



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



Agency Report
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March 18, 1985

Sacramento City Council
Sacramento, California

CITY MANAGER'S OFFICE
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Honorable Members in Session:

SUBJECT: California Housing Finance Agency
(CHFA) Multi-Family Rehabilitation and
Infill New Construction Program -
Commitment Agreement Modification

SUMMARY

This report requests authorization for the Acting Executive Director of the Sacramento Housing and Redevelopment Agency to execute a Commitment Agreement Modification with CHFA in connection with the Multi-Family Rehabilitation and Infill New Construction Bond Program. The Modification changes the acceptable sale date only.

BACKGROUND

On October 23, 1984, the City Council Authorized submittal of an application to the California Housing Finance Agency for a commitment of \$1,500,000 from the proceeds of the tax exempt mortgage revenue bonds to be issued by CHFA for local rental rehabilitation projects. CHFA subsequently allocated \$1,057,000 to the City.

A Commitment Agreement was executed by the Acting Executive Director pursuant to your resolution of authorization.

APPROVED
BY THE CITY COUNCIL

AC 84/62

MAR 19 1985

OFFICE OF THE
CITY CLERK

3-19-85

All Districts

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The initial target date for sale of bonds was December 17, 1984. However, bonds were not sold until recently. Bond closing is scheduled for March 28, 1985. It is necessary, therefore, to modify the Commitment Agreement which states, in part:

"3.2 the Agency (CHFA) shall return the Commitment Fee to the Locality and this Agreement shall terminate in the event that either the Bonds are not sold by December 17, 1984 or the stated interest rate on the loans will exceed 12 percent."

CHFA has requested that the sale date in the Commitment Agreement be extended to March 31, 1985. The executed Commitment Agreement Modification must be submitted to CHFA by March 25, 1985.

For your information, the interest rate on loans will be just under 11%, with an adjustment at the 11-1/2 year point.

FINANCIAL DATA

A total of \$1,057,000 will be available for rental rehabilitation loans at approximately 11% interest. Your Council has already authorized the use of up to \$52,500 for commitment fees from CDBG in order to reserve this bond financing.

ENVIRONMENTAL REVIEW

A project of this nature is exempt from environmental review requirements.

POLICY IMPLICATIONS

The proposed actions are consistent with previously adopted policy and there are no policy changes being recommended.

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VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that, at its meeting of March 18, 1985, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that the City Council take the above mentioned action. In the event they fail to do so, you will be advised prior to your March 19, 1985 meeting.

RECOMMENDATION

Staff recommends adoption of the attached Resolution approving the Commitment Agreement Modification and authorizing its execution by the Acting Executive Director of SHRA.

Respectfully submitted,

Andrew J. Plescia
ANDREW J. PLESCIA
ACTING EXECUTIVE DIRECTOR

TRANSMITTAL TO COUNCIL:

Walter J. Slupe
WALTER J. SLUPE
City Manager

Contact Person: John Molloy
440-1360

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RESOLUTION NO. 85-213

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

March 19, 1985

CALIFORNIA HOUSING FINANCE AGENCY (CHFA) MULTI-FAMILY
REHABILITATION AND INFILL NEW CONSTRUCTION PROGRAM
- COMMITMENT AGREEMENT MODIFICATION

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF
SACRAMENTO:

Section 1: The Executive Director of the Sacramento Housing and Redevelopment Agency is hereby authorized to execute the Commitment Agreement Modification attached as Exhibit A and other documents as may be necessary for participation in the Multi-Family Rehabilitation and Infill New Construction Program.

MAYOR

ATTEST:

CITY CLERK

APPROVED
BY THE CITY COUNCIL

MAR 19 1985

OFFICE OF THE
CITY CLERK

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CALIFORNIA HOUSING FINANCE AGENCY

Multifamily Rehabilitation
and Infill New Construction Program

Commitment Agreement Modification

This Commitment Agreement Modification ("Modification"), dated as of _____, 1985, is made and entered into by and between the _____ (the "Locality") and the California Housing Finance Agency (the "Agency") to modify the terms of that certain Commitment Agreement tendered by the Locality to the Agency pursuant to a Commitment Request for funding under the Agency's Multifamily Rehabilitation and Infill New Construction Program (the "Program").

WHEREAS, the Locality tendered to the Agency a Commitment Agreement whereby the the Agency, after due execution and delivery, would commit to provide proceeds of Bonds to finance Loans pursuant to the Program (all capitalized terms are defined in the Program Guidelines dated September 10, 1984, as amended).

NOW, THEREFORE, the Locality and the Agency agree to modify the Commitment Agreement, and the Commitment Agreement as tendered is hereby modified, as follows:

The date "February 15, 1985" in Sections 3.2 and 6.1 of the Commitment Agreement, as amended, is changed to be "March 31, 1985."

IN WITNESS WHEREOF, the Locality and the Agency have caused this Modification to be executed as of the dates hereof.

(Name of Locality)

California Housing Finance
Agency

By _____
Name _____
Title _____
Date _____

By _____
Name _____
Title _____
Date _____