

Subject: Update on the acquisition of single-family homes for the Sierra Vista Revitalization Project

Background Information: April 2009, the Board of Commissioners adopted Resolution No. 09-43 authorizing staff to purchase real property of up to twenty homes with American Recovery and Reinvestment Act (ARRA) Funds. December 2009, the Board of Commissioners adopted Resolution No. 09-117, authorizing staff to enter into contracts to rehabilitate the purchased properties.

The Housing Authority submitted a Development Plan utilizing ARRA funds reflecting the purchase of up to 20 homes to the U.S. Department of Housing and Urban Development in October 2009, and such Plan was denied. In January 2010, the Board of Commissioners adopted Resolution No. 10-05 authorizing staff to purchase the properties using Public Housing Capital Funds instead of ARRA funding. This was done in order to bring forward approved Capital Fund projects that are ready for obligation and to reschedule ARRA project deadlines.

Staff has implemented the Board's action by proceeding with the purchase of up to twenty single family homes (real property) for the Sierra Vista Revitalization Project. To date, the Housing Authority has ten homes in escrow. The process to acquire the properties is based upon the Housing Authority's Procurement Policy and the Housing Authority's By-Laws as follows:

According to the Housing Authority's Procurement Policy, Part One, Section 2 (E):

Acquisition of Real Property Interests shall include, but not be limited to: the receipt of real property by grant, purchase, gift, devise, lease, or by condemnation proceedings under eminent domain.

and, according to the Housing Authority's Procurement Policy, Part Two, Section 6 (A):

Acquisition of Interest in Real Property. The purchase of real property shall be in accordance with the provisions of the Uniform Relocation Assistance and Real Property Acquisition Regulations for Federal and Federally Assisted programs (49 CFR Part 24, Subpart B).

In addition, according to the Housing Authority's By-Laws, Article IV, Section 4.07:

Subject to the powers vested in the Board of Commissioners, the Executive Director or similar designee should have full charge of the day to day operation and administration of the business and financial affairs of the Authority.

The following table identifies the properties that are currently in escrow:

Address	Purchase Price	\$/sq. ft.	Sq. ft	Year Built	#BR	#BA	Rehabilitation Category
1906 Ninfatino, 95206	\$103,900	\$76.57	1,357	2005	4	2	II
3027 Fairbury, 95206	\$98,134	\$59.76	1,642	1998	3	2	II
3223 Togninali, 95206	\$126,000	\$76.74	1,642	2000	3	2	II
2973 Togninali, 95206	\$82,000	\$82.00	1,000	1998	3	2	II
4142 Seashore, 95206	\$143,243	\$75.43	1,899	2006	4	3	II
1557 E 9th Street, 95206	\$78,800	\$72.36	1,078	1947	2-3	1	II
3126 Mc Cook, 95206	\$101,058	\$88.18	1,146	2005	3	2	I
1521 Artese Lane, 95206	\$127,000	\$68.06	1,866	2005	5	2	I
3184 Estrella, 95206	\$123,000	\$67.81	1,814	2005	3	2	II
3157 Estrella, 95206	\$124,900	\$66.93	1,866	2005	5	2	I

All homes purchased take into consideration the housing needs of families (i.e., number of bedrooms) on the Housing Authority's waiting lists; both Public Housing and Housing Choice Voucher.

As referenced in the last column of the table above, in order to quantify the costs associated with rehabilitation, staff created a Rehabilitation Category Rating system based upon HUD's Housing Quality Standards (HQS) and Real Estate Assessment Center (REAC) requirements. Below are the definitions for each Rehabilitation Category Rating:

Category I: The property requires little or no work to prepare the unit for occupancy.

Type of Work

- Touch-up Painting
- Minor cosmetic repairs to interior/exterior
- Minor Landscaping
- Cleaning of Interior
- Minor Plumbing

Category II: In addition to the work itemized in Category I, the property requires minor to significant work to prepare the unit for occupancy.

Type of Work

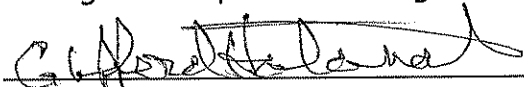
- Interior/exterior painting
- Installation of appliances

- Installation/Replacement of flooring, (carpet, tile, or linoleum)
- Drywall repairs
- Roof repair
- Fencing repairs
- Flatwork (Concrete) repairs
- Electrical repairs
- Landscaping
- Plumbing Repairs

Category III: The property acquired would be for land value. The existing structure would be demolished, and a home (pre-fabricated) would be rebuilt on the site.


Prepared by: Kristi Rhea, Asset Manager

Fiscal Impact and Funding Certification: There is funding available and budgeted through the Capital Fund Program budget.


Cliff Hatanaka, Director of Finance

Approval:


Rosa Vazquez, Deputy Executive Director


Barbara S. Kauss, Executive Director