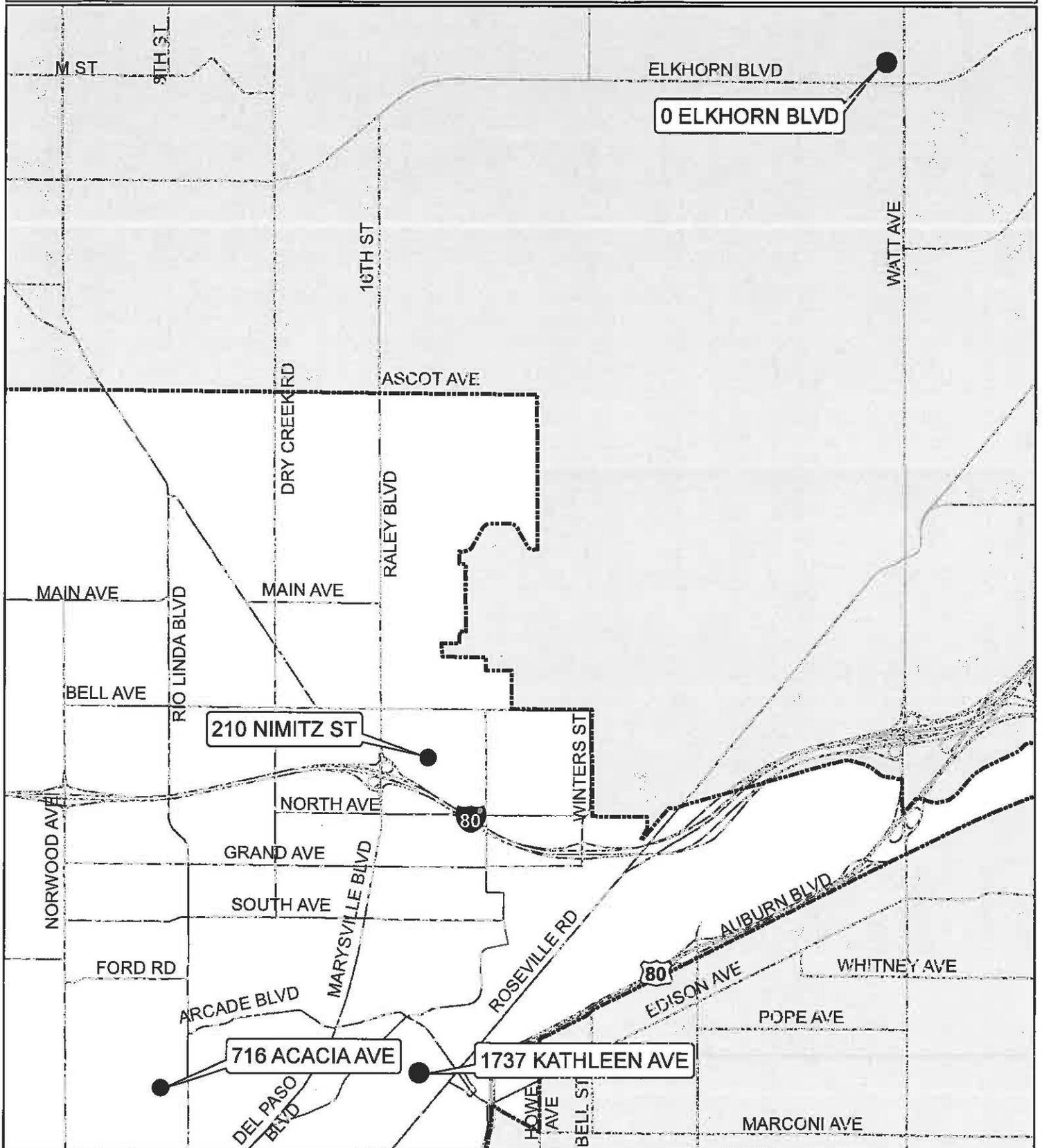
Seven properties included in this category will be sold immediately at fair market value due to several factors, including (i) there are minimum obstacles to disposition, and (ii) the properties are free of environmental contamination.

SHRA will dispose of these vacant lots through a real estate broker. Sale proceeds will be returned to the original funding source used in the original acquisition.

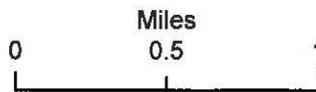
Address	Owner	Zoning	Size (Acres)	Neighborhood
Elkhorn Blvd (near Watt Ave)	Housing Authority (County)	SPA (residential, commercial or office use)	1.00	North Highlands
1737 Kathleen Ave	Housing Authority (City)	RMX (residential, commercial or office use; maximum 60 units/net acre)	0.68	North Sacramento
210 Nimitz St	SHRA	R-1A-SPD (single-family or duplex)	0.10	Parker Holmes
2936 38th St	Housing Authority (City)	R-1 (single-family)	0.06	Oak Park
2942 38th St	Housing Authority (City)	R-1 (single-family)	0.06	Oak Park
5646 Odea Dr	Housing Authority (County)	RD20 (maximum 20 units/net acre)	0.59	Fruitridge Pocket
716 Acacia Ave	Housing Authority (City)	R-1 (single-family)	0.17	North Sacramento



Immediate Sale Sites (North)

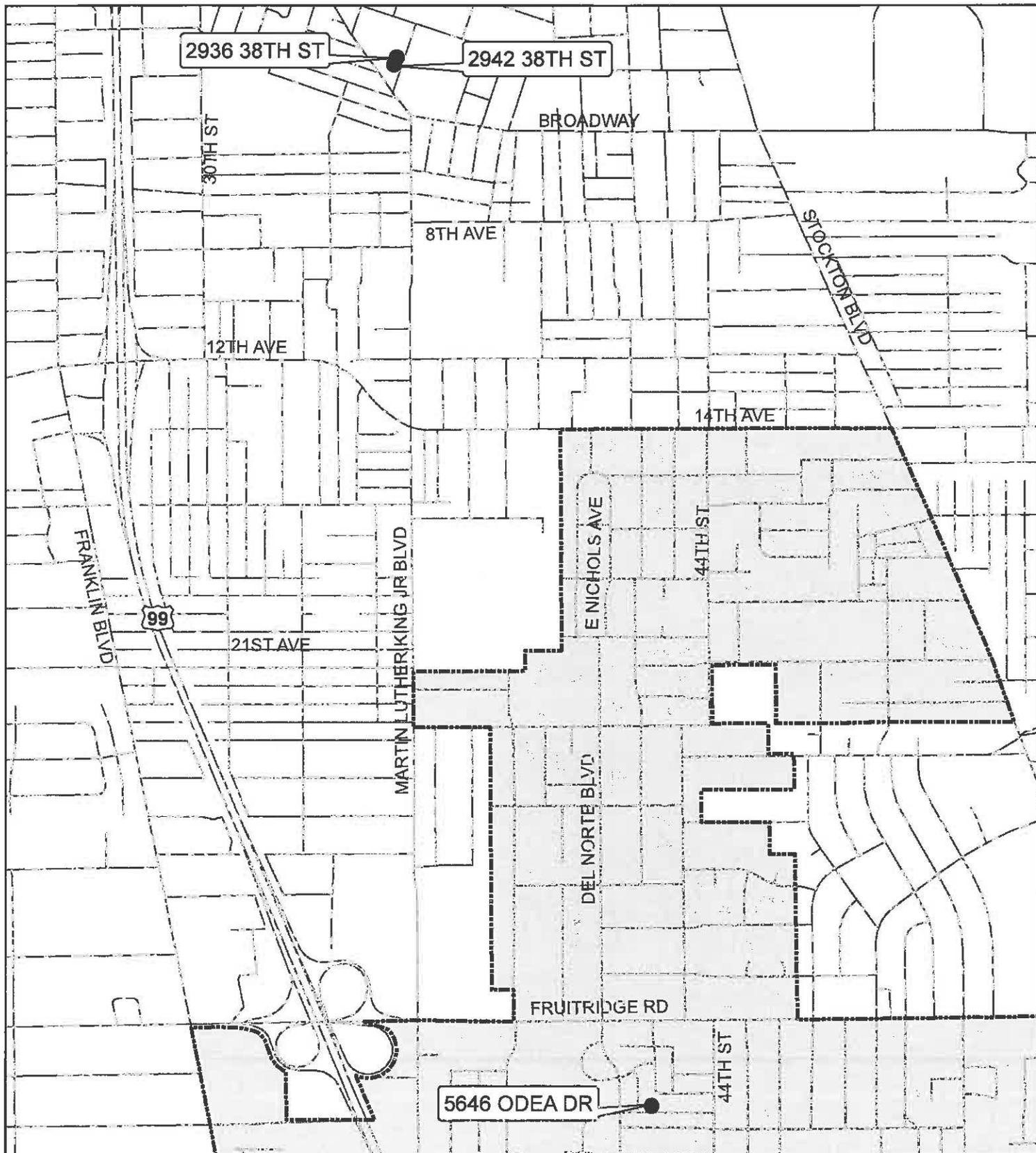


- Sacramento County
- Vacant Lot
- City of Sacramento





Immediate Sale Sites (South)

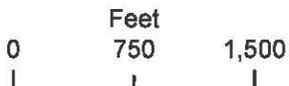


Sacramento County

● Vacant Lot



City of Sacramento



SHRA GIS
September 7, 2016

Affordable Housing Opportunity Sites

A total of 31 vacant lots have been identified as available for development, including five large sites. The five large sites provide more significant development opportunity sites and/or have recorded regulatory agreements requiring affordable housing to be developed.

A Request for Proposals (RFP) will be issued for 14 single family lots in Oak Park and Del Paso Heights with the goal of constructing new homes which will be sold to income eligible owner occupants. The larger sites will be developed through various options, including public-private partnerships. Development partners will be identified through the issuance of RFPs. Each site’s development will be dependent upon developer interest as well as funding availability. Additionally, the development process at each location will include a community engagement process with residents, neighborhood and business associations. Detailed information on these 31 parcels is outlined below.

Site One - 46th Street and Lang Avenue

The 46th Street and Lang Avenue site is located south of 47th Avenue and east of Highway 99 in a residential neighborhood surrounded by single-family homes and multi-family complexes in the south area of the unincorporated County of Sacramento.

SHRA loaned funds to a non-profit developer to finance the acquisition of the parcel for construction of affordable housing. When this proposed development was not completed, SHRA took title to the parcel in 2001.

Address	Owner	Zoning	Size (Acres)	Neighborhood
46th St (near Lang Ave)	Housing Authority (County)	Split zoning - RD-5 (east): office, commercial, retail, and residential; RD20 (west): office, commercial, retail, and residential multi-family up to 20 units/net acre	7.06	Parkway North

Site Two - Broadway and 39th Street

The site is comprised of five parcels in Oak Park on the southeast corner of Broadway and 39th Street. The site was to be developed as affordable housing as part of a larger project known as The Arbors (southeast corner of Broadway and Martin Luther King Jr. Boulevard). Due to community concerns, SHRA modified the overall development strategy for the site. As a result, the 55-unit affordable senior housing development was constructed in 2013, but this half acre site was not included and was retained for future single family home ownership.

Address	Owner	Zoning	Size (Acres)	Neighborhood
3021 39th St	Housing Authority (City)	C-1-SPD (residential with limited commercial; maximum 30 units/net acre)	0.06	Oak Park
3023 39th St	Housing Authority (City)	C-1-SPD (residential with limited commercial; maximum 30 units/net acre)	0.06	Oak Park

Address	Owner	Zoning	Size (Acres)	Neighborhood
3025 39th St	Housing Authority (City)	R-1 (single-family)	0.16	Oak Park
3900 Broadway	Housing Authority (City)	C-1-SPD (residential with limited commercial; maximum 30 units/net acre)	0.08	Oak Park
3908 Broadway	Housing Authority (City)	C-1-SPD (residential with limited commercial; maximum 30 units/net acre)	0.19	Oak Park
Total			0.55	

Site Three - Coral Gables

The site is a cluster of three lots located on Coral Gables Court immediately adjacent to privately owned affordable housing and Housing Authority public housing.

Address	Owner	Zoning	Size (Acres)	Neighborhood
49 Coral Gables Ct	Housing Authority (City)	R-3-R (multi-family; maximum 30 units/net acre)	0.30	Meadowview
63 Coral Gables Ct	Housing Authority (City)	R-3-R (multi-family; maximum 30 units/net acre)	0.35	Meadowview
81 Coral Gables Ct	Housing Authority (City)	R-3-R (multi-family; maximum 30 units/net acre)	0.22	Meadowview
Total			0.87	

Site Four - Donner Field

The Donner Field site is a single lot located west of Stockton Boulevard, bounded by 8th and 9th Avenues on the north and south, 45th Street on the west, and the former Donner school building on the east. It is anticipated the site will be leased to the Fortune School of Education through November 2017.

The site was acquired in 1985 from the City of Sacramento. RFPs for development were previously issued, but due to various reasons development has not been feasible.

Address	Owner	Zoning	Size (Acres)	Neighborhood
4501 9th Ave	Housing Authority (City)	RO-SPD (residential, commercial or office use; maximum 36 units/net acre)	1.23	Oak Park

Site Five - San Juan

The site is comprised of seven lots located on Stockton Boulevard and Young Street, just south of Fruitridge Road. A total of eight parcels in the City and County were purchased to eliminate the blighting influence that the San Juan Motel and Mobile Home Park had on Stockton Boulevard and to assemble a larger site for a high quality development project. The County Redevelopment Successor Agency owns the former San Juan Motel site which is surrounded by these parcels.

Address	Owner	Zoning	Size (Acres)	Neighborhood
5716 Stockton Blvd	Housing Authority (County)	SPA (industrial or commercial use; RD-5 zoning allowing residential available as an alternative)	1.28	Stockton Boulevard
5258 Young St	Housing Authority (County)	RD20 (multi-family; maximum 20 units/net acre)	1.09	Stockton Boulevard
5266 Young St	Housing Authority (City)	R-3 (multi-family; maximum 30 units/net acre)	0.13	Stockton Boulevard
5270 Young St	Housing Authority (City)	R-3 (multi-family; maximum 30 units/net acre)	0.13	Stockton Boulevard
5300 Young St	Housing Authority (City)	R-3 (multi-family; maximum 30 units/net acre)	0.13	Stockton Boulevard
5320 Young St	Housing Authority (City)	R-3 (multi-family; maximum 30 units/net acre)	0.13	Stockton Boulevard
5340 Young St	Housing Authority (City)	R-3 (multi-family; maximum 30 units/net acre)	0.11	Stockton Boulevard
Total			3.00	

Scattered Sites - Del Paso Heights and Oak Park

SHRA intends to issue an RFP for these 14 scattered vacant lot sites within the Del Paso Heights and Oak Park neighborhoods. Since the 1980's, numerous vacant homes and parcels were purchased for the development of single family homes to increase the supply of affordable housing in the Del Paso Heights and Oak Park Redevelopment Areas and to eliminate blight caused by irregular and vacant lots and problematic liquor stores. Homes will to be sold to households earning not more than 110% of area median income.

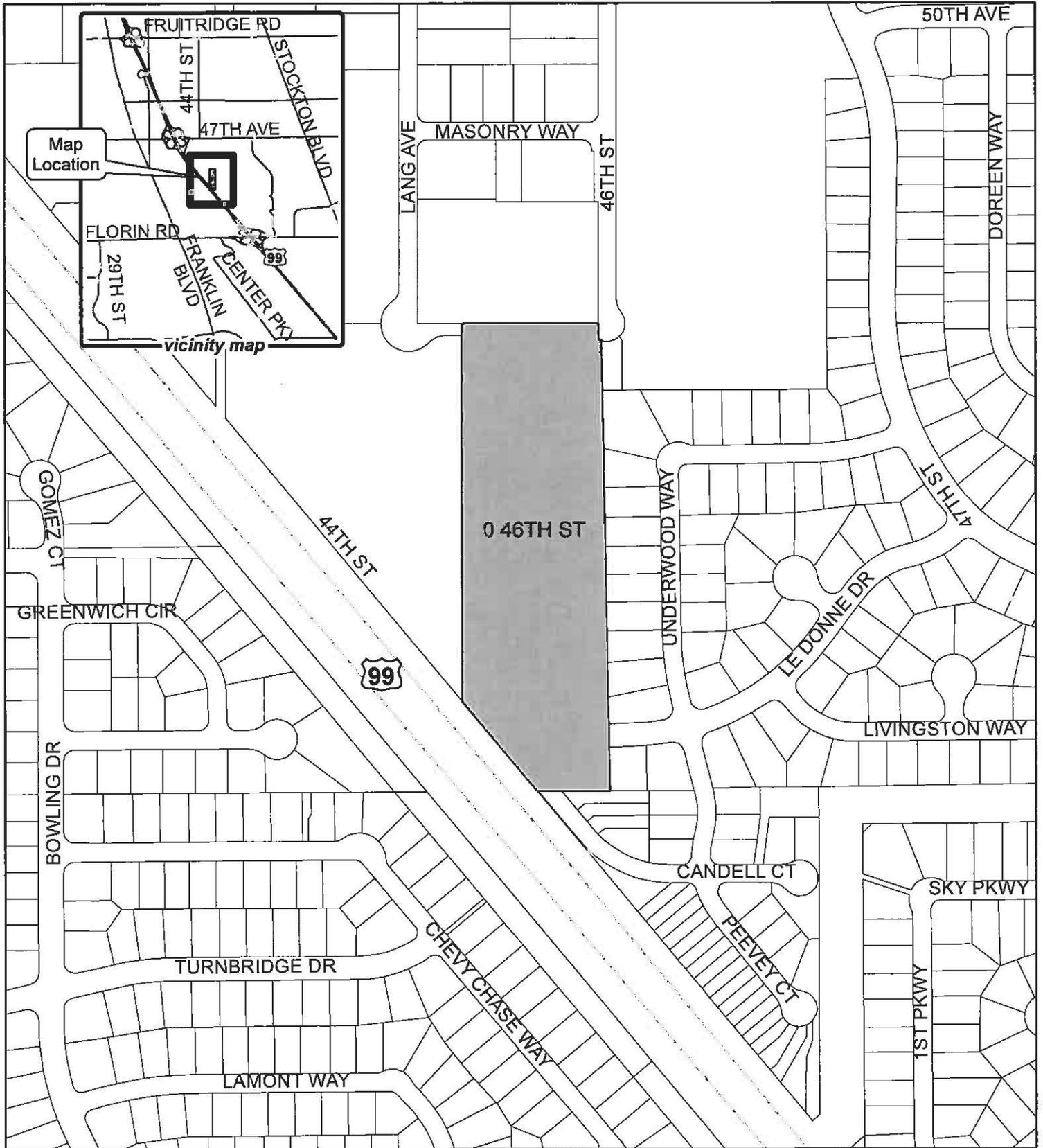
Address	Owner	Zoning	Size (Acres)	Neighborhood
3801 Altos Ave	Housing Authority (City)	RO (residential, commercial or office use; maximum 36 units/net acre)	0.16	Del Paso Heights
3805 Altos Ave	Housing Authority (City)	RO (residential, commercial or office	0.16	Del Paso Heights

Address	Owner	Zoning	Size (Acres)	Neighborhood
		use; maximum 36 units/net acre)		
3845 Altos Ave	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.10	Del Paso Heights
741 Grand Ave	Housing Authority (City)	RO-SPD (residential, commercial or office use; maximum 36 units/net acre)	0.14	Del Paso Heights
2536 37th St	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.09	Oak Park
2627 36th St	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.07	Oak Park
2629 36th St	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.07	Oak Park
2708 37th St	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.07	Oak Park
2718 37th St	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.07	Oak Park
3240 8th Ave	Housing Authority (City)	R-1 (single-family)	0.14	Oak Park
3536 20th Ave	Housing Authority (City)	R-1 (single-family)	0.10	Oak Park
3550 40th St	Housing Authority (City)	R-1 (single-family)	0.15	Oak Park
3700 2nd Ave	Housing Authority (City)	R-1 (single-family)	0.14	Oak Park
3900 4th Ave	Housing Authority (City)	R-1 (single-family)	0.11	Oak Park



Affordable Housing Opportunity Site

46th St and Lang Site



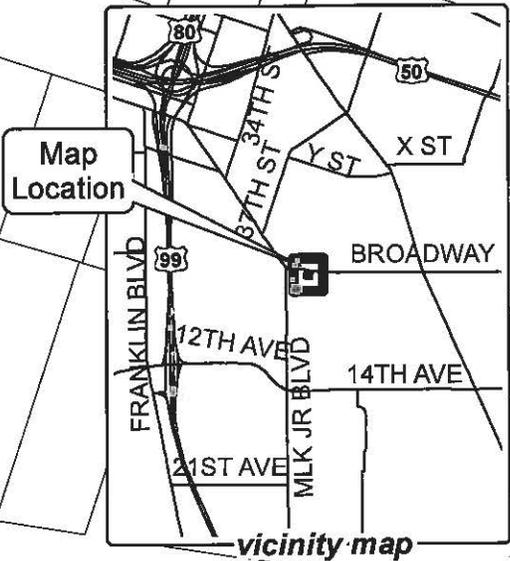
Vacant Lot



SHRA GIS
August 16, 2016



Affordable Housing Opportunity Site Broadway and 39th St Site



Vacant Lot



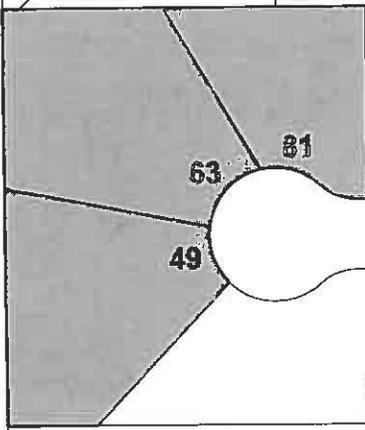
SHRA GIS
August 16, 2016



Affordable Housing Opportunity Site Coral Gables Site



Map
Location



CORAL GABLES CT

MEADOWVIEW RD

MEADOWVAIR V

TWILIGHT DR



Vacant Lot



SHRA GIS
August 12 2016



Affordable Housing Opportunity Site Donner Field Site



Map
Location

7TH AVE

7TH AVE

8TH AVE

STOCKTON BLVD

8TH AVE

45TH ST

4501

9TH AVE

44TH ST

10TH AVE



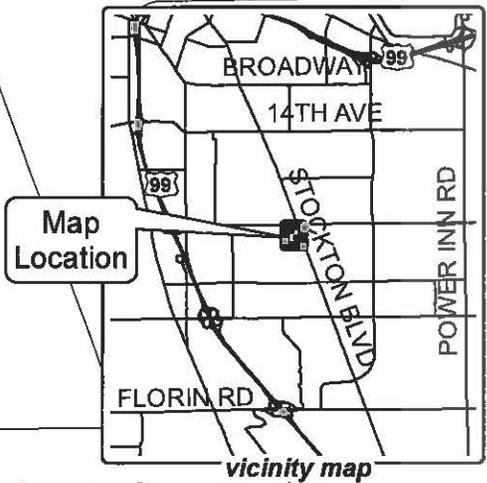
Vacant Lot



SHRA GIS
August 16, 2016



Affordable Housing Opportunity Site San Juan Site



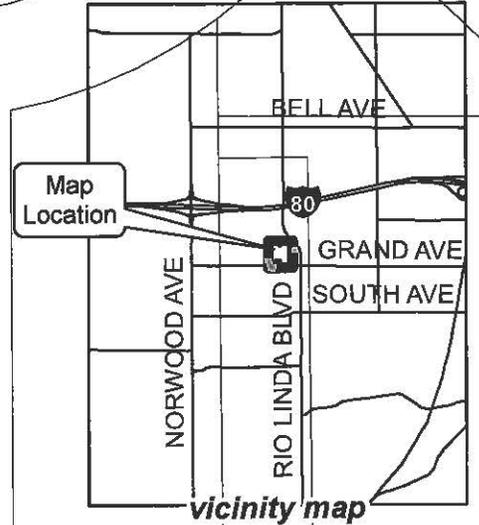
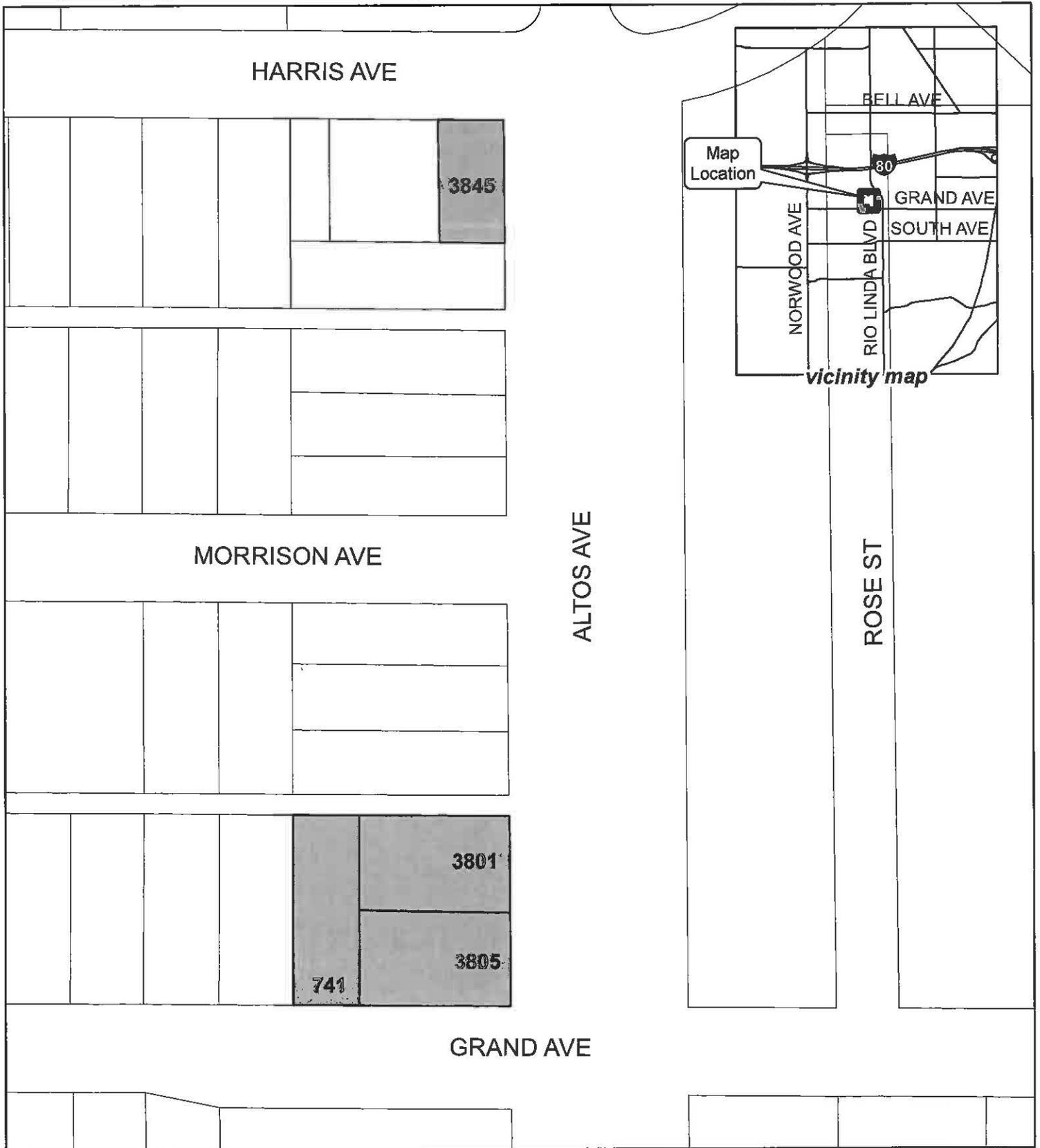
 Sacramento County
  Vacant Lot
 City of Sacramento



SHRA GIS
August 16, 2016



Affordable Housing Opportunity Site Del Paso Heights Scattered Sites



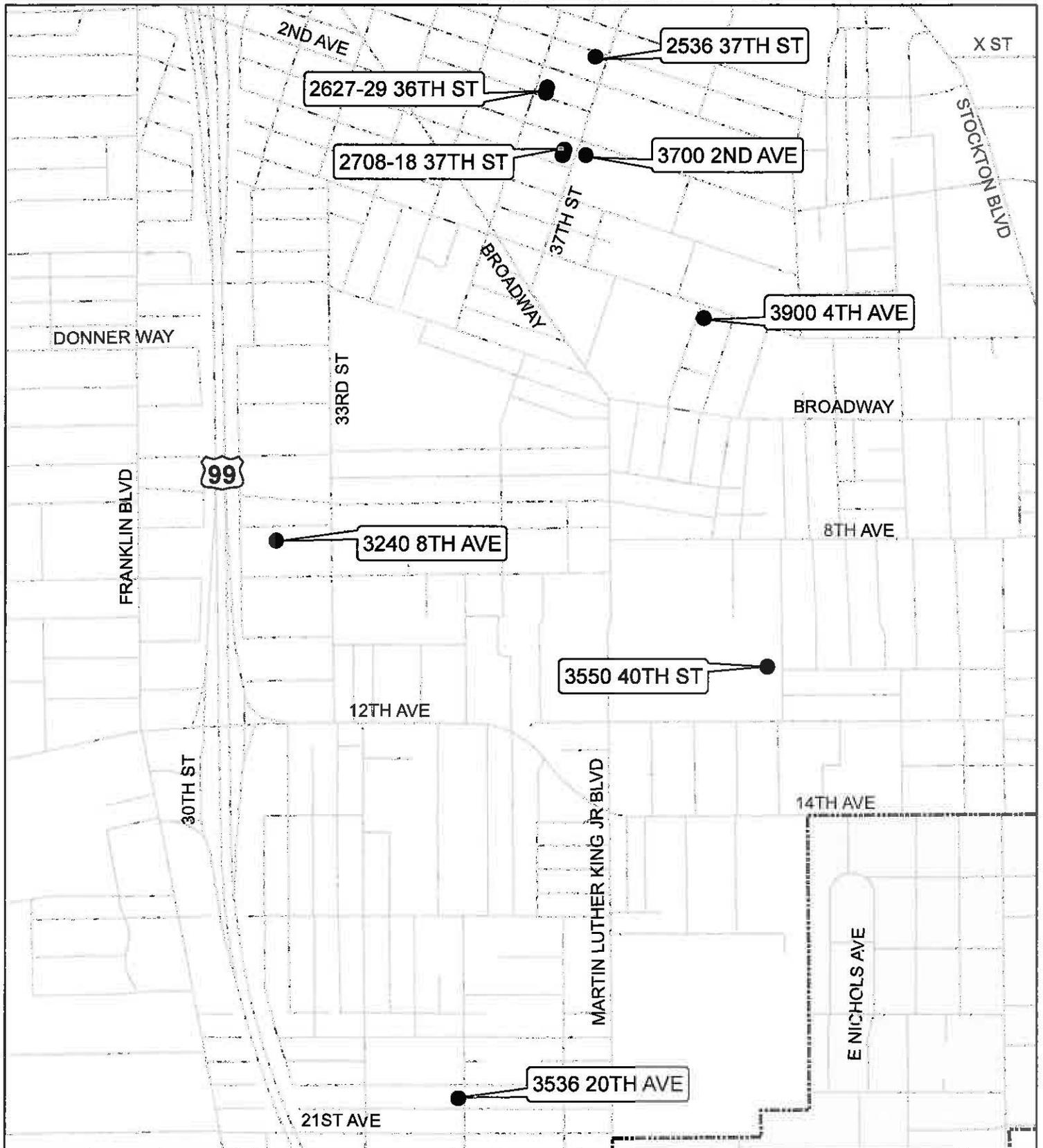
Vacant Lot



SHRA GIS
August 16, 2016



Affordable Housing Opportunity Site Oak Park Scattered Sites



Sacramento County

● Vacant Lot

City of Sacramento



SHRA GIS
September 2, 2016

Future Opportunity Sites

There are 23 vacant lots which require environmental remediation, have title issues or require the removal of a United States Department of Housing and Urban Development's (HUD) Declarations of Trust (DoT) before development can occur. This category includes two development opportunity sites and several scattered lots.

Rio Linda Boulevard Site

The Rio Linda Boulevard site is comprised of ten lots located in Del Paso Heights. It is bordered by Roanoke Avenue and South Avenue to the north and south respectively, Altos Avenue to the west and Rio Linda Boulevard to the east.

The sites were originally acquired in 1990 for the development of affordable housing. SHRA intends to clear this project site of environmental and title issues in order to develop for-sale single-family homes.

Address	Owner	Zoning	Size (Acres)	Neighborhood	Issue Type
0000 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental
0000 South Ave	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	1.52	Del Paso Heights	Environmental
3601 Rio Linda Blvd	Housing Authority (City)	RMX (residential, commercial or office use; maximum 60 units/net acre)	0.28	Del Paso Heights	Environmental, Title
3605 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental
3617 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental
3621 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.09	Del Paso Heights	Environmental
3629 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental

Address	Owner	Zoning	Size (Acres)	Neighborhood	Issue Type
3633 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental
3637 Rio Linda Blvd	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.14	Del Paso Heights	Environmental
801 South Ave	Housing Authority (City)	R-2A (multi-family; maximum 17 units/net acre)	0.46	Del Paso Heights	Environmental
Total			3.18		

Scattered Sites

The North A/12th Street site is comprised of four lots located in the River District. The parcels are land locked and immediately adjacent to the Salvation Army. These parcels were purchased in 1989 and 1990 as part of the Housing Authority's efforts to acquire property for a social service campus. Other properties purchased during this time were developed for housing and office space for social service providers. Following environmental cleanup of the sites, SHRA will dispose of the sites through an RFP process.

Address	Owner	Zoning	Size (Acres)	Neighborhood	Issue Type
0000 A St	Housing Authority (City)	C-4-SPD (heavy commercial)	0.25	River District	Environmental
111 N 12th St	Housing Authority (City)	C-4-SPD (heavy commercial)	0.34	River District	Environmental
1221 North A St	Housing Authority (City)	C-4-SPD (heavy commercial)	0.18	River District	Environmental
1223 North A St	Housing Authority (City)	C-4-SPD (heavy commercial)	0.18	River District	Environmental
Total			0.96		

There are nine properties which require environmental remediation, have title issues, or require the removal of a United States Department of Housing and Urban Development's (HUD) Declarations of Trust (DoT). These sites will be sold following the resolution of the issues through an RFP or real estate broker.

Address	Owner	Zoning	Size (Acres)	Neighborhood	Issue Type
1224 D St	Housing Authority (City)	R-3A (multi-family; maximum 36 units/net acre)	0.15	Alkali Flat	Environmental

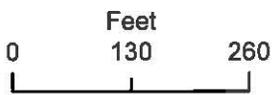
Address	Owner	Zoning	Size (Acres)	Neighborhood	Issue Type
3195 Western Ave	Housing Authority (City)	R-2 (single-family or duplex)	0.13	Strawberry Manor	HUD DoT
3905 Alder St	Housing Authority (County)	R-1 (single-family)	0.15	Del Paso Heights	HUD DoT, Title
4137 Rio Linda Blvd	Housing Authority (City)	R-1 (single-family)	0.39	Del Paso Heights	HUD DoT
4558 14th Ave	Housing Authority (County)	RD20 (multi-family; maximum 20 units/net acre)	0.67	Oak Park	HUD DoT
470 Carroll Ave	Housing Authority (City)	R-1A-SPD (single-family or duplex)	0.50	Del Paso Heights	HUD DoT
4758 15th Ave	Housing Authority (County)	RD-5 (residential single-family or duplex, office, commercial, and retail)	0.10	Oak Park	HUD DoT
7045 24th St	Housing Authority (City)	R-3-EA-4 (maximum 30 units/net acre; subject to Airport Land Use Commission Law)	0.11	Woodbine	HUD DoT
58 Arden Way	Housing Authority (City)	M-1-SPD (manufacturing)	1.03	North Sacramento	Environmental



Future Opportunity Site Rio Linda Site



Vacant Lot

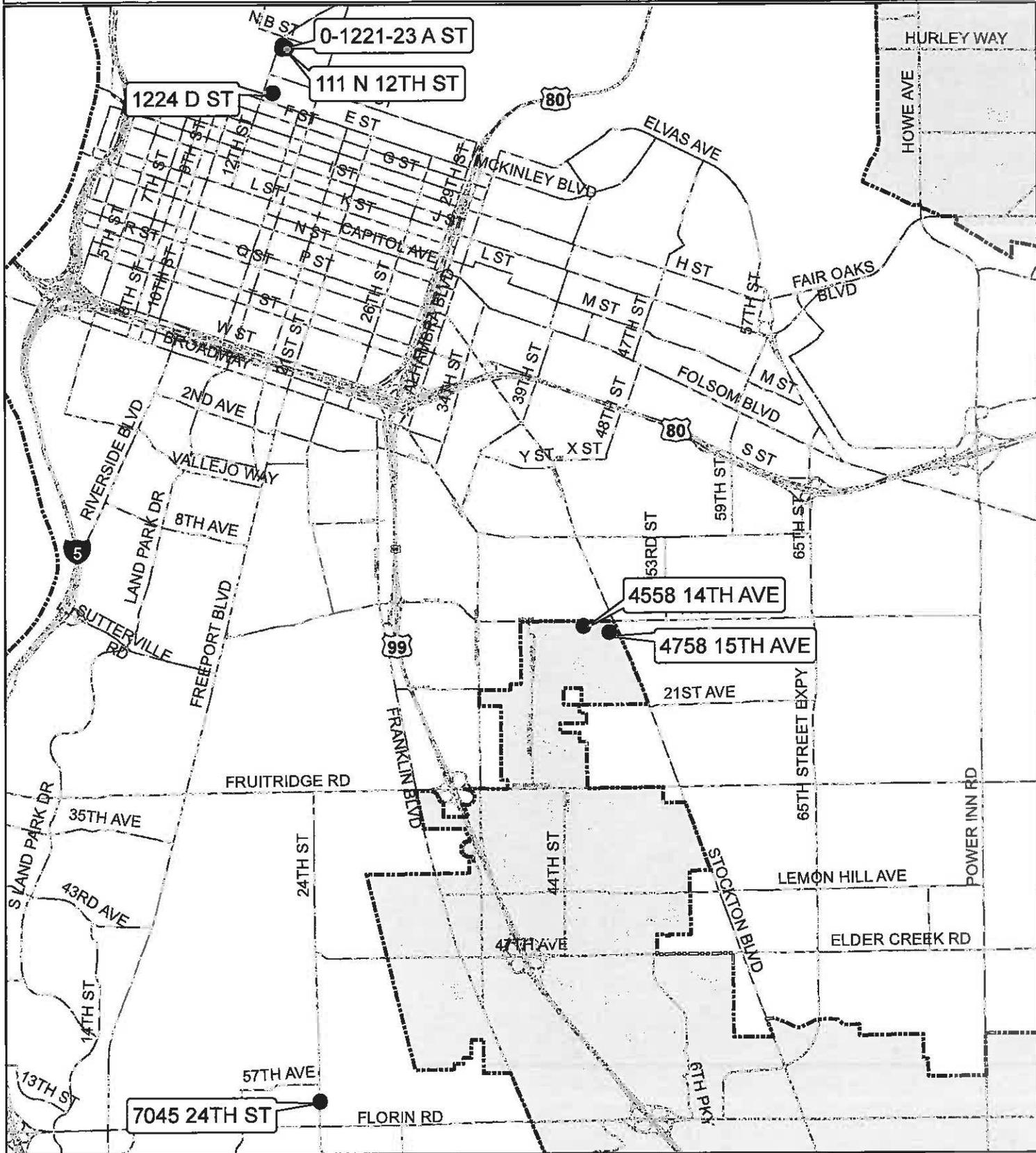


SHRA GIS
August 16, 2016



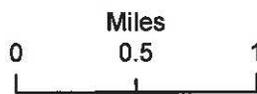
Future Opportunity Site

North A St / 12th St Site and Scattered Sites (South)



 Sacramento County
 City of Sacramento

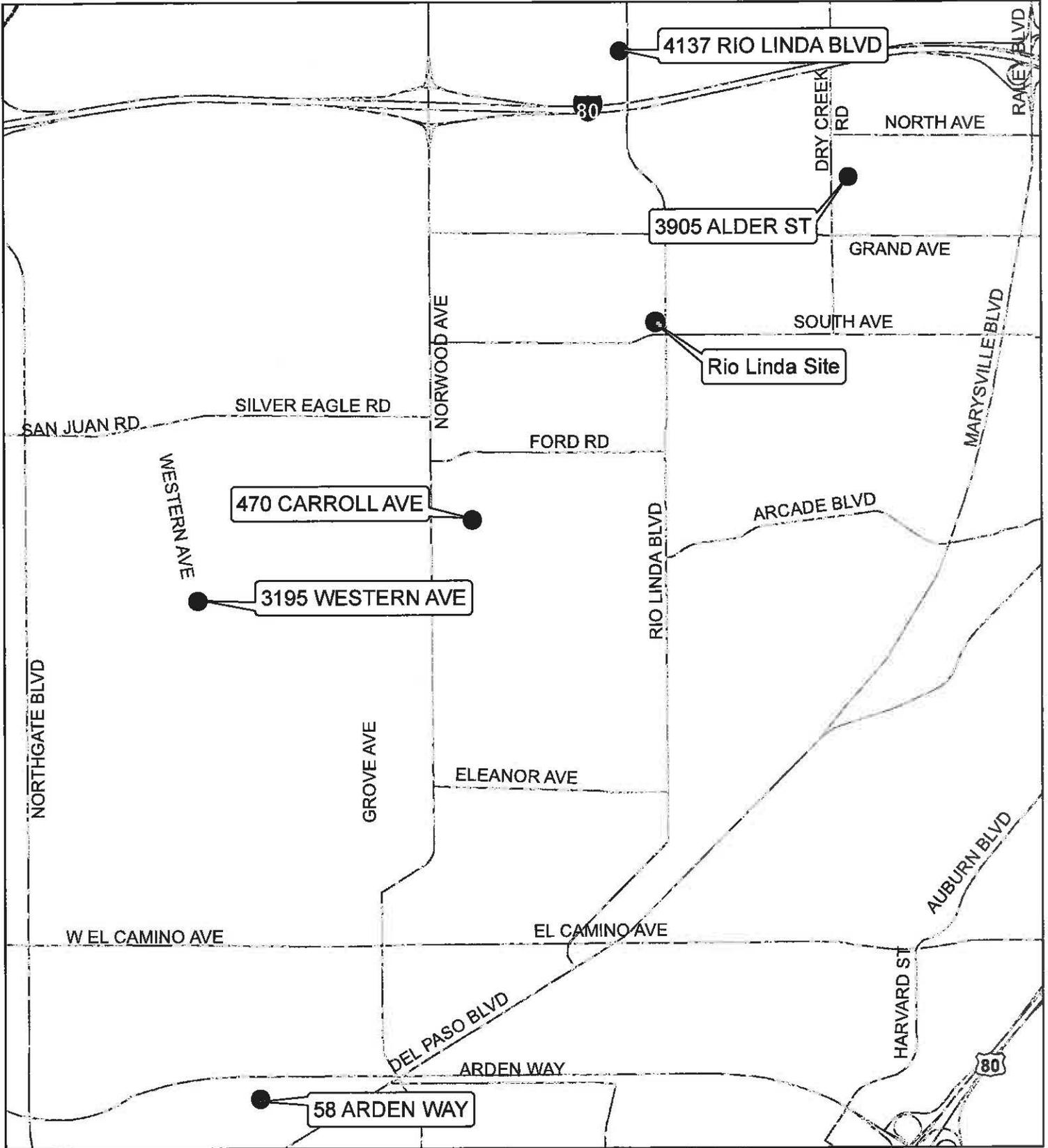
 Vacant Lot



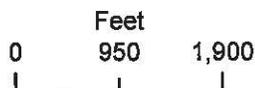
SHRA GIS
August 12, 2016



Future Opportunity Site Scattered Sites (North)



● Vacant Lot



SHRA GIS
August 16, 2016



Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Adopt Ordinance Amending Chapter 18.20 of the Sacramento City Code relating to the Residential Hotel Unit Withdrawal, Conversion, and Demolition and the Annual Report on Residential Hotels

SUMMARY

The attached report and resolution are submitted to you for review prior to review by the City of Sacramento.

RECOMMENDATION

Approve staff recommendation as outlined in the report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



REPORT TO COUNCIL
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Public Hearing
October 25, 2016

Honorable Mayor and Members of the City Council

Title: Adopt Ordinance Amending Chapter 18.20 of the Sacramento City Code, relating to the Residential Hotel Unit Withdrawal, Conversion and Demolition and the Annual Report on Residential Hotels

Location/Council District: Council Districts 3 and 4

Recommendation: Conduct a public hearing and upon conclusion: 1) adopt Ordinance amending Chapter 18.20 of the Sacramento City Code (Ordinance) relating to residential hotel unit withdrawal, conversion and demolition, and 2) receive and file the Annual Report on Residential Hotels.

Contact: Christine Weichert, Assistant Director, Development Finance, 440-1353
Tyrone Roderick Williams, Director, Development, 440-1316

Presenters: Christine Weichert, Assistant Director, Development Finance

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: In Sacramento, residential hotels were a major source of affordable housing in the Downtown area beginning in the 1920s. At its peak there were 4000 units of affordable housing available at residential hotels in Downtown Sacramento. By 1986, only sixteen residential hotels remained. To mitigate the effect of displacement on the very low income residents who were the hotels' primary residents, the Sacramento City Council (Council) adopted an Ordinance requiring that relocation benefits be paid to residents of Single Room Occupancy (SRO) residential hotels upon withdrawal or conversion to other uses. The adoption of the 1986 relocation Ordinance followed a moratorium on residential hotel conversion passed in 1983 in response to the loss of six hotels from the 1970s to 1983.

In 2006, Council adopted an amendment to the Ordinance that specifically identified the remaining ten SRO hotels and required that relocation benefits be paid to residents in the event of a conversion or demolition at one of these properties. The Ordinance also imposed an obligation on the City to maintain an inventory of not less than 712 SRO units. Withdrawn residential hotel units

subject to this Ordinance would have to be replaced within three years unless there was a delay due to lack of financing or other circumstances beyond the City's control.

In 1994, the Shasta Hotel became the first SRO to be rehabilitated. From 2006 to 2011, Council approved the financing and rehabilitation of three additional residential hotels which were: the Berry Hotel, Ridgeway Studios and the YWCA. In 2009 and 2015 respectively, Council approved the withdrawal of the Wendell and Marshall hotels from the Ordinance. The construction of the 7th and H Housing Community provided the required replacement housing units for these withdrawn units in compliance with the Ordinance.

Proposed Amendment to Chapter 18.20 of the Sacramento City Code

There have been positive outcomes but also fiscal challenges related to preserving SRO residential hotels in Downtown Sacramento over the last decade. As a result, City and Sacramento Housing and Redevelopment Agency (SHRA) staff met with stakeholders and formed an advisory committee to discuss the possible changes to the Ordinance.

Following the four advisory committee meetings and tours of three SRO residential hotels, staff developed suggested amendments to the Ordinance and other technical changes. A summary of the proposed changes is provided below:

- **Number of SRO Residential Hotels Subject to the Ordinance:** Since the adoption of the 2006 Ordinance, two SRO residential hotels were withdrawn (Wendell and Marshall Hotels) and replacement units created at 7th and H Street Housing Community (7th and H). Four rehabilitated SRO residential hotels are currently regulated by the Ordinance and monitored by SHRA (Berry Hotel, Ridgeway, Shasta, and YWCA). These four properties, along with 7th and H, are proposed to be removed from the Ordinance. The four remaining non-regulated residential hotels would continue to be subject to the amended Ordinance (Capital Park, Congress, Golden and Sequoia).
- **SRO Replacement Timeframe:** Due to the dissolution of Redevelopment in California, housing resources available to the City and SHRA are limited, and as a result, the ability to replace or rehabilitate existing SRO residential hotel units as occurred in the past is now severely constrained. To mitigate this factor, Staff is proposing to extend the replacement housing period from three years to seven years from the date that the conversion certificate is approved by Council.
- **Geographic Boundary:** The original 1986 Ordinance referenced the Uptown Redevelopment Area within the downtown area. The new proposed geographic boundary is Central City as defined in Title 17 of the Sacramento City Code.

Further background is included in Attachment 2. The proposed changes to the existing Ordinance are included in Attachment 3. The proposed Ordinance is included as Attachment 4.

Annual Report to Include Very Low Income Units Created since 2006

In the current Ordinance, replacement units must be comparable units with rents that do not exceed 40% of the Sacramento area median income (AMI), located in close proximity to transportation and services, and have recorded affordability covenants. In the last decade, four new developments have been created or proposed which meet this definition, (Cannery Place, Globe Mills, La Valentina and The WAL). While these units will not be subject to the Ordinance, under the proposed amendment the 46 eligible units (see Attachment 5) and future units which meet the income and rent levels will be added to the 712 unit count, used as replacement units, and be included in the annual report.

2016 Annual Report on Residential Hotels

Pursuant to the current and proposed Ordinances, SHRA is required to provide an annual report to the Sacramento Housing and Redevelopment Commission (Commission) and City Council on the number of residential hotel units withdrawn, new units expected based on approved replacement housing plans, and units constructed in anticipation of conversions or withdrawals. The proposed Ordinance will apply to four residential hotels located in Downtown Sacramento. To comply with the existing Ordinance reporting requirements, SHRA sent correspondence in early 2016 to the owners of residential hotels subject to the Ordinance, including an annual certification on the status of the residential hotel. The annual report on residential hotels is included as Attachment 5.

Policy Considerations: The recommended actions in this report broaden the purpose of Sacramento City Code Chapter 18.20 pertaining to residential hotels, identify the four remaining residential hotels subject to the Ordinance, expand the SRO unit replacement timeframe, and provide a revised geographic boundary for the Ordinance. The proposed changes to the Ordinance are consistent with: a) the Housing Element 2013-2021, Table H 9-2, Section 32, objective to continue implementing the Ordinance, ensure a no net loss of 712 SRO units, and provide funding and other resources for the rehabilitation of existing SRO units and the construction of new SRO units; and b) the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live to Downtown Sacramento by 2025 (Resolution No. 2015-282).

Environmental Considerations:

California Environmental Quality Act (CEQA): The recommended actions approving an amendment to Chapter 18.20 of the Sacramento City Code are exempt from the California Environmental Quality Act (CEQA) per 14 California Code of Regulations (CCR) section 15282(r), which exempts "determinations made regarding a city or county's regional

October 25, 2016

housing needs as set forth in Section 65584 of the Government Code.” As such, environmental review is not required. There are no federal actions associated with the recommended action; therefore, the National Environmental Policy Act (NEPA) does not apply.

Sustainability Considerations: Not applicable.

Other: Not applicable.

Commissions/Committees Actions: At its meeting on September 21, 2016, the **Sacramento Housing and Redevelopment Commission** made a motion to approve the staff recommendation. The votes were as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

City of Sacramento Law and Legislation Subcommittee: At its meeting of October 13, 2016, it is anticipated that the subcommittee will approve the staff recommendation for this item. Staff will notify the Council in the event this does not occur.

Rationale for Recommendation: In 2011, the dissolution of Redevelopment in California meant that the City could no longer afford to replace SRO residential hotel units or rehabilitate existing SRO residential hotels at the same pace it was able to prior to the abolishment of Redevelopment. In 2013, Council adopted the 2013-2021 Housing Element with the objective of continuing to implement the Ordinance, ensure a no net loss of 712 SRO units, and provide funding and other resources for the rehabilitation of existing SRO units and the construction of new SRO units. In 2015, Council adopted the Downtown Housing Initiative and Initiation of the Downtown Specific Plan, to bring 10,000 places to live in Downtown Sacramento by 2025. This report requests approval of an amendment to Sacramento City Code section 18.20 that seeks to strike a balance between protections for the residents of the single room occupancy hotels and the interests of property owners who may wish to convert these hotels to other uses.

Financial Considerations: There are no financial considerations associated with this staff report.

October 25, 2016

M/WBE/Section 3 and First Source Considerations: The items discussed in this report do not involve federal funding; therefore, there are no M/WBE or Section 3 considerations. The First Source Program or similar programs are not applicable to this report.

Respectfully Submitted by:


LA SHELLÉ DOZIER
Executive Director

Table of Contents

- 01 Description/Analysis
- 02 Background
- 03 Proposed Changes to Chapter 18.20 of the Sacramento City Code
- 04 Proposed Chapter 18.20 of the Sacramento City Code
- 05 Annual Report on Residential Hotels

Background

Many Downtown Sacramento residential units, often referred to as single room occupancy (SRO) hotels, were built in the 1920s and were defined as buildings with six or more units lacking either/both a self-contained kitchen or bathroom that are rented out for sleeping purposes. By the 1960s, 68 of 78 downtown hotels were identified to have been demolished or had been converted to commercial use.

By 1986, 16 downtown residential hotels operated in the former Uptown Redevelopment Area (extended from 7th Street to 18th Street and from I Street to L Street), providing 1,013 units. The Sacramento City Council (Council) adopted an ordinance requiring that relocation benefits be paid to residents of SRO residential hotels upon withdrawal or conversion to other uses to mitigate the effect of displacement on the very low income residents who were the hotels' primary residents. The adoption of the 1986 relocation ordinance (Ordinance) followed a moratorium on residential hotel conversion passed in 1983 in response to the loss of six hotels from the 1970s to 1983.

By 2006, ten Downtown residential hotels remained with a total of 712 units. At that time, the Council amended the Ordinance with these major provisions:

- Established a no net loss threshold of 712 units.
- Required the City of Sacramento (City) and Sacramento Housing and Redevelopment Agency (SHRA) provide replacement housing within three years.
- Required that replacement housing unit rental costs may not exceed 40% of the Sacramento area median income (AMI), adjusted for household size.
- Required a 60-day notice to hotel residents and SHRA of the owner's intent to withdraw or demolish a hotel or any of its units.
- Required the preparation of Relocation Plan.
- Required the owner to find and offer comparable housing to each SRO resident.
- Required payment of \$2,400 to each resident prior to withdrawal (\$4,000 total for two or more occupying the same room).
- Required protection from resident evictions during the period of withdrawal.
- Required a conversion certificate approved by Council upon completion of the relocation obligations.

Ten Downtown SRO residential hotels consisting of 712 units are covered by the City's current Ordinance. The City and SHRA have accomplished many of the Ordinance's goals by replacing and improving the quality of living conditions that affected six of the SRO residential hotels which are:

- 80-unit Shasta Hotel (renovated in 1994)
- 32-unit YWCA (renovated in 2010)
- 105-unit Studios at Hotel Berry (renovated in 2012)
- 22-unit Ridgeway Studios (renovated in 2013)
- 150-unit 7th & H Street Housing Community (constructed in 2012) which provided 150 replacement units for the withdrawn Wendell (19 units), part of Ridgeway (36 units), and Marshall (95 units).

The remaining four SRO residential hotels listed below are non-regulated and subject to the Ordinance:

- 180-unit Capitol Park
- 27-unit Congress
- 26-unit Golden
- 90-unit Sequoia

In 2009, Council adopted Residential Hotel Conversion Guidelines in accordance with Sacramento City Code Chapter 18.20 (Resolution No. 2009-592).

In 2011, the dissolution of Redevelopment in California resulted in the loss of millions of dollars in funding which had been used to acquire and rehabilitate existing properties or construct new affordable housing developments in the City (ABX1 26).

In 2013, Council adopted the 2013-2021 Housing Element, which has a goal of ensuring a no net loss of 712 SRO units and providing funding and other resources for the rehabilitation of existing SRO units and the construction of new SRO units.

In 2015, Council adopted the Downtown Housing Initiative and 2015 Initiation of the Downtown Specific Plan (Downtown Housing Initiative), which has a goal of bringing 10,000 places to live in Downtown Sacramento by 2025 (Resolution No. 2015-282).

Advisory Committee

Given the adoption of the Downtown Housing Initiative, City and SHRA staff met with stakeholders to form an advisory committee to discuss the Ordinance. Representatives from the owners/developers subject to the Ordinance, the Alkali and Mansion Flats Historic Neighborhood Association, the Downtown Sacramento Partnership, Legal Services of Northern California, the River District, Sacramento Housing Alliance, Sacramento Self Help Housing, and Sacramento Steps Forward participated in four Advisory Committee meetings, including a tour of the Capitol Park, Sequoia and the Ridgeway Studios housing developments. Four meetings were held between December 2015 and May 2016.

All participants agreed that SRO residential hotels should provide safe, decent and affordable housing, and that the City and SHRA have been successful in rehabilitating and regulating SRO developments, such as the Studios at Hotel Berry and Ridgeway Studios. However, advisory committee member's opinions of the Ordinance in general ranged from elimination of the Ordinance entirely to expanding the no net loss threshold of 712 SRO residential hotel units. Examples of other comments included:

- Given that the City Housing Element goals and Downtown Housing Initiative include affordable housing to be developed and/or rehabilitated, the Ordinance should be eliminated.
- Rezone the downtown area to achieve new SRO development and increase the no net loss threshold of 712 units.

- Incentivize rehabilitation and conversion to affordable housing in the four non-regulated SRO residential hotels.
- Expand the geographic footprint from downtown area to citywide.
- Given the reduction in affordable housing resources, increase the replacement housing plan requirement from three to ten years.
- Incorporate units from developments that meet the replacement housing plan requirements into the “bank” of replacement housing units.
- Decrease the area median income (AMI) limit from 40% AMI to 30% AMI in the replacement housing plan requirements.
- Increase AMI from 40% AMI to 50% AMI in the replacement housing plan requirements.

Summary of Proposed Amendments

Since 2006, there have been major affordable housing developments in the City of Sacramento that have benefited the City’s most poverty-stricken residents. Additionally, clarification and technical changes to the existing Ordinance are necessary. Proposed changes to the Ordinance are included as Attachment 3.

A summary of the proposed significant changes is set forth below:

- **Number of SRO Residential Hotels Subject to the Ordinance:** Since the adoption of the 2006 Ordinance, two SRO residential hotels have withdrawn (Wendell and Marshall Hotels) and replacement units created at 7th and H Street Housing Community (7th and H). Four rehabilitated SRO residential hotels now are regulated and monitored by SHRA (Berry Hotel, Ridgeway, Shasta, and YWCA), and along with 7th and H are proposed to be removed from the Ordinance. The four remaining non-regulated residential hotels would continue to be subject to the amended Ordinance (Capital Park, Congress, Golden and Sequoia).
- **SRO Replacement Timeframe:** Due to the dissolution of Redevelopment in California, the City and SHRA are financially constrained and no longer have the resources to replace SRO residential hotel units or rehabilitate existing SRO residential hotels at the same pace they once did. As a result, the proposal is to extend the replacement housing period from three years to seven years from the date that the conversion certificate is approved by Council.
- **Geographic Boundary:** The original 1986 Ordinance referenced the Uptown Redevelopment Area within the downtown area. The new proposed geographic boundary is Central City as defined in Title 17 of the Sacramento City Code.

Annual Report to Include Very Low Income Units Created since 2006

In the current Ordinance, replacement units must be comparable units with rents that do not exceed 40% of the Sacramento area median income (AMI), located in close proximity to transportation and services, and have recorded affordability covenants. In the last decade, four new construction developments have been created which meet this definition, (Cannery Place, Globe Mills, La Valentina and The WAL). While these

units will not be subject to the Ordinance, the 46 eligible units (see Attachment 5) and future units which meet the income and rent levels will be added to the 712 unit count and used as replacement units and be included in the annual report.

Proposed Changes to Chapter 18.20 of the Sacramento City Code
(includes tracked changes)

**Chapter 18.20 ~~RELOCATION BENEFITS PERTAINING TO RESIDENTIAL HOTEL~~
UNIT WITHDRAWAL, CONVERSION OR ~~AND~~ DEMOLITION**

Note

* Prior history: prior Sacramento City Code §§ 73.01.101—73.01.114.

18.20.010 Purpose.

~~It is the~~ The purpose of this chapter is to mitigate the adverse effects on displaced low income, elderly and disabled persons caused by the withdrawal of residential hotel units from rent or lease of residential hotel units in the downtown area central city by:

- A. ~~Regulating the withdrawal, demolition, and/or~~ Regulating the withdrawal, demolition, and/or conversion of those residential hotels listed in ~~S~~section 18.20.040;
- B. ~~Ensuring the provision of~~ Providing relocation assistance to tenants, in the event of withdrawal, conversion, or demolition;
- C. ~~Ensuring the provision of~~ Providing replacement housing when the residential hotels listed in ~~S~~section 18.20.040 are withdrawn, converted, or demolished. (Ord. 2006-056 § 1)

18.20.020 Findings.

- A. ~~There is a shortage of decent, safe, sanitary, and affordable rental housing for very low-income persons~~ There is a shortage of decent, safe, sanitary, and affordable rental housing for very low-income persons ~~individuals in the Ceity. Residential hotels have historically provided affordable rental housing of last report for these persons~~ individuals in the Ceity. Residential hotels have historically provided affordable rental housing of last report for these persons ~~this population.~~
- B. In 1961, there were approximately seventy-eight (78) hotels in the downtown area. Most of these were residential hotels. Sixty-eight (68) of these hotels have been demolished or converted to commercial uses. The majority were residential hotels.
- C. In 1960, residential hotels provided three thousand five hundred fifty-eight (3,558) housing units. By 1986, there were only one thousand thirteen (1,013) of these original residential hotel units left, and by 2006 the number of residential hotel units covered by the 1986 ordinance had decreased to seven hundred twelve (712) units, distributed among ten (10) residential hotels.
- D. Residential hotels provide permanent housing for very low-income persons, many of whom are elderly or individuals with disabilities ~~led~~. Most of these residential hotel units are occupied by persons who are not transient; the residential hotel is their only residence.

E. There is a mounting market pressure to demolish or convert the remaining residential hotels.

F. Loss of the remaining residential hotel units, without relocation assistance, would have an adverse effect impact upon the displaced residents, most of whom have very low incomes. The costs of moving and locating comparable accommodations would be a financial hardship, increasing the chances that the displaced persons would become homeless.

G. Low-income housing in the downtown area is a diminishing resource.

H. It is in the public interest that demolition and/or conversion of residential hotels be regulated in order to protect the resident tenants.

I. It is in the public interest to ensure that at least seven hundred twelve (712) residential hotel or comparable units remain within the city of Sacramento- (Ord. 2006-056 § 1).

18.20.030 Definitions.

“Central city” means that area of the City of Sacramento lying between the American River on the north, Broadway on the south, the Sacramento River on the west, and Alhambra Boulevard on the east. The properties fronting upon the eastern side of Alhambra and the southern side of Broadway are within the central city.

“Comparable unit” means a residential hotel unit, an efficiency unit, or a one-bedroom apartment that is decent, safe and sanitary, that is similar in amount of habitable living space, and that has a listed rent that is similar to the unit being withdrawn. The comparable unit should also be accessible to public transit.

“Director” means executive director of the Sacramento Housing and Redevelopment Agency, or the executive director’s designee.

“Efficiency unit” means efficiency unit as defined in Sacramento City Code Section 17.16.010.

“Just cause” means failure to pay rent after service of a three-day notice; failure to comply with reasonable terms of a lease or rental agreement; committing waste or creating a nuisance; using the premises for an illegal purpose.

Posting. Where posting of a notice is required by this chapter, the notice shall be posted in a conspicuous location at the front desk in the lobby of the hotel, or if there is no lobby, in the primary public entrance way.

“Relocation assistance plan” means a written document that sets forth the owner’s plan to accomplish the following:

1. To inform eligible tenants of the program’s benefits, as provided in this chapter;
2. To meet with eligible tenants to determine any specific needs;
3. To locate comparable units that are available for lease;
4. To offer rental leases for up to two comparable units to each eligible tenant, the second unit being offered if the first is rejected;

5. To allocate relocation assistance to the owner(s) of the comparable units and eligible tenants, and make relocation payments, as appropriate; and

6. To provide a schedule for implementation of the plan, including the proposed date of withdrawal of the residential hotel unit.

“Residential hotel” means any building containing six or more rooms intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by tenants, which is or may be the primary residence of such tenants, provided that a majority of these rooms are residential hotel units. Residential hotels are not buildings containing six or more guestrooms which are primarily used by transient guests who do not occupy the hotel as their primary residence. Residential hotels are also known as single room occupancy (SRO) hotels.

“Residential hotel unit” means a room in a residential hotel intended or designed to be used, or which is used, rented, or hired out, to be occupied, or which is occupied for sleeping purposes by a tenant, and which lacks either or both a self-contained kitchen or bathroom. (As of 1998, residential hotels may contain efficiency units.) (Section 17.16.010.)

“Withdrawal of residential hotel unit from rent or lease” means changing the use of any residential hotel unit, whether occupied or vacant, to a use which is not a residential hotel unit; the demolition or destruction of any residential hotel unit, whether occupied or vacant; or the failure to offer publicly and in good faith a residential hotel unit for rent or lease to persons desiring to occupy the unit as a permanent residence; provided, however, that the temporary failure to offer a unit for rent or lease in order to accomplish needed maintenance or repairs shall not be considered a withdrawal. (Ord. 2006-056 § 1)

18.20.040 Application of chapter.

A. This chapter shall apply to the following residential hotels:

~~Berry Hotel, 729 L Street~~
 Capital Park, 1125 9th Street
 Congress, 906 12th Street
 Golden, 1010 ½ 10th Street
~~Marshall, 1122 7th Street~~
~~Ridgeway, 914 12th Street~~
 Sequoia, 911 K Street
~~Shasta, 1021 10th Street~~
~~Wendell, 1208 J Street~~
~~YWCA, 1122 17th Street~~

B. This chapter shall apply to every residential hotel unit within a subject building. (Ord. 2006-056 § 1)

18.20.050 Requirements upon withdrawal.

Upon withdrawal from rent or lease of any residential hotel unit subject to this chapter, the owner shall comply with the notice requirements of Sections 18.20.070 and 18.20.080 of this chapter, and the relocation benefits requirements of Section 18.20.060 of this chapter. (Ord. 2006-056 § 1).

18.20.060 Relocation benefits.

Upon withdrawal of one or more residential hotel units from rent or lease, the owner shall provide a relocation assistance plan that includes a description of the relocation benefits provided in this section.

A. Eligible Tenant. Relocation benefits shall be paid to the current occupant of each unit withdrawn if the occupant occupied the withdrawn unit, or another unit within the same building, for thirty (30) consecutive days or more immediately prior to the notice to tenants (Section 18.20.080). If the current occupant is not eligible, or if the unit is vacant, relocation benefits shall be paid to the most recent past eligible tenant of the unit if:

1. Such tenant occupied the unit within one year prior to the withdrawal, and
2. The tenancy of such tenant was terminated without just cause or the tenant voluntarily vacated the premises within sixty (60) days after receiving a notice of rent increase.

No relocation benefits shall be payable to any person who becomes a tenant of a unit after a notice to tenants required by Section 18.20.080 of this chapter is given to that unit, and if the owner personally serves a copy of the notice on the tenant prior to occupancy. The owner shall obtain written acknowledgement of service of the notice on the tenant.

B. Relocation Payments.

1. Amount of Payment. The owner shall set aside a cash amount for relocation benefits to each eligible tenant in the amount of two thousand four hundred dollars (\$2,400.00) per person, or four thousand dollars (\$4,000.00) for two or more persons occupying the same room, to be divided proportionately among and between the occupants.

The amount of relocation benefits payable shall be adjusted annually by the director by the annual average percentage increase in the Consumer Price Index for All Urban Consumers, Western Region, all items, as published by the U.S. Bureau of Labor Statistics.

2. Purpose of Payment. Of the relocation benefit amount, the owner shall pay up to eighty (80) percent of the payment directly to the landlord of the comparable unit for the first and last month's rent and security deposit for the comparable unit accepted by the eligible tenant or tenants. The remaining twenty (20) percent of the relocation benefit amount shall be paid directly to the eligible tenant or tenants occupying one room for moving expenses and miscellaneous expenses. If less

than eighty (80) percent of the relocation benefit amount is needed for the first and last months' rent and security deposit for the comparable unit, the balance shall be paid to the eligible tenant or tenants.

3. **Timing of Payment.** Twenty (20) percent of the relocation benefit amount shall be paid to current eligible tenants at least thirty (30) days before the tenants are required to vacate the units. If there is no current tenant, payment shall be made to an eligible past tenant within thirty (30) days after the issuance of the conversion certificate.

4. **Payment to Relocation Assistance Fund.** In the event that there is a tenant eligible for relocation benefits who cannot be located by the owner, a sum equal to eighty (80) percent of the relocation benefits shall be deposited with the Sacramento Housing and Redevelopment Agency. If not claimed by the eligible tenant within one year after deposit, the funds shall be deposited in the city housing trust fund.

5. **Tenant Rejection of Comparable Unit.** If an eligible tenant rejects the owner's offers of comparable units, the owner shall request the tenant to sign a statement verifying the rejection and if the tenant refuses, the owner shall document the rejection of the offers. An eligible tenant who rejects the offers of comparable units shall be directly paid the full relocation benefit amount within thirty (30) days after the issuance of the conversion certificate.

6. **Adequate Guarantees.** Issuance of a conversion certificate shall be conditional upon the provision of adequate guarantees for payment of all relocation benefits, such as the posting of an irrevocable letter of credit, performance bond, or comparable security.

C. **Relocation Units.** Any residential hotel owner issuing a notice to tenants in accordance with Section 18.20.080 must locate comparable units that are offered for rent to eligible tenants. The comparable units will be offered prior to the owner's submitting an application for a conversion certificate. That application shall include a list of units offered to each tenant, their addresses, and current rents.

1. **Rejection of Comparable Units.** Should a comparable unit be rejected by an eligible tenant, the residential hotel owner shall be obligated to locate a second comparable unit offered for rent to the eligible tenant. Should the second comparable unit be rejected by the eligible tenant, the residential hotel owner has no further obligation under this chapter with regard to the offering of comparable units.

2. **Good Faith Effort.** If the residential hotel owner has not offered comparable units to every eligible tenant in accordance with this subsection, the conversion certificate shall issue only upon a finding that the owner made substantial and reasonable good faith efforts to locate and offer the requisite comparable units. The burden shall be on the owner to demonstrate substantial and reasonable, good faith efforts, and the owner shall provide information to the director, as part of the application for conversion certificate, regarding the number of eligible tenants to whom comparable units were offered, with copies of lease proposals or other documentation evidencing offers to rent; the efforts made to locate comparable units, including the identity of, and contact information for, persons, firms and agencies contacted; such other information as the owner deems relevant to the issue of whether the owner has made substantial

and reasonable good faith efforts. The director shall review the information and make a recommendation to the council on whether the owner has satisfied the good faith effort obligation.

D. Technical Relocation Assistance. At the residential hotel owner's request, the Sacramento housing and redevelopment agency shall provide a list of relocation services and real estate firms or housing organizations experienced in the affordable rental market. It will also provide a list of vacant units in properties owned by the housing authority and information on public housing applications. (Ord. 2006-056 § 1).

18.20.070 Notice of withdrawal.

A. Prior to withdrawing from rent or lease any residential hotel unit covered by this chapter, the owner shall give written notice of the planned withdrawal to the director. The notice of withdrawal shall include the relocation assistance plan and the following additional data:

1. A schedule by which the conversion steps will occur, including the delivery of the notice to tenants, the expected date of application for a conversion certificate, and the expected date of withdrawal of the residential hotel units;

2. The name of the current tenant and the date of the tenant's occupancy in any room of the hotel; and, if the current tenant is not an eligible tenant, the name and last-known address of the most recent eligible tenant, the dates of occupancy, the reason for termination of the tenancy, and whether the owner had given a notice of rent increase within sixty (60) days prior to termination of the tenancy;

3. A copy of the notice to tenants, which shall not be posted or delivered prior to the notice of withdrawal; and

4. A copy of the current rent schedule for residential hotel units.

B. The director shall monitor the owner's compliance with the owner's relocation assistance plan.

C. The director shall schedule a public meeting before the Sacramento housing and redevelopment commission on the planned withdrawal of residential hotel units. (Ord. 2006-056 § 1)

18.20.080 Notice to tenants.

At least sixty (60) days prior to applying for a conversion certificate, the owner shall post in a prominent location and provide individual notices to each eligible tenant of the building, to the last eligible tenant of each vacant unit, and to each unit not occupied by an eligible tenant.

The notice shall be dated and include:

A. A statement that the owner is applying for a conversion certificate;

B. A statement that the tenant or former tenant may be eligible for relocation benefits pursuant to this chapter, and a description of those benefits;

- C. A statement that a tenant occupying a residential hotel unit after the issuance of the notice to tenants is not eligible for relocation benefits;
 - D. The expected date that the unit will be withdrawn;
 - E. A statement that tenants have the right to occupy a residential hotel unit for sixty (60) days after issuance of a conversion certificate;
 - F. A statement that tenants will receive notice of the hearing on the conversion certificate to be held by the city council and will have the right to appear at or be represented at the hearing; and
 - G. A local phone number of the owner or the owner's representative.
- (Ord. 2006-056 § 1)

18.20.090 Application for a conversion certificate.

A. No building permit, demolition permit, conditional use permit or other land use entitlement which would result in withdrawal from rent or lease of one or more residential hotel units shall be issued for a building subject to this chapter unless the city council issues a conversion certificate indicating that the owner has complied with all requirements of this chapter, or has provided satisfactory guarantees of future compliance. An owner who has demonstrated substantial and reasonable, good faith efforts within the meaning of Section 18.20.060 shall be considered to have complied with the requirements of this chapter.

B. The application for conversion certificate shall be made to the director and shall contain:

- 1. A tenant list or lists, including:
 - a. The name of each eligible tenant currently residing in the building at the time the notice to tenants was issued,
 - b. A list of units not currently occupied by eligible tenants,
 - c. A list of names and last-known addresses of the last eligible tenants to reside in each vacant unit or in a unit with an ineligible tenant, including the dates of occupancy, whether the tenancy was terminated by the owner or the tenant, the reason for termination, and whether a notice of rent increase had been given to the tenant within sixty (60) days prior to termination,
 - d. A list of any new tenants occupying a residential hotel unit after the notice to tenants was issued, for whom relocation benefits are not provided;
- 2. Evidence that the notice to tenants required by Section 18.20.080 of this chapter was given at least sixty (60) days prior to submission of the application and posted for at least sixty (60) days prior to submission of the application;
- 3. A listing of the relocation benefits paid or to be paid by the owner in compliance with this chapter, indicating the recipient, amount and date of actual or proposed payment;
- 4. A list of the comparable units provided to each tenant;
- 5. A list of tenants who have relocated;

6. If the owner has not offered comparable units as called for by this chapter, but is claiming to have made good faith efforts pursuant to Section 18.20.060(C)(2), information specified in that section shall be provided.

C. The director will review the information submitted in the application for a conversion certificate and forward the application to city council with a recommendation on whether the owner has complied with all requirements of this chapter. (Ord. 2013-0021 § 106; Ord. 2006-056 § 1)

18.20.100 Consideration of application—Issuance of conversion certificate.

A. The application shall be considered at a hearing of the city council. Notice of the hearing shall be posted by the owner for at least fifteen (15) days prior to the hearing and shall be mailed at least fifteen (15) days prior to the hearing to each tenant and former tenant to whom the notice to tenants was required to be given under Section 18.20.080 of this chapter. Notice of the hearing shall be mailed by the director at least fifteen (15) days before the hearing to anyone who has submitted a written request to the director at least twenty (20) days prior to the hearing for notices of hearings held pursuant to this section

B. The council shall issue a conversion certificate if it finds that the applicant has complied with all requirements of this chapter.

C. A conversion certificate shall provide that tenants occupying the building on the date of issuance shall have the right to continued occupancy for at least sixty (60) days at the same rental rate in effect on the date of issuance, subject to eviction for just cause. The owner may withdraw a unit within this sixty (60) day period if the tenant has relocated. (Ord. 2006-056 § 1)

18.20.110 Effect of noncompliance.

The failure of the owner to comply with any condition imposed upon the conversion certificate or any obligation imposed by this chapter shall be grounds for revocation, suspension, or cancellation of any permit or land use entitlement which required prior or contemporaneous issuance of a conversion certificate. (Ord. 2006-056 § 1)

18.20.120 Preservation of historic structures.

This chapter does not supersede the requirements of chapter 17.604 (Historic Preservation). (Ord. 2013-0021 § 107; Ord. 2006-065 § 25; Ord. 2006-056 § 1)

18.20.130 State and federal relocation assistance.

This chapter does not supersede federal and state relocation requirements or property disposition or notice requirements that pertain to any residential hotel as a result of public financing. (Ord. 2006-056 § 1)

18.20.140 Involuntary withdrawal or abatement.

The requirements of this chapter shall apply to the withdrawal of units as the result of abatement by public authorities or other involuntary circumstances, unless the condition causing the withdrawal was beyond the control of the owner. (Ord. 2006-056 § 1)

18.20.150 ~~Complaints of noncompliance~~ Administration.

A. The director may issue guidelines for the administration of this chapter, subject to approval by the city council.

B. The director shall establish a procedure for accepting complaints of noncompliance with the requirements of this chapter from tenants and other interested persons. (Ord. 2006-056 § 1)

18.20.160 Replacement housing plan.

A. The city shall maintain or cause to be maintained an inventory of not less than ~~seven hundred twelve (712)~~ residential hotel or comparable units in the central city; and to this end shall replace or cause to be replaced the residential hotel units subject to this chapter that are to be withdrawn, converted, or demolished. The replacement units shall be provided within ~~three~~ seven years of the date that the conversion certificate is approved for the units to be replaced; provided that the time may be extended upon determination by the city council that the production of the replacement units is delayed due to the unavailability of anticipated financing or other circumstances beyond the city's control.

B. To assist in the accomplishment of this requirement, the director shall recommend for city council approval replacement housing plans for residential hotel units regulated by this chapter that are the subject of an application for a conversion certificate. The city may replace units prior to the approval of conversion certificates.

C. Residential hotel units may be replaced through any of the following methods:

1. Construction of new housing;
2. Rehabilitation of existing nonregulated property, including conversion of commercial property into residential units or residential mixed-use; and
3. Acquisition or purchase of covenants of existing housing that is neither currently regulated for affordability nor regulated by this chapter.

D. Replacement units shall meet the following requirements:

1. Comparable, as defined in §section 18.20.030;
2. Rental costs not exceeding ~~forty (40%)~~ percent of the Sacramento metropolitan area median income, adjusted for household size. Project-based rental assistance shall qualify as meeting the rent affordability standard. If an entire project consists of comparable units, all units whose rents are regulated at or below ~~fifty (50%)~~ percent of the Sacramento metropolitan area median income may count as replacement

units so long as the average rents of those units does not exceed ~~forty (40%)~~ percent of the Sacramento metropolitan area median income;

3. Located in close proximity to transportation and services;

4. Recorded affordability covenants for the longest feasible time, but not less than ~~fifty five (55)~~ years.

E. Within ~~ninety (90)~~ days of the approval of a conversion certificate, the city shall adopt a replacement housing plan which includes the following:

1. If the units have been replaced, a description of their location, unit type(s), rent levels, occupancy income limits, and any project-based rental assistance, if available;

2. If some or all of the units have not been replaced, the following information is required:

a. Description of the type of project through which the replacement units will be provided (subsection C of this section),

b. A schedule for replacing the units indicating that they will be available no later than ~~three seven~~ years after the adoption of the replacement housing plan,

c. Proposed financing plan(s),

d. Location of replacement units,

e. Survey of rents and incomes of the eligible tenants in the residential hotel units being converted or withdrawn. This information may be taken from the notice of withdrawal (§section 18.20.070),

f. Proposed rents and occupancy limits;

3. A draft of the city's replacement housing plan shall be made available to the general public at least ~~thirty (30)~~ days prior to the city council's adopting the replacement housing plan.

F. The director will report ~~yearly~~ annually to the Sacramento housing and redevelopment commission and city council on the number of residential hotel units withdrawn, the number of new units expected based on approved replacement housing plans, and units constructed in anticipation of conversions or withdrawals. (Ord. 2006-056 § 1)

Proposed Chapter 18.20 of the Sacramento City Code

Chapter 18.20 RESIDENTIAL HOTEL UNIT WITHDRAWAL, CONVERSION AND DEMOLITION

Note

* Prior history: prior code §§ 73.01.101—73.01.114.

18.20.010 Purpose.

The purpose of this chapter is to mitigate the adverse effects on displaced low income, elderly and disabled persons caused by the withdrawal of residential hotel units from rent or lease in the central city by:

- A. Regulating the withdrawal, demolition, and conversion of those residential hotels listed in section 18.20.040;
- B. Providing relocation assistance to tenants, in the event of withdrawal, conversion, or demolition;
- C. Providing replacement housing when the residential hotels listed in section 18.20.040 are withdrawn, converted, or demolished. (Ord. 2006-056 § 1)

18.20.020 Findings.

- A. There is a shortage of decent, safe, sanitary and affordable rental housing for very low-income persons in the city. Residential hotels have historically provided affordable rental housing of last report for those persons.
- B. In 1961, there were approximately seventy-eight (78) hotels in the downtown area. Most of these were residential hotels. Sixty-eight (68) of these hotels have been demolished or converted to commercial uses. The majority were residential hotels.
- C. In 1960, residential hotels provided three thousand five hundred fifty-eight (3,558) housing units. By 1986, there were only one thousand thirteen (1,013) of these original residential hotel units left, and by 2006 the number of residential hotel units covered by the 1986 ordinance had decreased to seven hundred twelve (712) units, distributed among ten (10) residential hotels.
- D. Residential hotels provide permanent housing for very low-income persons, many of whom are elderly or disabled. Most of these residential hotel units are occupied by persons who are not transient; the residential hotel is their only residence.
- E. There is a mounting market pressure to demolish or convert the remaining residential hotels.
- F. Loss of the remaining residential hotel units, without relocation assistance, would have an adverse effect upon the displaced residents, most of whom have very low incomes. The costs of moving and locating comparable accommodations

would be a financial hardship, increasing the chances that the displaced persons would become homeless.

G. Low-income housing in the downtown area is a diminishing resource.

H. It is in the public interest that demolition and/or conversion of residential hotels be regulated in order to protect the resident tenants.

I. It is in the public interest to ensure that at least seven hundred twelve (712) residential hotel or comparable units remain within the city of Sacramento. (Ord. 2006-056 § 1)

18.20.030 Definitions.

“Central city” means that area of the City of Sacramento lying between the American River on the north, Broadway on the south, the Sacramento River on the west, and Alhambra Boulevard on the east. The properties fronting upon the eastern side of Alhambra and the southern side of Broadway are within the central city.

“Comparable unit” means a residential hotel unit, an efficiency unit, or a one-bedroom apartment that is decent, safe and sanitary, that is similar in amount of habitable living space, and that has a listed rent that is similar to the unit being withdrawn. The comparable unit should also be accessible to public transit.

“Director” means executive director of the Sacramento housing and redevelopment agency, or the executive director’s designee.

“Efficiency unit” means efficiency unit as defined in Section 17.16.010.

“Just cause” means failure to pay rent after service of a three-day notice; failure to comply with reasonable terms of a lease or rental agreement; committing waste or creating a nuisance; using the premises for an illegal purpose.

Posting. Where posting of a notice is required by this chapter, the notice shall be posted in a conspicuous location at the front desk in the lobby of the hotel, or if there is no lobby, in the primary public entrance way.

“Relocation assistance plan” means a written document that sets forth the owner’s plan to accomplish the following:

1. To inform eligible tenants of the program’s benefits, as provided in this chapter;
2. To meet with eligible tenants to determine any specific needs;
3. To locate comparable units that are available for lease;
4. To offer rental leases for up to two comparable units to each eligible tenant, the second unit being offered if the first is rejected;
5. To allocate relocation assistance to the owner(s) of the comparable units and eligible tenants, and make relocation payments, as appropriate; and
6. To provide a schedule for implementation of the plan, including the proposed date of withdrawal of the residential hotel unit.

“Residential hotel” means any building containing six or more rooms intended or designed to be used, or which are used, rented, or hired out, to be occupied, or which are occupied, for sleeping purposes by tenants, which is or may be the primary residence of such tenants, provided that a majority of these rooms are residential hotel units. Residential hotels are not buildings containing six or more guestrooms which are primarily used by transient guests who do not occupy the hotel as their primary residence. Residential hotels are also known as single room occupancy (SRO) hotels.

“Residential hotel unit” means a room in a residential hotel intended or designed to be used, or which is used, rented, or hired out, to be occupied, or which is occupied for sleeping purposes by a tenant, and which lacks either or both a self-contained kitchen or bathroom. (As of 1998, residential hotels may contain efficiency units.) (Section 17.16.010.)

“Withdrawal of residential hotel unit from rent or lease” means changing the use of any residential hotel unit, whether occupied or vacant, to a use which is not a residential hotel unit; the demolition or destruction of any residential hotel unit, whether occupied or vacant; or the failure to offer publicly and in good faith a residential hotel unit for rent or lease to persons desiring to occupy the unit as a permanent residence; provided, however, that the temporary failure to offer a unit for rent or lease in order to accomplish needed maintenance or repairs shall not be considered a withdrawal. (Ord. 2006-056 § 1)

18.20.040 Application of chapter.

- A. This chapter shall apply to the following residential hotels:
 - Capital Park, 1125 9th Street
 - Congress, 906 12th Street
 - Golden, 1010 ½ 10th Street
 - Sequoia, 911 K Street

- B. This chapter shall apply to every residential hotel unit within a subject building. (Ord. 2006-056 § 1)

18.20.050 Requirements upon withdrawal.

Upon withdrawal from rent or lease of any residential hotel unit subject to this chapter, the owner shall comply with the notice requirements of Sections 18.20.070 and 18.20.080 of this chapter, and the relocation benefits requirements of Section 18.20.060 of this chapter. (Ord. 2006-056 § 1)

18.20.060 Relocation benefits.

Upon withdrawal of one or more residential hotel units from rent or lease, the owner shall provide a relocation assistance plan that includes a description of the relocation benefits provided in this section.

A. Eligible Tenant. Relocation benefits shall be paid to the current occupant of each unit withdrawn if the occupant occupied the withdrawn unit, or another unit within the same building, for thirty (30) consecutive days or more immediately prior to the notice to tenants (Section 18.20.080). If the current occupant is not eligible, or if the unit is vacant, relocation benefits shall be paid to the most recent past eligible tenant of the unit if:

1. Such tenant occupied the unit within one year prior to the withdrawal, and

2. The tenancy of such tenant was terminated without just cause or the tenant voluntarily vacated the premises within sixty (60) days after receiving a notice of rent increase.

No relocation benefits shall be payable to any person who becomes a tenant of a unit after a notice to tenants required by Section 18.20.080 of this chapter is given to that unit, and if the owner personally serves a copy of the notice on the tenant prior to occupancy. The owner shall obtain written acknowledgement of service of the notice on the tenant.

B. Relocation Payments.

1. Amount of Payment. The owner shall set aside a cash amount for relocation benefits to each eligible tenant in the amount of two thousand four hundred dollars (\$2,400.00) per person, or four thousand dollars (\$4,000.00) for two or more persons occupying the same room, to be divided proportionately among and between the occupants.

The amount of relocation benefits payable shall be adjusted annually by the director by the annual average percentage increase in the Consumer Price Index for All Urban Consumers, Western Region, all items, as published by the U.S. Bureau of Labor Statistics.

2. Purpose of Payment. Of the relocation benefit amount, the owner shall pay up to eighty (80) percent of the payment directly to the landlord of the comparable unit for the first and last month's rent and security deposit for the comparable unit accepted by the eligible tenant or tenants. The remaining twenty (20) percent of the relocation benefit amount shall be paid directly to the eligible tenant or tenants occupying one room for moving expenses and miscellaneous expenses. If less than eighty (80) percent of the relocation benefit amount is needed for the first and last months' rent and security deposit for the comparable unit, the balance shall be paid to the eligible tenant or tenants.

3. Timing of Payment. Twenty (20) percent of the relocation benefit amount shall be paid to current eligible tenants at least thirty (30) days before the tenants are required to vacate the units. If there is no current tenant, payment shall be made to an eligible past tenant within thirty (30) days after the issuance of the conversion certificate.

4. Payment to Relocation Assistance Fund. In the event that there is a tenant eligible for relocation benefits who cannot be located by the owner, a sum equal to eighty (80) percent of the relocation benefits shall be deposited with the Sacramento

housing and redevelopment agency. If not claimed by the eligible tenant within one year after deposit, the funds shall be deposited in the city housing trust fund.

5. **Tenant Rejection of Comparable Unit.** If an eligible tenant rejects the owner's offers of comparable units, the owner shall request the tenant to sign a statement verifying the rejection and if the tenant refuses, the owner shall document the rejection of the offers. An eligible tenant who rejects the offers of comparable units shall be directly paid the full relocation benefit amount within thirty (30) days after the issuance of the conversion certificate.

6. **Adequate Guarantees.** Issuance of a conversion certificate shall be conditional upon the provision of adequate guarantees for payment of all relocation benefits, such as the posting of an irrevocable letter of credit, performance bond, or comparable security.

C. **Relocation Units.** Any residential hotel owner issuing a notice to tenants in accordance with Section 18.20.080 must locate comparable units that are offered for rent to eligible tenants. The comparable units will be offered prior to the owner's submitting an application for a conversion certificate. That application shall include a list of units offered to each tenant, their addresses, and current rents.

1. **Rejection of Comparable Units.** Should a comparable unit be rejected by an eligible tenant, the residential hotel owner shall be obligated to locate a second comparable unit offered for rent to the eligible tenant. Should the second comparable unit be rejected by the eligible tenant, the residential hotel owner has no further obligation under this chapter with regard to the offering of comparable units.

2. **Good Faith Effort.** If the residential hotel owner has not offered comparable units to every eligible tenant in accordance with this subsection, the conversion certificate shall issue only upon a finding that the owner made substantial and reasonable good faith efforts to locate and offer the requisite comparable units. The burden shall be on the owner to demonstrate substantial and reasonable, good faith efforts, and the owner shall provide information to the director, as part of the application for conversion certificate, regarding the number of eligible tenants to whom comparable units were offered, with copies of lease proposals or other documentation evidencing offers to rent; the efforts made to locate comparable units, including the identity of, and contact information for, persons, firms and agencies contacted; such other information as the owner deems relevant to the issue of whether the owner has made substantial and reasonable good faith efforts. The director shall review the information and make a recommendation to the council on whether the owner has satisfied the good faith effort obligation.

D. **Technical Relocation Assistance.** At the residential hotel owner's request, the Sacramento housing and redevelopment agency shall provide a list of relocation services and real estate firms or housing organizations experienced in the affordable rental market. It will also provide a list of vacant units in properties owned by the housing authority and information on public housing applications. (Ord. 2006-056 §

18.20.070 Notice of withdrawal.

A. Prior to withdrawing from rent or lease any residential hotel unit covered by this chapter, the owner shall give written notice of the planned withdrawal to the director. The notice of withdrawal shall include the relocation assistance plan and the following additional data:

1. A schedule by which the conversion steps will occur, including the delivery of the notice to tenants, the expected date of application for a conversion certificate, and the expected date of withdrawal of the residential hotel units;

2. The name of the current tenant and the date of the tenant's occupancy in any room of the hotel; and, if the current tenant is not an eligible tenant, the name and last-known address of the most recent eligible tenant, the dates of occupancy, the reason for termination of the tenancy, and whether the owner had given a notice of rent increase within sixty (60) days prior to termination of the tenancy;

3. A copy of the notice to tenants, which shall not be posted or delivered prior to the notice of withdrawal; and

4. A copy of the current rent schedule for residential hotel units.

B. The director shall monitor the owner's compliance with the owner's relocation assistance plan.

C. The director shall schedule a public meeting before the Sacramento housing and redevelopment commission on the planned withdrawal of residential hotel units. (Ord. 2006-056 § 1)

18.20.080 Notice to tenants.

At least sixty (60) days prior to applying for a conversion certificate, the owner shall post in a prominent location and provide individual notices to each eligible tenant of the building, to the last eligible tenant of each vacant unit, and to each unit not occupied by an eligible tenant.

The notice shall be dated and include:

A. A statement that the owner is applying for a conversion certificate;

B. A statement that the tenant or former tenant may be eligible for relocation benefits pursuant to this chapter, and a description of those benefits;

C. A statement that a tenant occupying a residential hotel unit after the issuance of the notice to tenants is not eligible for relocation benefits;

D. The expected date that the unit will be withdrawn;

E. A statement that tenants have the right to occupy a residential hotel unit for sixty (60) days after issuance of a conversion certificate;

F. A statement that tenants will receive notice of the hearing on the conversion certificate to be held by the city council and will have the right to appear at or be represented at the hearing; and

G. A local phone number of the owner or the owner's representative.
(Ord. 2006-056 § 1)

18.20.090 Application for a conversion certificate.

A. No building permit, demolition permit, conditional use permit or other land use entitlement which would result in withdrawal from rent or lease of one or more residential hotel units shall be issued for a building subject to this chapter unless the city council issues a conversion certificate indicating that the owner has complied with all requirements of this chapter, or has provided satisfactory guarantees of future compliance. An owner who has demonstrated substantial and reasonable, good faith efforts within the meaning of Section 18.20.060 shall be considered to have complied with the requirements of this chapter.

B. The application for conversion certificate shall be made to the director and shall contain:

1. A tenant list or lists, including:
 - a. The name of each eligible tenant currently residing in the building at the time the notice to tenants was issued,
 - b. A list of units not currently occupied by eligible tenants,
 - c. A list of names and last-known addresses of the last eligible tenants to reside in each vacant unit or in a unit with an ineligible tenant, including the dates of occupancy, whether the tenancy was terminated by the owner or the tenant, the reason for termination, and whether a notice of rent increase had been given to the tenant within sixty (60) days prior to termination,
 - d. A list of any new tenants occupying a residential hotel unit after the notice to tenants was issued, for whom relocation benefits are not provided;
2. Evidence that the notice to tenants required by Section 18.20.080 of this chapter was given at least sixty (60) days prior to submission of the application and posted for at least sixty (60) days prior to submission of the application;
3. A listing of the relocation benefits paid or to be paid by the owner in compliance with this chapter, indicating the recipient, amount and date of actual or proposed payment;
4. A list of the comparable units provided to each tenant;
5. A list of tenants who have relocated;
6. If the owner has not offered comparable units as called for by this chapter, but is claiming to have made good faith efforts pursuant to Section 18.20.060(C)(2), information specified in that section shall be provided.

C. The director will review the information submitted in the application for a conversion certificate and forward the application to city council with a recommendation on whether the owner has complied with all requirements of this chapter. (Ord. 2013-0021 § 106; Ord. 2006-056 § 1)

18.20.100 Consideration of application—Issuance of conversion certificate.

A. The application shall be considered at a hearing of the city council. Notice of the hearing shall be posted by the owner for at least fifteen (15) days prior to the hearing and shall be mailed at least fifteen (15) days prior to the hearing to each

tenant and former tenant to whom the notice to tenants was required to be given under Section 18.20.080 of this chapter. Notice of the hearing shall be mailed by the director at least fifteen (15) days before the hearing to anyone who has submitted a written request to the director at least twenty (20) days prior to the hearing for notices of hearings held pursuant to this section

B. The council shall issue a conversion certificate if it finds that the applicant has complied with all requirements of this chapter.

C. A conversion certificate shall provide that tenants occupying the building on the date of issuance shall have the right to continued occupancy for at least sixty (60) days at the same rental rate in effect on the date of issuance, subject to eviction for just cause. The owner may withdraw a unit within this sixty (60) day period if the tenant has relocated. (Ord. 2006-056 § 1)

18.20.110 Effect of noncompliance.

The failure of the owner to comply with any condition imposed upon the conversion certificate or any obligation imposed by this chapter shall be grounds for revocation, suspension, or cancellation of any permit or land use entitlement which required prior or contemporaneous issuance of a conversion certificate. (Ord. 2006-056 § 1)

18.20.120 Preservation of historic structures.

This chapter does not supersede the requirements of chapter 17.604 (Historic Preservation). (Ord. 2013-0021 § 107; Ord. 2006-065 § 25; Ord. 2006-056 § 1)

18.20.130 State and federal relocation assistance.

This chapter does not supersede federal and state relocation requirements or property disposition or notice requirements that pertain to any residential hotel as a result of public financing. (Ord. 2006-056 § 1)

18.20.140 Involuntary withdrawal or abatement.

The requirements of this chapter shall apply to the withdrawal of units as the result of abatement by public authorities or other involuntary circumstances, unless the condition causing the withdrawal was beyond the control of the owner. (Ord. 2006-056 § 1)

18.20.150 Administration.

A. The director may issue guidelines for the administration of this chapter, subject to approval by the city council.

B. The director shall establish a procedure for accepting complaints of noncompliance with the requirements of this chapter from tenants and other interested persons. (Ord. 2006-056 § 1)

18.20.160 Replacement housing plan.

A. The city shall maintain or cause to be maintained an inventory of not less than 712 residential hotel or comparable units in the central city; and to this end shall replace or cause to be replaced the residential hotel units subject to this chapter that are to be withdrawn, converted, or demolished. The replacement units shall be provided within seven years of the date that the conversion certificate is approved for the units to be replaced; provided that the time may be extended upon determination by the city council that the production of the replacement units is delayed due to the unavailability of anticipated financing or other circumstances beyond the city's control.

B. To assist in the accomplishment of this requirement, the director shall recommend for city council approval replacement housing plans for residential hotel units regulated by this chapter that are the subject of an application for a conversion certificate. The city may replace units prior to the approval of conversion certificates.

C. Residential hotel units may be replaced through any of the following methods:

1. Construction of new housing;
2. Rehabilitation of existing nonregulated property, including conversion of commercial property into residential units or residential mixed-use; and
3. Acquisition or purchase of covenants of existing housing that is neither currently regulated for affordability nor regulated by this chapter.

D. Replacement units shall meet the following requirements:

1. Comparable, as defined in section 18.20.030;
2. Rental costs not exceeding 40% of the Sacramento metropolitan area median income, adjusted for household size. Project-based rental assistance shall qualify as meeting the rent affordability standard. If an entire project consists of comparable units, all units whose rents are regulated at or below 50% of the Sacramento metropolitan area median income may count as replacement units so long as the average rents of those units does not exceed 40% of the Sacramento metropolitan area median income;
3. Located in close proximity to transportation and services;
4. Recorded affordability covenants for the longest feasible time, but not less than 55 years.

E. Within 90 days of the approval of a conversion certificate, the city shall adopt a replacement housing plan which includes the following:

1. If the units have been replaced, a description of their location, unit types, rent levels, occupancy income limits, and any project-based rental assistance, if available;
2. If some or all of the units have not been replaced, the following information is required:

- a. Description of the type of project through which the replacement units will be provided (subsection C of this section),
 - b. A schedule for replacing the units indicating that they will be available no later than seven years after the adoption of the replacement housing plan,
 - c. Proposed financing plans,
 - d. Location of replacement units,
 - e. Survey of rents and incomes of the eligible tenants in the residential hotel units being converted or withdrawn. This information may be taken from the notice of withdrawal (section 18.20.070),
 - f. Proposed rents and occupancy limits;
3. A draft of the city's replacement housing plan shall be made available to the general public at least 30 days prior to the city council's adopting the replacement housing plan.
- F. The director will report annually to the Sacramento housing and redevelopment commission and city council on the number of residential hotel units withdrawn, the number of new units expected based on approved replacement housing plans, and units constructed in anticipation of conversions or withdrawals. (Ord. 2006-056 § 1)

Annual Report on Residential Hotels

The Sacramento City Code Chapter 18.20 (Relocation Benefits Pertaining to Residential Hotel Unit Conversion or Demolition) and City Ordinance 2006-056 require that 712 residential hotel or comparable units be maintained within the City of Sacramento.

Pursuant to the ordinance, the Sacramento Housing and Redevelopment Agency (SHRA) is required to provide an annual report to the Sacramento Housing and Redevelopment Commission and City Council on the number of residential hotel units withdrawn, new units expected based on approved replacement housing plans, and units constructed in anticipation of conversions or withdrawals.

In order to comply with the ordinance reporting requirements, SHRA sent correspondence in January 2016 to the owners of residential hotels subject to the ordinance, including an annual certification on the status of the residential hotel. There are five developments regulated by SHRA:

- 80-unit Shasta Hotel (renovated in 1994)
- 32-unit YWCA (renovated in 2010)
- 105-unit Studios at Hotel Berry (renovated in 2012)
- 150-unit 7th & H Street Housing Community (constructed in 2012)
- 22-unit Ridgeway Studios (renovated in 2013).

In addition to the five SHRA regulated developments above, the Wendell received conversion approval to withdraw 19 units in 2009 and Marshall Hotel received conversion approval to withdraw 95 units in 2014.

There are four non-regulated residential hotels subject to the ordinance (Location Map - below):

- 180-unit Capitol Park
- 27-unit Congress
- 26-unit Golden
- 90-unit Sequoia (regulatory agreement with SHRA ended in January 2015).

With the exception of Capitol Park, Golden and YWCA, vacancy rates are less than ten percent. According to the property management at Capitol Park and YWCA, the vacancy rate is high due to selective screening. The owner of the Golden reported several evictions were processed due to non-payment of rent.

Withdrawn / Replacement Housing

A list of the residential hotels covered by the ordinance with the results of the annual certification is included below.

In addition to the nine developments currently subject to the ordinance, four developments provide 46 units that meet the replacement housing criteria of the proposed ordinance:

- Cannery Place (2 units)
- Globe Mills (12 units)
- La Valentina (11 units)
- The WAL (21 units).

Boulevard Court

Information on the 75-unit Boulevard Court development completed in 2011 is also included in the Certification Summary below. Pursuant to the development's special permit and Council Resolution 2008-526, the annual report required for the development is included below.

Revised Residential Hotel Certification Summary

September 2016

Property	Address	Original & Current Number Units	Total Number Vacant Units	Monthly Rent w/ Bath	Monthly Rent w/o Bath	Resident Services	Comments
Capitol Park	1125 9th St.	180	60	\$550	\$525	Yes ¹	No Planned Change in Use, Five (5) vacant units used for storage, laundry, or maintenance supplies.
Congress	906 12th St.	27	0	\$560	\$525	Yes ¹	No Planned Change in Use.
Golden	1010 10th St.	26	14	N/A	\$475	Yes ¹	No Planned Change in Use.
Sequoia	911 K St.	90	7	\$430	\$405	Yes ¹	No Planned Change in Use.
Total		323					

Property	Address	Current Number Units	Total Number Vacant Units	Monthly Rent w/ Bath	Monthly Rent w/o Bath	Resident Services	Comments
7th & H Project	625 H St.	150	5	\$477 - \$608	N/A	Yes	150 total units. Replacement units for the withdrawn Wendell (19), Ridgeway (36) and Marshall (95).
Hotel Berry	729 L St.	105	5	\$533 - \$599	N/A	Yes	
Ridgeway	914 12th St.	22	0	\$337-\$458	N/A	Yes	
Shasta	1017 10th St.	80	1	N/A	\$467	Yes ¹	
YWCA	1122 17th St.	32	4	\$658	\$333	Yes ¹	
Subtotal		389					

Property	Address	Replacement Units	Resident Services
Cannery Place	601 Cannery Ave.	2	Yes
Globe Mills	1131 C St.	12	Yes
La Valentina	429 12th St.	11	Yes
The WAL	1108 R St.	21	Yes
Subtotal		46	

Non-Regulated Units	323
Regulated Units Subject to 2006 Ordinance	389
Regulated Units Developed since 2006	46
Total	758

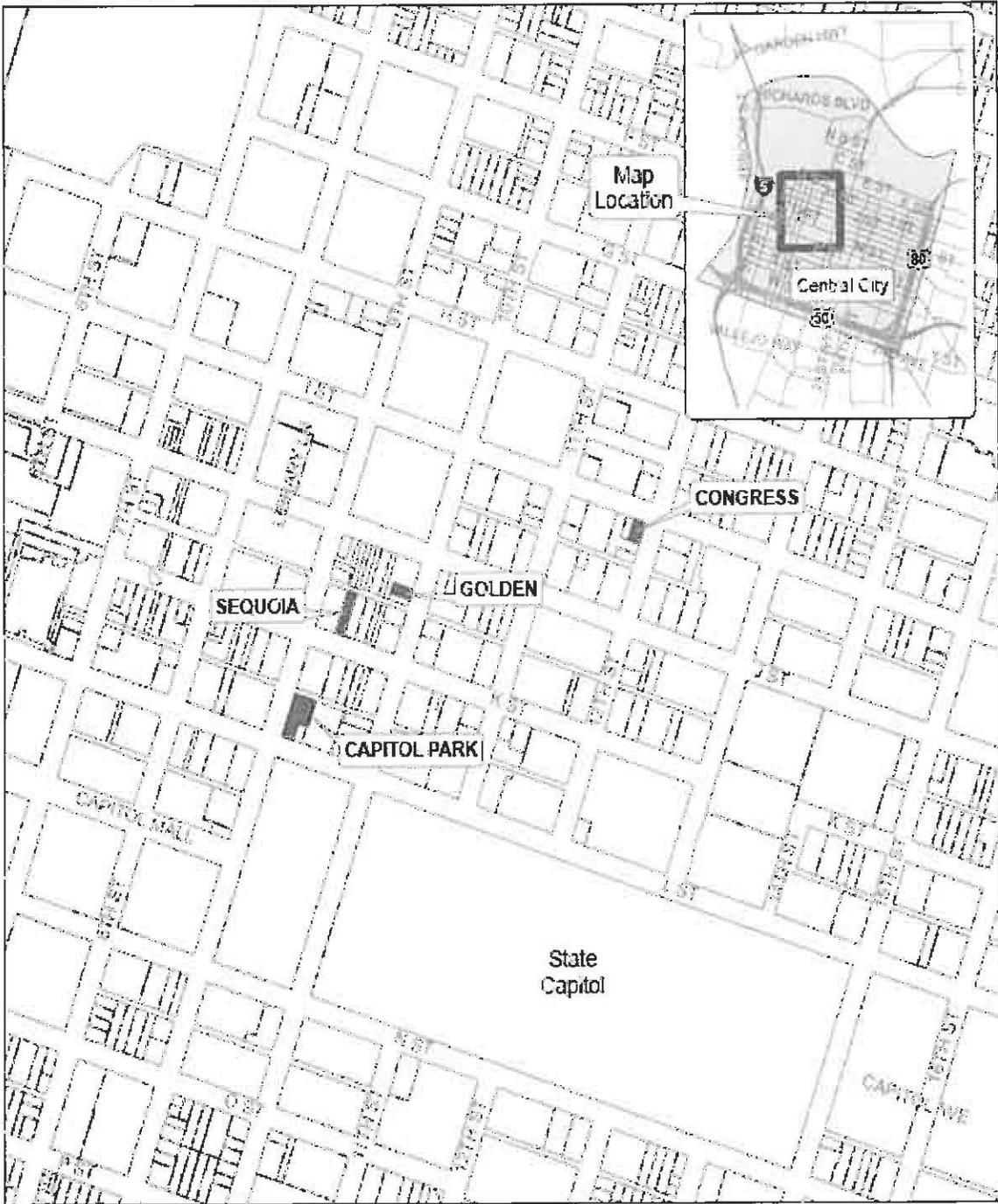
Property	Address	Approved Withdrawn Units	Original Number Units	Comments
Marshall Hotel	1122 7th St.	95	95	7th & H provided 150 Replacement units for the withdrawn Wendell (19), Ridgeway (36) and Marshall (95).
Ridgeway	914 12th St.	36	58	
Wendell	1208 J St.	19	19	
Total		150		

Legend	¹ Downtown SRO Collaborative Services provided by TLCS
	² Units meet the replacement housing criteria per the Ordinance. These may be used to replace withdrawn units associated with an SRO rehabilitation/unit reduction.

SHRA Regulated Boulevard Court Certification Summary
September 27, 2016

Address	Current Number Units w/ Bath	Total Number Vacant Units	Mthly Rent w/ Bath	Resident Services	Comments
5321 Stockton Blvd	75	5	\$804	Yes	Management staff is preparing the vacant units for new applicants moving in by September 2016.

LSHRA Proposed Residential Hotels Identified in City Code Chapter 18.20
Subject to Withdrawn and/or Replacement Units



■ Residential Hotel Included In Ordinance 0 250 500 Feet  LSHRA GIS
August 16, 2016