

City of Sacramento

Legislation Text

File #: 2019-01455, **Version:** 1

Title:

(Housing Authority) Approval of Interim Lease with Fortune School of Education for 4501 9th Avenue [Noticed 10/11/2019]

File ID: 2019-01455

Location: 4501 9th Avenue, District 5

Recommendation:

Conduct a public hearing and upon conclusion, adopt a Housing Authority Resolution: 1) authorizing a five and a half (5 ½) year lease of the vacant parcel at 4501 9th Avenue to the Fortune School of Education; and 2) making related environmental findings.

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Presenter: Michael Taylor, Program Manager, (916) 449-6285, Sacramento Housing and Redevelopment Agency

Attachments:

- 1-Description/Analysis
- 2-Resolution
- 3-Exhibit A - Lease Agreement
- 4-Site Map

Description/Analysis

Issue Detail: The Housing Authority owns a vacant parcel at 4501 9th Avenue (formerly known as Donner Field), which is adjacent to a charter school operated by the Fortune School of Education (Fortune School). The site was originally acquired by the Redevelopment Agency in 1986 for housing purposes and was transferred to the Housing Authority in 2012 when redevelopment was eliminated. On September 1, 2012, the Housing Authority and the Fortune School executed a one-year lease with three one-year extensions for the Donner Field site. Since that time, Fortune School has operated the Ephraim Williams College Preparatory Middle School in the adjacent building, and uses

the parcel (1.23 acres) for outdoor recreation. In return, Fortune School has maintained, secured, and insured the parcel during the term of the lease. The original lease expired on August 31, 2016, and a subsequent lease was executed which expired on October 31, 2017. Since that time, Fortune School has been using the property under various use permits. The current use permit expires on December 31, 2019.

A housing developer (Related California) was selected in 2018 to develop affordable housing on the property and is currently working to determine the feasibility of constructing new affordable housing on the site. This report requests authority to execute a new five and one-half (5 ½) year interim lease with Fortune School, commencing January 1, 2020 and terminating June 30, 2025. The Housing Authority will have the option to terminate the lease after a 30-day notice is given to Fortune School in the event that an affordable housing development on the site is deemed feasible.

Policy Considerations: Public noticing is required for any lease agreement longer than a one-year period. This is a requirement in federal law for Housing Authority properties and in redevelopment law for housing assets acquired by the former Redevelopment Agency.

Economic Impacts: Not applicable.

Environmental Considerations: The lease agreement associated with Fortune School for the 4501 9th Avenue site is exempt under the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301. There are no federal actions and therefore review under the National Environmental Policy Act (NEPA) is not required.

Sustainability Considerations: Not applicable.

Commission Action: At its meeting of October 16, 2019, the Sacramento Housing and Redevelopment Commission reviewed the staff recommendation for this item. The votes were as follows.

AYES: Alcalay, Griffin, Morgan, Nunley, Staajabu, Starks

NOES: None

ABSENT: Boyd, Macedo, Wedding

Rationale for Recommendation: The proposed lease of 4501 9th Avenue will allow students to continue to use the property for play activities and physical education until such time as the feasibility of an affordable housing development on the property is determined.

Financial Considerations: Consideration for the interim lease shall be the securing, maintenance

and insurance costs for the property. No monetary charge is proposed.

LBE - M/WBE and Section 3 requirements: The items discussed in this report do not involve federal funding; therefore, there are no LBE - M/WBE or Section 3 considerations.