



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



Agency
65

July 5, 1988

City Council of the
City of Sacramento
Sacramento, California
and
Housing Authority of the
City of Sacramento
Sacramento, California



APPROVED
BY THE CITY COUNCIL

JUN 28 1988

OFFICE OF THE
CITY CLERK

SUBJECT: Application to the Department of Housing and Urban
Development (DHUD) for Public Housing Project

SUMMARY

This report recommends approval of an application to the Department of Housing and Urban Development (DHUD) for funds for fifty (50) public housing units for large families. The project is to be accomplished through acquisition and rehabilitation of existing units, principally single-family homes.

BACKGROUND

The Department of Housing and Urban Development has issued a notice inviting eligible Public Housing Authorities to submit applications for fiscal year 1988 for new public housing projects. Priority will be given to housing consisting of three or more bedrooms per unit. Applications are to be submitted to the Sacramento HUD office by June 30, 1988.

Public Housing Authorities (PHA's) may apply for new construction projects, acquisition or acquisition and rehabilitation, or for major reconstruction of obsolete public housing projects. Priority will be given to projects involving acquisition of existing units. HUD may only approve a new construction project if it is demonstrated that new construction would cost less than acquisition or acquisition and rehabilitation, or if the PHA certifies, accompanied by supporting documentation, that there is insufficient existing housing to undertake the development of housing through acquisition of existing housing or rehabilitation.

In accord with the above priorities a project involving acquisition and rehabilitation is proposed for this year. The last public housing allocation from HUD was for new construction. We had considerable difficulty finding suitable sites within the time constraints imposed by HUD. Therefore, it is deemed advisable to wait until we have land banked additional sites before applying for additional new construction funds.

6-28-88 (1)

City Council &
Housing Authority of the
City of Sacramento
Page 2

It is proposed that projects be dispersed in accord with the previously adopted fair share allocation goals and to meet HUD's project selection criteria (minimize impaction, provide opportunities for minorities outside of areas of minority impaction and to provide improved locational opportunities for lower income families). Additionally, neighborhood revitalization/preservation will be considered as a goal under the rehabilitation program and will be a factor in our selection of sites should this application be approved. Projects selected may range from single family homes up to medium sized family projects (although few are available in the three bedroom range). We will report back with recommended sites at a later date should the application be approved.

FINANCIAL DATA

Total development costs allowed by HUD for 50 three bedroom units is \$3,147,500, or \$62,950 per unit. Costs will be paid by HUD through a grant.

Based on previous experience, it is unlikely that units can be acquired and rehabilitated for this amount to the quality and amenity standards previously demanded by the City and the Communities in which they would be located. Additionally, efforts to locate units in accord with the adopted Fair Share Plan will result in increased overall costs per unit.

Based on recent experience, \$10,000 to \$15,000 per unit of local funds will be necessary to accomplish the project. A specific financial program for this local contribution will be developed for consideration if and when one or more awards is received.

A "front-end" ACC will also be requested for anticipated planning and coordination expenses in connection with the dispersal concept. The amount of the "front-end" ACC will be based on a formula established by HUD.

ENVIRONMENTAL IMPACT

In accordance with National Environmental Protection Act, the proposed action is categorically excluded 58.35(i)(ii) aquisition, construction, reconstruction rehabilitation of public facilities retaining same use, size, capacity and charactor.

City Council &
Housing Authority of the
City of Sacramento
Page 3

In accordance with California Environmental Quality Act, the proposed action is a categorical exemption 15301 Class 1(d) and (e) restoration, rehabilitation or reconstruction within restricted increases in floor area and square footage.

POLICY IMPLICATIONS

This proposal is consistent with existing Agency policy and no policy changes are proposed.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of June 20, 1988, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Amundson, Sheldon, Simon, Wooley, Yew, Moose

NOES: None

NOT PRESENT TO VOTE: Pettit, Simpson

ABSENT: Wiggins

RECOMMENDATION

The staff recommends that you adopt the attached resolutions: (1) expressing support of the Proposed Public Housing Projects and authorizing signature by the Executive Director; (2) approving a request for a preliminary loan for surveys and planning and; (3) authorizing submittal of the applications by the Executive Director of SHRA for fifty (50) units of public housing to be accomplished through acquisition and rehabilitation of existing units.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slize

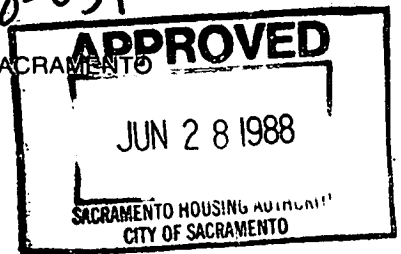
WALTER J. SLIZE
City Manager

65
RESOLUTION NO. 88-031

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF

June 28, 1988



RESOLUTION IN SUPPORT OF PUBLIC HOUSING PROJECT

WHEREAS, the United States Housing Act of 1937 provides that there shall be local determination of the need for public housing to meet needs not being adequately met by private enterprise; and

WHEREAS, under the provisions of the United States Housing Act of 1937, the Department of Housing and Urban Development (DHUD) is authorized to provide financial assistance to public housing agencies for such housing; now, therefore,

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO (PHA):

Section 1: Determination of Need. The PHA hereby determines that within its area of operation there is a need for low-income housing to meet needs not being adequately met by private enterprise.

Section 2: Application and/or Proposal for Housing Assistance. The Executive Director of the PHA is hereby authorized to have prepared one or more applications and/or proposals for public housing assistance for development of up to fifty (50) dwelling units each; to sign said applications and/or proposals on behalf of the PHA and to submit them to DHUD. Such applications shall be for new construction only.

Section 3: Annual Contributions Contract (ACC). When an ACC is forwarded by DHUD to the PHA for execution by PHA, the Executive Director is hereby authorized to execute such ACC on behalf of the PHA; and the Secretary is hereby authorized to impress and attest the official PHA seal on each ACC counterpart and submit to DHUD executed counterparts and related documents as required by DHUD.

Section 4: General Depository Agreement. The Executive Director is hereby authorized to execute on behalf of the PHA a General Depository Agreement(s) and/or Savings Depository Agreement(s) each in the form approved by DHUD; and the Secretary is hereby authorized to impress and attest the official PHA seal on each counterpart and submit to DHUD executed counterparts and related documents as required by DHUD.

Section 5: Funding for Project Development Cost.

(a) In order to fund the development cost of housing projects pursuant to this Resolution or any other Resolution as may be required by HUD, the PHA hereby authorizes the issuance of obligations in its name at such times, in such amounts, and on such terms and conditions as DHUD may direct or approve in accordance with the ACC.

(b) The Executive Director is hereby authorized to prepare and execute such PHA obligations; and the Secretary is hereby authorized to impress and attest the official PHA seal, deliver the obligations to HUD or such other lenders as HUD may direct, and accept payment therefor or cause payment to be made as directed or approved by HUD in accordance with the ACC.

(c) Each such PHA obligation shall be secured in such manner as may be provided and/or required by DHUD in accordance with the ACC. All proceeds from such PHA obligations shall be deposited and used only as approved by HUD in accordance with the ACC.

Section 6: HUD Regulations. In connection with the development and operation of any program or activity receiving federal financial assistance under the United States Housing Act of 1937, the PHA will comply with all requirements under the applicable regulations or the Department of Housing and Urban Development, 24 CFR 841 or 24 CFR 805, as appropriate, and all DHUD regulations relating to the operation of public housing projects.

Section 7: Meaning of Terms. All terms used in this resolution which are defined in the ACC shall have the meanings given to them in the ACC.

Section 8: Minority Housing Opportunities. The project will be located so that, within the housing market area, it will provide opportunities for minorities for housing outside existing areas of minority concentration and outside areas which are already substantially racially mixed.

Section 9: Location for Lower-Income Families. The project will be located in a section that contains little or no federally-subsidized housing and (a) the proposed project is, or will be by the occupancy date or very shortly thereafter, accessible to social, recreational, educational, commercial and health facilities and services, and other municipal services that are equivalent to or better than those typically found in neighborhoods consisting largely of standard, unsubsidized housing of a similar market value, and (b) travel time and cost via public transportation or private auto from the neighborhood to employment providing a range of jobs for low(er) income workers is considered excellent for such families in the metropolitan area or town.

Section 10: Orderly Growth and Development. The project will be consistent with the housing element of a local, officially-approved land use or other development plan which is consistent with metropolitan or regional plans.

Section 11: Physical Environment. The proposed project will embody outstanding land use planning and excellent architectural treatment, be free from adverse environmental conditions, natural or man-made, such as instability, flooding, septic tank backups, sewage hazards, or mudslide; harmful air pollution, smoke or dust; excessive noise, vibration, or vehicular traffic; unsanitary rodent or vermin infestations; or dangerous fire hazards, and will not, considering both long-term and short term effects, impact or impair ecologically valuable or significant natural areas, such as wildlife areas, ground water or surface water areas, and parklands, or significant historical or archeological areas.

Section 12: Effective Date. This resolution shall take effect immediately.

CHAIR

ATTEST:

SECRETARY

1100WPP2(51)

65

RESOLUTION NO. 88-583

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

June 28, 1988

RESOLUTION APPROVING APPLICATION FOR
PRELIMINARY LOAN FOR LOW-RENT PUBLIC HOUSING

APPROVED
BY THE CITY COUNCIL

JUN 28 1988

OFFICE OF THE
CITY CLERK

WHEREAS, it is the policy of this locality to eliminate substandard and other inadequate housing, to prevent the spread of slums and blight, and to realize as soon as feasible the goal of a decent home in a suitable living environment for all of its citizens; and

WHEREAS, under the provisions of the United States Housing Act of 1937, as amended, the United States of America, acting through the Secretary of Housing and Urban Development (herein called the "Government"), is authorized to provide financial assistance to local public housing agencies for undertaking and carrying out preliminary planning of low-rent housing projects that will assist in meeting this goal; and

WHEREAS, the Act provides that there shall be local determination of need for low-rent housing to meet needs not being adequately met by private enterprise and that the Government shall not make any contract with a public housing agency for preliminary loans for surveys and planning in respect to any low-rent housing project unless the governing body of the locality involved has by resolution approved the application of the public housing agency for such preliminary loan; and

WHEREAS, the Housing Authority of the City of Sacramento (herein called the "Local Authority") is a public housing agency and is applying to the Government for a preliminary loan to cover the costs of surveys and planning in connection with the development of low-rent housing; now, therefore,

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

Section 1: That there exists in the City of Sacramento a need for such low-rent housing which is not being met by private enterprise.

Section 2: That the applications of the Local Authority to the Department of Housing and Urban Development for a preliminary loan in an amount not to exceed one percent (1%) of the cost of development for surveys and planning in connection with low-rent housing projects of not to exceed approximately one hundred fifty (150) dwelling units, is hereby approved.

MAYOR

ATTEST:

CITY CLERK

1100WPP2(51)