



**REPORT TO COUNCIL AND  
HOUSING AUTHORITY  
City of Sacramento**  
915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

Consent  
**May 22, 2012**

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

**Title: Disposition of Housing Authority Property at 8380 Kastanis Way**

**Location/Council District:** 8380 Kastanis Way, Sacramento (District 8)

**Recommendation:** Adopt a 1) **Housing Authority Resolution** which authorizes the Executive Director to: a) declare the Housing Authority owned 5.31 acre vacant parcel located at 8380 Kastanis Way, Sacramento, APN 117-0182-023 (Property) as surplus, b) take all actions necessary to sell the Property to the City of Sacramento for the sum of \$580,000, its appraised fair market value, and return the sales proceeds to the Community Development Block Grant (CDBG) program, c) execute all commercially reasonable documents necessary to carry out such sale as approved to form by the Housing Authority's counsel, d) amend the Housing Authority's budget based upon an agreement with the Sacramento Housing and Redevelopment Agency (Agency) to utilize up to \$580,000 in CDBG funds for the rehabilitation of existing Housing Authority assets, and to acquire and/or rehabilitate properties that will have a direct benefit to existing Housing Authority assets (Acquisition and Rehabilitation Project), and e) enter into an agreement with the Agency to utilize up to \$580,000 for the purpose of carrying out the Acquisition and Rehabilitation Project; and 2) **City Council Resolution** authorizing the Agency to: a) accept up to \$580,000 as CDBG program income from the sale of the Property, b) amend the CDBG 2012 One-year Action Plan to transfer up to \$580,000 in program income from the CDBG capital reserve to the Acquisition and Rehabilitation Project, and c) enter into any agreements and contracts with the Housing Authority necessary to carry out the Acquisition and Rehabilitation Project.

**Contact:** Chris Pahule, Program Manager, 440-1350

**Presenters:** None

**Department:** Sacramento Housing and Redevelopment Agency

Disposition of Housing Authority Property at 8380 Kastanis Way

**Description/Analysis**

**Issue:** This report recommends that a vacant parcel, located at 8330 Kastanis Way in Sacramento, purchased in 1989 with Housing and Urban Development (HUD) Section 108 funds for the construction of public housing units, be declared surplus and sold. The financing program that was to have been used as the source of capital funds for the construction of the housing units on the Property has been discontinued and the original loan of Section 108 funds has since been repaid in full. The sale of the Property will subsequently generate revenue for other eligible Housing Authority projects.

**Policy Considerations:** The actions recommended in this report are consistent with previously approved policies and federal requirements related to the disposition of surplus Housing Authority Property, and for expending resources that will help improve the supply of affordable housing throughout the City.

**Environmental Considerations:**

**California Environmental Quality Act:** The sale of a vacant parcel of land and the amendment of the 2012 One-year Action Plan is categorically exempt pursuant to the California Environmental Quality Act (CEQA) per Guidelines Section(s) 15312. The sale of the Property does not obligate the buyer to develop or use the site for any purpose. Any future development or use by the new owner will be subject to further environmental review under CEQA. Any future activities involving the use of the CDBG program income will be subject to CEQA and National Environmental Policy Act (NEPA) review.

**Sustainability Considerations:** The project has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, this report will advance the following goals, policies and targets as follows: the project supports Goal number five—Public Health and Nutrition, specifically target number five, to rehabilitate areas within the City to provide safe and healthy living environments for public housing residents.

**Other: National Environmental Policy Act (NEPA)** This report recommends the sale of surplus property and is not activity assisted with federal funding, and therefore NEPA does not apply.

Disposition of Housing Authority Property at 8380 Kastanis Way

**Committee/Commission Action:** At its meeting of May 2, 2012, the Sacramento Housing and Redevelopment Commission held a duly noticed public hearing to meet the citizen participation requirements set forth in 24 CFR Part 91 and reviewed the staff recommendation for this item. The votes were as follows:

**AYES:** Alcalay, Chan, Gore, Johnson, LeDuc, Morgan, Morton, Rosa, Shah, Stivers

**NOES:** none

**ABSENT:** Fowler

**Rationale for Recommendation:** Adoption of the resolutions will allow the Housing Authority to make vacant surplus land available for productive use and reduce costs related to maintenance and overhead. The Property is to be sold to the City for \$580,000, its fair market value based on a 3<sup>rd</sup> party appraisal, and the proceeds returned to the CDBG program for eligible activities. The sales proceeds are recommended to be used for the rehabilitation of existing Housing Authority assets, and to acquire and/or rehabilitate properties that will compliment and have a direct benefit on existing Housing Authority investments.

**Financial Considerations:** The Housing Authority has negotiated the terms of a Purchase and Sale Agreement with the City. The disposition of the Property will generate proceeds of \$580,000 (less prorations and closing costs) to the Agency. All proceeds received from the sale of the Property will be returned as CDBG program income and subsequently utilized for the Acquisition and Rehabilitation Project.

**M/WBE 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. Federal funding is not assisting the activity recommended herein.

Approved as to form:

  
\_\_\_\_\_  
Agency Counsel

Respectfully Submitted by:

  
\_\_\_\_\_  
LA SHELLE DOZIER  
Executive Director

**Table of Contents**  
Report

pg. 1

**Attachments**

- 1. Vicinity Map
- 2. Resolution – Housing Authority
- 3. Resolution – City Council

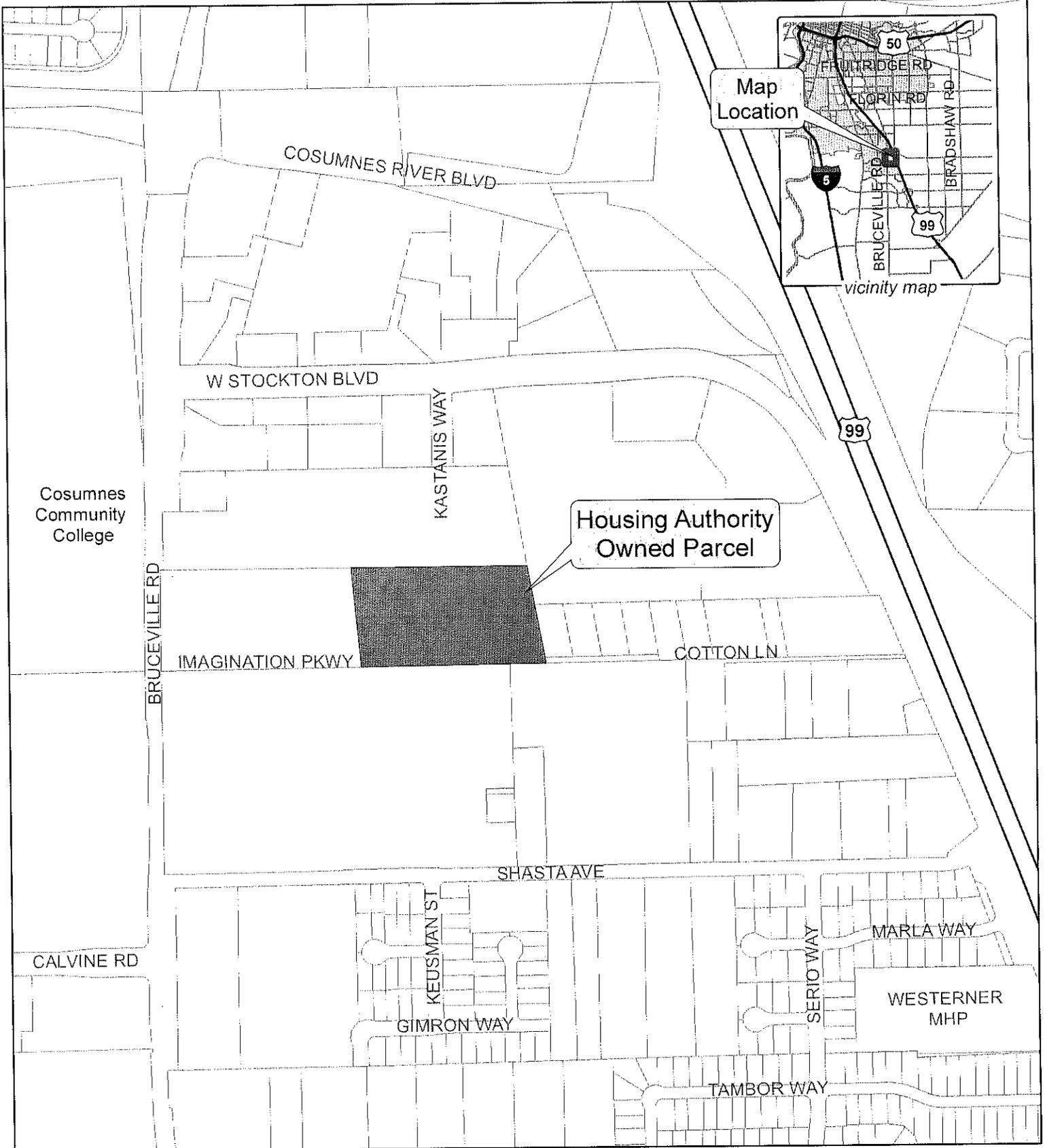
pg. 4  
pg. 5  
pg. 7

**APPROVED AS TO FORM:**

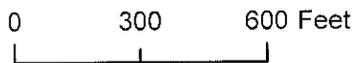
  
\_\_\_\_\_  
CITY ATTORNEY



# Disposition of Property at 8380 Kastanis Way



8380 Kastanis Way



SHRA GIS  
April 10, 2012



## **RESOLUTION NO. 2012 -**

**Adopted by the Housing Authority of the City of Sacramento**

**May 22, 2012**

### **DISPOSITION OF HOUSING AUTHORITY PROPERTY LOCATED AT 8380 KASTANIS WAY**

#### **BACKGROUND**

- A. The Housing Authority of the City of Sacramento (Housing Authority) owns a 5.31 acre vacant parcel at 8380 Kastanis Way, APN 117-0182-023 (Property) that was purchased with U.S. Housing and Urban Development Section 108 funds and is no longer needed by the Housing Authority for its intended use.
- B. It has been determined that the proposed action to sell surplus property at its appraised fair market value by a governmental entity is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15312. The acceptance of the sales proceeds as program income is not a project under CEQA Guidelines 15301.
- C. The Sacramento Housing and Redevelopment Commission held a duly noticed public hearing on May 2, 2012 regarding the sale of the Property, and amendments to the Community Development Block Grant (CDBG) program budget and Action Plan.

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

- Section 1 All evidence presented having been duly considered, the findings, including the environmental statements and findings are found to be true regarding this action, as stated in the Background above, and the staff report that accompanies this resolution, are determined to be true and are therefore approved.
- Section 2. The Housing Authority hereby finds and determines that the Property is not required for the foreseeable future needs of the Housing Authority and is therefore surplus.
- Section 3. The Executive Director, or designee, is authorized to sell the Property to the City of Sacramento for the sum of \$580,000, which is its fair market value based on an independent third party appraisal, with all sales proceeds reverting to the CDBG program, and to execute all commercially reasonable documents necessary to carry out such sale as approved to form by the Housing Authority's counsel.

Section 4. The Executive Director, or designee, is authorized to amend the Housing Authority's budget based upon the agreement with the Agency to utilize up to \$580,000 in CDBG funds for the rehabilitation of existing Housing Authority assets, and to acquire and/or rehabilitate properties that will have a direct benefit to existing Housing Authority assets.

Section 5. The Executive Director, or designee, is authorized to enter into an agreement for up to \$580,000 with the Sacramento Housing and Redevelopment Agency for the purpose of rehabilitating existing Housing Authority assets, and to acquire and/or rehabilitate properties that will have a direct benefit to existing Housing Authority assets. Such activities shall be pursuant to Agency and Authority procurement policies and procedures.



## **RESOLUTION NO. 2012 -**

**Adopted by the Sacramento City Council**

**May 22, 2012**

### **DISPOSITION OF HOUSING AUTHORITY PROPERTY LOCATED AT 8380 KISTANIS WAY**

#### **BACKGROUND**

- A. The Housing Authority of the City of Sacramento (Housing Authority) owns a 5.31 acre vacant parcel located at 8380 Kastanis Way, Sacramento, APN 117-0182-023 (Property) that was purchased with U.S. Housing and Urban Development Section 108 funds for the construction of public housing units.
- B. The Housing Authority has determined that the Property is surplus because it is no longer needed for its intended use, and approves the sale of the property at fair market value. The proceeds from the sale of the Property are to be returned to the Community Development Block Grant (CDBG) fund as program income.
- C. The amendment of the Sacramento Housing and Redevelopment Agency's budget to accept the sales proceeds as program income does not constitute a project pursuant to the California Environmental Quality Act Section 15378.
- D. The sale of the Property will allow the Housing Authority to reduce costs related to the maintenance and management of this vacant property, and generate revenue for eligible activities in support of the Authority.

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

- Section 1. Based on the evidence presented, it is determined that the above facts, including but not limited the environmental findings, are true and correct.
- Section 2. The Sacramento Housing and Redevelopment Agency (Agency) is authorized to accept up to \$580,000 as CDBG program income from the sale of the Property.
- Section 3. The Agency is authorized to amend the CDBG 2012 One-year Action Plan to transfer up to \$580,000 in program income from the CDBG Capital Reserve to the "Acquisition and Rehabilitation Project" for the purpose of rehabilitating existing Housing Authority assets, and acquiring and/or rehabilitating properties that will have a direct benefit to existing Housing Authority assets.

Section 4. The Agency is authorized to enter into any agreements and contracts with the Housing Authority to carryout the Acquisition and Rehabilitation Project.