



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**

*Agency Rpt*  
**34**

October 2, 1984

CITY MANAGER'S OFFICE  
**RECEIVED**  
OCT 3 1984

Sacramento City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Housing Assistance Plan Amendments and Annual 1985  
Housing Assistance Plan Goals for the City of Sacramento

**APPROVED**  
BY THE CITY COUNCIL

SUMMARY

The attached resolution approves amendments to the three year goals of the Housing Assistance Plan and the 1985 annual goals of the Housing Assistance Plan of the City of Sacramento, and authorizes their submittal to HUD as part of the 1985 Community Development Block Grant.

BACKGROUND

In December, 1982, the City Council approved the Housing Assistance Plan (HAP) for the City of Sacramento. The HAP contained both three year and one year goals. Annually, thereafter, it is necessary to adopt updated one year goals. These must be submitted to HUD for approval prior to submittal of the annual CDBG proposal. Amendments to the three year goals must also be adopted and submitted to HUD.

Attached are: 1) Proposed amendments to the three year HAP goals (HUD Part II, Tables II and III; 2) proposed goals for 1985 (HUD Part IV); 3) a narrative which identifies specific actions to meet the annual goals; and 4) a description of 1984 accomplishments.

The three year HAP Goal amendments reflect the accomplishments of 1984 and our expectations of what can be accomplished in 1985. When added together, these two years will exceed some three year goals previously established. New three year goals, must, therefore, be established to provide a basis for future activities.

10-9-84  
All Districts

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

34

Sacramento City Council  
Page Two

Part IV of the HAP reflects reasonable 1985 goals for the City of Sacramento. As indicated in the narrative, many of these programs are in the planning stages and there is a reasonable expectation that they will be accomplished, or at least initiated during the coming year. The other programs are more speculative in that they are dependent on Federal or State legislation and/or funding (e.g., Federal Section 202). In these instances, the goals reflect our best estimates of the likely level of activity in the City of Sacramento, if and when, funding is made available.

In aggregate, if all goals are accomplished; approximately 4,500 new or rehabilitated units will be assisted in the City of Sacramento during 1985. As with last year, a substantial number of these units will rely exclusively on local initiatives and funding. Given the current approach to housing assistance by the Federal administration, we can expect this trend to continue into the future. For your information, we are in the process of preparing a detailed report on progress under the various subsidized housing programs which have been operating in Sacramento since 1975. That report, which will be ready by October 31st, will contain additional program recommendations for implementation of the HAP goals.

## FINANCIAL DATA

Appropriations and authorizations for the locally funded programs will be included in subsequent specific budgetary requests.

## ENVIRONMENTAL REVIEW

Environmental review is not required for studies of this nature.

## POLICY IMPLICATIONS

The actions proposed in this staff report are consistent with the previously approved Housing Assistance Plan. There are no policy changes being recommended.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

34

Sacramento City Council  
Page Three

## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of October 1, 1984, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Amundson, Lopez, Luttrell, Moose, Ose, Pettit,  
Sanchez, Walton, Teramoto

NOES: None

ABSENT: Angelides

## RECOMMENDATION

The staff recommends adoption of the attached resolution approving 1) an amendment to the Housing Assistance Plan; 2) the 1985 Housing Assistance Goals; and, 3) authorizing their submittal to HUD by the Executive Director of the Sacramento Housing and Redevelopment Agency.

Respectfully submitted,



ANDREW J. PLESCIA  
Acting Executive Director

TRANSMITTAL TO COUNCIL:



WALTER J. SLIPE  
City Manager

Contact Person: John Molloy  
440-1360

LS:j  
9/5/84  
City HAP

34

**RESOLUTION No. 84-871**

**Adopted by The Sacramento City Council on date of**

October 9, 1984

APPROVING AMENDMENTS TO THE 1983-86  
HOUSING ASSISTANCE PLAN AND  
1985 HOUSING ASSISTANCE GOALS OF THE  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

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

SECTION 1. The City Council hereby approves and adopts the amendments to the 1983-86 Housing Assistance Plan and the 1985 Housing Assistance Goals of the Community Development Block Grant Program presented in Exhibit A attached to this Resolution.

SECTION 2. The City Council hereby authorizes the submission of the amendments to the 1983-86 Housing Assistance Plan and the 1985 Goals to the Department of Housing and Urban Development.

\_\_\_\_\_  
MAYOR

ATTEST:

\_\_\_\_\_  
CITY CLERK

APPROVED  
BY THE CITY COUNCIL

Oct 9 1984

OFFICE OF THE  
CITY CLERK

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM ENTITLEMENT PROGRAM  <b>HOUSING ASSISTANCE PLAN</b>		1. NAME OF COMMUNITY CITY OF SACRAMENTO	
		2. GRANT NUMBER 8 - 8 2 - M C - 0 6 - 0 0 0 3	
3. PERIOD OF APPLICABILITY FROM: October 1, 1982 to: September 30, 1985		6. HUD APPROVAL _____ (Signature of Authorized Official) (Date)	
4. DATE OF SUBMISSION		5. <input type="checkbox"/> Original <input type="checkbox"/> Revision <input checked="" type="checkbox"/> Amendment	

**PART I - HOUSING ASSISTANCE NEEDS**

**TABLE I - HOUSING STOCK CONDITIONS**

	TENURE TYPE	STANDARD UNITS		SUBSTANDARD UNITS		SUBSTANDARD UNITS SUITABLE FOR REHAB		
		OCCUPIED UNITS	VACANT UNITS	OCCUPIED UNITS	VACANT UNITS	OCCUPIED UNITS		VACANT UNITS
						Total	Lower Income	
		A	B	C	D	E	F	G
6	Owner	50,298*	1,891	4,231*	159	3,596	1,947	135
7	Renter	45,370	5,526	3,838	467	3,262	2,842	396

**TABLE II - RENTAL SUBSIDY NEEDS OF LOWER INCOME HOUSEHOLDS**

		ELDERLY	SMALL FAMILY	LARGE FAMILY	TOTAL
		H	I	J	K
8	Very Low Income	3,106	10,343	979	14,428
9	Percent	21.5 %	71.7 %	6.8 %	100%
10	Other Lower Income	1,137	3,334	228	4,699
11	ETR	548	1,766	156	470
12	To be Displaced	11	42	0	53
13	Total	4,802	15,485	1,363	21,650
14	Percent	22.1%	71.5%	6.4%	100%

**PART II - THREE YEAR GOAL**

**TABLE I - UNITS TO BE ASSISTED**

		REHABILITATION OF SUBSTANDARD UNITS	NEW CONSTRUCTION	CONVERSION TO STANDARD UNITS	HOME IMPROVEMENTS
		L	M	N	O
15	Owner	283	382	0	200
16	Renter	430	4,000	80	250

(UNITS EXPECTED TO ASSIST LOWER INCOME HOUSEHOLDS)

17	Owner	210	2	0	200
18	Renter	354	800	80	250

**TABLE II - LOWER INCOME HOUSEHOLDS TO RECEIVE RENTAL SUBSIDIES**

		ELDERLY	SMALL FAMILY	LARGE FAMILY	TOTAL
		P	Q	R	S
19	Households to be Assisted	200	639	83	920
20	Percent	21 %	70 %	9 %	100%

**TABLE III - GOALS FOR HUD RESOURCES: SUBJECT TO LOCAL REVIEW AND COMMENT**

		ELDERLY	SMALL FAMILY	LARGE FAMILY	TOTAL
		T	U	V	W
21	Households to be Assisted	200	639	83	920

**HOUSING TYPE PREFERENCE (Maximum Number of Units that will be Accepted)**

22	NEW	REHAB	EXISTING
	2,000	1,200	1,500

23  Check this box if the applicant wishes to review State Housing Agency proposals within its jurisdiction.

**PART III - GENERAL LOCATIONS**

24 Attach map identifying the general locations of proposed assisted housing. (5)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT  
COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM  
ENTITLEMENT PROGRAM

HOUSING ASSISTANT PLAN

1. NAME OF COMMUNITY

CITY OF SACRAMENTO

2. GRANT NUMBER

B - 8 2 - M C - 0 6 - 0 0 0 3

3. PERIOD OF APPLICABILITY

FROM: 10/1/84 TO: 9/30/85

4.

Original  Revision  Amendment

5. INCREMENTAL YEAR OF SUBMISSION

1  2  3

6.

HUD APPROVAL

(Signature of Authorized Official)

(Date)

7. INCORPORATION OF HAP, PARTS I - III, BY REFERENCE. Parts I, II and III of the HAP approved November 1982  
are incorporated by reference and are not contained in this (second) (third) year submission. (Latest amendment date of the HAP, Parts I - III, if any: October 1983)

PART IV - ANNUAL HOUSING ASSISTANCE GOALS

PROGRAM OR PROJECT <i>List HUD Assisted Rental Housing Programs first, then other Rental Programs and Owner Programs Separately.</i>	HUD B	UNITS TO BE ASSISTED		LOWER INCOME HOUSEHOLDS TO BE ASSISTED			
		NUMBER OF UNITS C	HOUSING TYPE D	ELDERLY E	SMALL FAMILY F	LARGE FAMILY G	TOTAL H
<u>Rental Programs</u>							
rental Rehab. Grant/Section 8 (Sec. 17)	X	60	Rehab.	15	35	10	60
Section 202/Section 8	X	68	New	68			68
Public Housing Acquisition	X	50	Exist.			50	50
HODAG (Section 17)	X	124	New	37			37
Section 312	X	13	Rehab.		13		13
CDBG Rental Rehabilitation		22	Rehab.	5	15	2	22
Alkali Flat Redev. Area - Special Rehab.		18	Rehab		8		8
State SB 966		7	Rehab.		7		7
Mortgage Revenue Bonds		3,300	New	100	520	40	660
Del Paso Redev. - Tax Increment		50	New	50			50
Downtown SRO - Repair Assistance		100	Rehab.	70	30		100
Downtown - Northeast Neighborhood		200	New	100			100
Alkali Flat: Redevelopment Infill		6	Rehab.				
<u>Owner Occupied</u>							
Oak Park Redevelopment		135	New		13	13	26
Oak Park Rehab.		10	Rehab.		5	5	10
Alkali Flat Redevelopment		80	New		8	8	16
Mortgage Revenue Bonds		195	New				
CDBG Rehab.		134	Rehab.	28	93	12	134
State SB 966		10	Rehab.		10		

CITY OF SACRAMENTO  
1985 Annual Housing Assistance Goals  
(10/1/84 - 9/30/85)

INTRODUCTION

The City of Sacramento will aggressively pursue a multi-faceted program to increase the quantity and quality of housing for all income levels, both owner-occupied and rentals. This will be accomplished by direct participation in and local funding of a number of housing programs, by actively pursuing State and Federal funding sources as they become available, and through assistance to non-profit organizations and private interests in their development efforts.

The annual goals for the City are identified on the attached HUD form. The following new funding programs are the basis for these goals and the specific actions the City will take toward their achievement:

A. New Construction

1. Mortgage Revenue Bonds, Multifamily Issues

The City, in collaboration with the County of Sacramento, will be issuing a series of multifamily tax exempt bonds in 1985. In response to a public notice, applications were submitted by developers for projects totaling approximately 4,390 units in the City.

Bonds will be sold in late 1984 and early 1985. Approximately 3,300 units in the City may be included in the issues. Twenty percent will be affordable to lower income households.

2. Single Family Issues

In collaboration with the County of Sacramento, the City is proposing a \$44,000,000 mortgage revenue bond issue for the first time homebuyers. Authorization has been requested from the State of California. At an estimated average loan of \$75,000, approximately 590 households will be assisted through this issue. It is anticipated that approximately one-third of these will be within the City.

3. Other State and Federal Funding

It is not anticipated that there will be a substantial amount of funds made available from either the State or Federal governments for new construction. However, the City will monitor program authorization and position itself

to take advantage of those funds which, from time to time, are announced. Of particular interest will be the Federal Housing Development Grant program (HODAG), the Federal 202 elderly construction program, and the State Rental Housing Construction program. In each of these, technical and/or financial assistance to non-profit or for-profit developers may be essential.

B. Rehabilitation

The City will use funds from a variety of Federal, State and local sources to leverage private funds in the rehabilitation of both owner-occupied and rental units. Funding sources will include CDBG, Federal Section 312, the Rental Rehabilitation Grant Program authorized by Section 17 of the Housing Act of 1983, and the State Deferred Payment Loan Program. In addition, the City will monitor the availability of funds from additional programs and apply for them if and when they become available.

C. Tax Increment Financing

During 1984, Updated Redevelopment Plans were prepared for each of the Redevelopment areas in the City. Each plan contains specific recommendations for the use of tax increment funds for housing programs. 1985 goals include:

1. Alkali Flat

- a. Acquisition and rehabilitation of two structures with 18 rental units. (To be assisted with CHFA bonds.)
- b. Site acquisition for 80-100 market rate owner-occupied units.
- c. Acquisition of four parcels to be used for relocation of existing units.
- d. Rehabilitation of approximately ten owner-occupied or rental units.

2. Oak Park

- a. Land acquisition and developer assistance for approximately 135 rental units.
- b. Rehabilitation of owner-occupied or rental units, in conjunction with CDBG funding.



3. Downtown

- a. Land acquisition in the northeast neighborhood for 200-300 elderly rental units.
- b. Rehabilitation loan assistance for owner-occupied and rental units in the Southside neighborhood.

4. Del Paso Heights

- a. Land acquisition for a 50-100 unit elderly rental project.

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9/5/84  
City HAP

34

CITY OF SACRAMENTO  
1984 HAP Goal Accomplishments  
(10/1/83 - 9/30/84)

I. Rental Programs

A. Section 8 - Existing

Goal: 50 households to be assisted

Accomplishments: 153 new Section 8 existing certificates were received from HUD.

B. Section 202/Section 8

Goal: 70 new units for elderly or assisted households

Accomplishments: Three non-profit organizations have applied for commitments from the HUD annual allocation. As of this date, no awards have been made.

C. Mortgage Revenue Bonds

Goal: 200 new units, including 40 for low income households

Accomplishments: Bonds were sold for projects with 686 units. One hundred thirty-seven will be for low income households. In addition, applications were received for approximately 4,400 units for bonds to be issued in early 1985.

D. Rental Rehabilitation

Goals: 40 units (CDBG)  
107 units (CHFA bonds)  
53 units (Section 312)  
12 units (Substantial rehabilitation)

Accomplishments: \$800,000 for approximately 40 units were committed by CHFA through their rental rehabilitation bond program; a \$300,000 commitment was received from HUD through the Section 312 program; the City was selected to participate in Round 3 of the HUD Rental Rehabilitation Demonstration Program; the City applied for, and received, a \$298,000 grant and 60 Section 8 certificates through the Section 17

Rental Rehabilitation Grant Program; the City applied for a commitment of \$200,000 from the State Deferred Payment Loan Program.

D. Oak Park Tax Increment

Goal: 130 new market rate units

Accomplishments: This project was deferred, pending completion of an updated Redevelopment Plan. The project is scheduled for 1985.

E. Downtown Tax Increment

Goal: 100 rehabilitated SRO units

Accomplishments: A Request for Proposals was issued; an 82 room SRO was selected for rehabilitation assistance; a \$1,000,000 conditional loan commitment was received from the State of California; loan closing is anticipated in October 1984.

F. Del Paso Heights Tax Increment

Goal: 20 new rental units

Accomplishments: A Request for Proposals was issued for sale of a Redevelopment Agency parcel; a developer was selected for negotiations for an 80 - 100 unit elderly complex; a developer agreement is anticipated in October 1984.

II. Owner Occupied Programs

A. Mortgage Revenue Bonds

Goal: 200 new units

Accomplishments: No new bonds were sold in 1984; a bond issue has been advertised for 1985.

34

B. Rehabilitation

Goal: 120 rehabilitated units

Accomplishments: Approximately 85 owner occupied units have been assisted.

C. Home Improvement Bonds

Goal: 100 units

Accomplishments: No new bonds were sold.

D. Alkalai Flat Tax Increment

Goal: 80 new units

Accomplishments: This project was deferred, pending completion of an updated Redevelopment Plan. The project has been rescheduled for 1985.

E. Del Paso Heights Tax Increment

Goal: 100 new units

Accomplishments: This project has been deferred.

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9/17/84  
City HAP Accom