
File ID: 2026-01387

8/18/2026

[Contract] Second Amendment of Administrative Services Agreement #2024-0876 with Housing Authority of the City of Sacramento for Property Management Services

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Location: 827 K Street, District 4

Recommendation: Pass a **Motion** authorizing the City Manager or designee to execute the attached Second Amendment of Administrative Services Agreement with the Housing Authority of the City of Sacramento for property management services at the City owned real property located at 827 K Street.

Contact: Steve Ward, Real Property Agent, (916) 808-1081, stward@cityofsacramento.org; Richard Sanders, Facilities and Real Property Superintendent, (916) 808-7034, rsanders@cityofsacramento.org; James Christensen, Facilities Manager, (916) 808-5863, jechristensen@cityofsacramento.org; Department of Public Works

Presenter: None

Attachments:

- 1-Description/Analysis
- 2-Second Amendment of Administrative Services Agreement

Description/Analysis

Issue Detail:

The City-owned property located at 827 K Street (the "Property") is a prominent three-story mixed-use building in Sacramento's downtown corridor, encompassing approximately 73,098 gross square feet. The Property includes both retail and office space and is currently occupied by one retail tenant and one office tenant. As a City-owned asset, the Property requires ongoing professional management to oversee tenant relations, lease administration, maintenance coordination, financial reporting, and day-to-day operations.

To ensure continuity in these services and protect the City's investment, staff recommends approving the Second Amendment to the Administrative Services Agreement with the Housing Authority of the City of Sacramento (HACS). The amendment would extend HACS's property management responsibilities through January 31, 2027, allowing HACS to continue providing comprehensive

management services while maintaining stable operations, supporting existing tenants, and preserving the long-term value and functionality of this important downtown property.

Policy Considerations: The recommendation in this report is in accordance with City Code section 3.04.020, which requires City Council approval of real property agreements involving expenditures of \$250,000 or more.

Economic Impacts: None.

Environmental Considerations:

California Environmental Quality Act (CEQA): It has been determined that the proposed activity of entering into an agreement with the Housing Authority to provide property management services is not a project pursuant to the California Environmental Quality Act (CEQA) Guidelines Section 15378 (b)(2 and 4). The activity described in this report is continuing administrative or activity and government fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment. The proposed activity is not subject to CEQA pursuant to CEQA Guidelines Section 15060(c)(3).

Sustainability: Not applicable.

Commission/Committee Action: Not applicable.

Rationale for Recommendation: The Property requires daily property management services in order to ensure that the terms of the lease agreements with the existing tenants are followed and the building is properly maintained. HACS has experience in managing multi-tenant properties and will also utilize the services of an on-call property management firm to manage all aspects and operations of the Property. HACS will be responsible for all services necessary to properly manage the Property, including:

- Collection of rents.
- Manage leases and tenant relations.
- Management, coordination, and payment of the Property's current service providers and vendors.
- Primary contact for all emergency calls.
- Regular maintenance, including testing of building systems.
- Budgeting and reporting.
- Record keeping.

Financial Considerations: Estimated annual rent revenue from existing tenants during calendar year 2026 is projected to be \$364,000. Expenses for the same period are estimated to be approximately \$364,000. Rent revenue is sufficient to cover expenses during the term of the

Agreement. No General Fund proceeds are allocated to this project.

Local Business Enterprise (LBE): Not applicable.

**SECOND AMENDMENT OF ADMINISTRATIVE SERVICES
AGREEMENT**

THIS SECOND AMENDMENT OF ADMINISTRATIVE SERVICES AGREEMENT (“**Second Amendment**”) is made as of _____, 2026, by and between the CITY OF SACRAMENTO, a municipal corporation (“**CITY**”), and HOUSING AUTHORITY OF THE CITY OF SACRAMENTO, a body corporate and politic (“**HACS**”), which are also referred to herein collectively as “**Parties**” or singularly as “**Party**”, who agree as follows:

Background

- A. Pursuant to City Agreement 2024-0876 (the “**Agreement**”), HACS provides to City the property management services at 827 K Street, Sacramento, California as described in Exhibit A to the Agreement through a retained Property Manager.
- B. The parties entered into a First Amendment to the Agreement on May 13, 2025 to extend the term for one additional year (“**Extended Term**”).
- C. The Extended Term of the Agreement expired on January 31, 2026. Pursuant to Section 2 of Exhibit A, the Parties desire to extend the term of the Agreement through January 31, 2027, unless terminated sooner by either Party.

Based on the foregoing background, CITY and HACS agree as follows:

- 1. **Term.** The Parties mutually agree to extend the term of the Agreement through January 31, 2027, unless terminated sooner by either Party.
- 2. **Budget and Payment.** The Parties approve the revised budget to provide services, as more particularly described in Exhibit B (the “**Approved Budget**”).
- 3. **Entire Agreement.** This Second Amendment contains the entire agreement between CITY and HACS with respect to the matters set forth in this Second Amendment and supersedes all prior understandings or agreements between CITY and HACS with respect to these matters. Except as specifically amended or modified herein, each and every term, covenant and condition of the Agreement and Second Amendment remains in full force and effect.
- 4. **Authority.** The persons signing this Second Amendment represent and warrant that they are fully authorized to sign this Second Amendment on behalf of their entity and to bind their entity to the performance of its obligations hereunder.

[SIGNATURE PAGE FOLLOWS]

Executed as of the day and year first above stated.

CITY OF SACRAMENTO
A Municipal Corporation

By: _____

Name: Ryan Moore
Title: Assistant City Manager
For: Maraskeshia Smith, City Manager

APPROVED AS TO FORM:

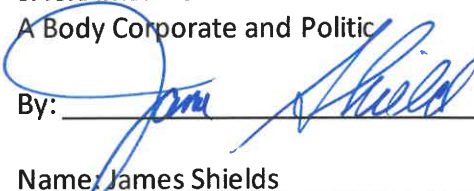
By: _____
Deputy City Attorney

ATTEST:

By: _____
Assistant City Clerk

**HOUSING AUTHORITY OF THE CITY OF
SACRAMENTO**

A Body Corporate and Politic

By:  _____

Name: James Shields

Title: Deputy Executive Director & CFO

APPROVED AS TO FORM

By:  _____
General Counsel

Exhibit B

Annualized Budget
(Updated for Calendar Year 2026)

CATEGORY	ANNUAL TOTAL	NOTES
Expenses		
Utilities	\$103,000	
Maintenance & Operations	\$159,000	
Property Management	\$42,000	
HACS Administration	\$36,000	NTE for actual hours billed at \$93.75/hr.
Contingency	\$24,000	
Total	\$364,000	
Revenue		
Rent Revenue	\$364,239	This assumes lease term extensions