

31



City of Sacramento

CALIFORNIA

RECEIVED
CITY CLERK'S OFFICE
CITY OF SACRAMENTO

DEC 18 2 02 PM '80

LLOYD G. CONNELLY
COUNCILMAN, DISTRICT 6
CITY HALL
915 I STREET
SACRAMENTO, CALIFORNIA 95814
(916) 449-5409

RESIDENCE
4140 - 62ND STREET
SACRAMENTO, CALIFORNIA 95820
(916) 455-8950

December 12, 1980

Lorraine Magana
City Clerk

Dear Lorraine:

Would you please place the attached informational report regarding the Conversion of Section 23 Leased Housing Units to the Section 8 Housing Assistance Payments Program on the upcoming agenda of the Sacramento City Council for the Council's consideration.

Thank you for your assistance.

Cordially,

Lloyd G. Connelly
City Councilman
District 6

LC:dc

cc: Bill Edgar

attachment

APPROVED
BY THE CITY COUNCIL

DEC 23 1980

OFFICE OF THE
CITY CLERK

APPROVED
BY THE CITY COUNCIL

DEC 18 1980
OFFICE OF THE
CITY CLERK



INFORMATIONAL ONLY

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

December 9, 1980

City Council of the
City of Sacramento
Board of Supervisors of
the County of Sacramento
Sacramento, California

CITY GOVERNING BOARD

PHILLIP L. ISENBERG, MAYOR
LLOYD CONNELLY
BLAINE H. FISHER
THOMAS R. HOEBER
DOUGLAS N. POPE
JOHN ROBERTS
LYNN ROBIE
ANNE RUDIN
DANIEL E. THOMPSON

Honorable Members in Session:

SUBJECT: Status Report on the Conversion of Section 23
Leased Housing Units to the Section 8 Housing
Assistance Payments Program

COUNTY GOVERNING BOARD

ILLA COLLIN
C. TOBIAS (TOBY) JOHNSON
JOSEPH E. (TED) SHEEDY
SANDRA R. SMOLEY
FRED G. WADE

SUMMARY

A schedule of completed terminations as well as a projected schedule of the balance of Section 23 Leased Housing units to be terminated prior to the conversion process is attached. There is also a calculated breakdown of tenant's rent, both for elderly and family, showing the difference between the two programs, also attached for your review.

EXECUTIVE DIRECTOR
WILLIAM G. SELINE

P.O. Box 1834
SACRAMENTO, CA 95809
830 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

BACKGROUND

The Section 23 Leased Housing Program has been in operation since 1967 and has included 1,025 units in the City, and 1,175 units in the County for the elderly, low-income and handicapped persons and families. With the phase out of Section 23, every effort is being made to terminate the Section 23 leases prior to the conversion of the tenant(s) to the Section 8 Housing Assistance Payments Program, to be concluded on June 30, 1981, with possible extensions to no later than December 31, 1981.

FINANCIAL DATA

The terminations of the Section 23 Leases are being handled through a Mutual Release, which pays the owner a dollar amount for all tenant-caused damages, in-lieu of the actual repairing which has been the procedure prior to the phase out of Section 23. The costs incurred are paid from the

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

City Council of the
City of Sacramento
Board of Supervisors
of the County of Sacramento
December 9, 1980
Page -2-

Section 23 Annual Contributions Contract designated for the rehabilitation of the properties prior to the return of the owners.

This report is submitted for your information.

Respectfully submitted,



WILLIAM H. EDGAR
Interim Executive Director

Attachments

TENANT'S RENT CALCULATIONSE X A M P L E S O N L YSECTION 8

Elderly - SS & SSI
 \$440.00 per/mo. income
 25% for Rent =
 \$110.00
 -20.00 util. allowance
 \$ 90.00 Tenant's Rent

S
A
M
E

I
N
C
O
M
E

CONVENTIONAL/SECTION 23

Elderly - SS & SSI
 \$440.00 per/mo. income
 -44.00 less 10% deduction
 \$396.00 allowed
 25% for Rent=
 \$ 99.00
 -20.00 util. allowance
 \$ 79.00 Tenant's Rent

Income before update: ^{2/}

\$376.00 per/mo. income
 -38.00 less 10% allowed
 \$338.00

25% for Rent=
 \$ 85.00
 -20.00 util. allowance
 \$ 65.00 Tenant's Rent

ALL TENANT'S RENTS HAVE INCREASED
 UNDER THE SECTION 8 PROGRAM. ^{1/}

Welfare Family - Mother and two Children, 2-Bedroom unit

\$473.00 per/mo. income
 -50.00 \$25 allow. each minor
 \$423.00

25% for Rent =
 \$106.00
 27.00 util. allowance
 \$ 79.00 Tenant's Rent

S
A
M
E

I
N
C
O
M
E

\$473.00 per/mo. income
 -24.00 Less 5% deduction
 \$449.00 allowed
 -50.00 \$25 allow. each minor
 \$399.00

25% for Rent=
 \$100.00
 -27.00 util. allowance
 \$ 73.00 Tenant's Rent

Income before update: ^{2/}

\$410.00 per/mo. income
 -21.00 Less 5% deduction
 \$389.00 allowed
 -50.00 \$25 allow. ea. minor
 \$339.00

25% for Rent =
 \$85.00
 -27.00 util. allowance
 \$58.00 Tenant's Rent

^{1/} Under Section 23, the elderly received a 10% deduction from gross income before the 25% was figured for tenants portion of Rent (5% for families). NOT ALLOWED UNDER THE SECTION 8 PROGRAM

^{2/} Section 8 Program Updated Annually.

Conventional/Section 23 Programs
 Updated Annually for Families

STATUS REPORT ON THE SECTION 23

TERMINATIONS (CONVERSIONS)

A total of 444 conversions (terminations of Section 23 Leases) have been completed for the period from May through August, 1980.

Following is a projected schedule from September, 1980, through June of 1981 (it is possible a few of these units may take as long as December of 1981 to clear out).

	<u>1980</u>				<u>1981</u>					
	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>
Scheduled Conversions	159	172	102	270	265	155	72	85	59	23
Tenants converted	..All converted, with possible exception of 5% or less....									
Inspections completed	92	154	85	20						
On-Going Negotiations		9	47							
Leases Terminated	<u>92</u>	<u>145</u>	<u>53</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OUTSTANDING BALANCE	67	18	2	270	265	155	72	85	59	23

There have been no problems of any consequence as a result of the conversions, other than increases in tenant's rent, which is explained on the following attachment.

There is a nutrition site at the Woodbine Complex, but negotiations are underway to continue the operation at the site.

There is a room at Camellia Commons presently being used by the tenants for ceramic classes. The kiln belongs to the Agency, but the room will still be available to the tenants, according to the owner.....

STATUS REPORT ON THE SECTION 23

TERMINATIONS (CONVERSIONS)

A total of 444 conversions (terminations of Section 23 Leases) have been completed for the period from May through August, 1980.

Following is a projected schedule from September, 1980, through June of 1981 (it is possible a few of these units may take as long as December of 1981 to clear out).

	<u>1980</u>				<u>1981</u>					
	<u>Sept.</u>	<u>Oct.</u>	<u>Nov.</u>	<u>Dec.</u>	<u>Jan.</u>	<u>Feb.</u>	<u>Mar.</u>	<u>Apr.</u>	<u>May</u>	<u>June</u>
Scheduled Conversions	159	172	102	270	265	155	72	85	59	23
Tenants converted	..All converted, with possible exception of 5% or less....									
Inspections completed	92	154	85	20						
On-Going Negotiations		9	47							
Leases Terminated	<u>92</u>	<u>145</u>	<u>53</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OUTSTANDING BALANCE	67	18	2	270	265	155	72	85	59	23

There have been no problems of any consequence as a result of the conversions, other than increases in tenant's rent, which is explained on the following attachment.

There is a nutrition site at the Woodbine Complex, but negotiations are underway to continue the operation at the site.

There is a room at Camellia Commons presently being used by the tenants for ceramic classes. The kiln belongs to the Agency, but the room will still be available to the tenants, according to the owner.....