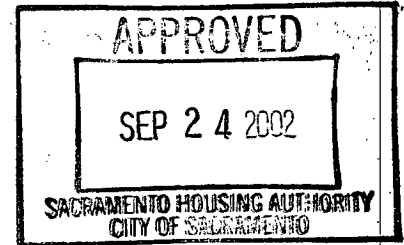




September 18, 2002

2.1

Housing Authority of the  
City of Sacramento  
Sacramento, California



Honorable Members in Session:

**SUBJECT: APPLICATION FOR CALIFORNIA HOUSING FINANCE AGENCY  
HOUSING ENABLED BY LOCAL PARTNERSHIPS (HELP) PROGRAM  
FUNDS**

**LOCATION & COUNCIL DISTRICT** - Franklin Villa, District 8

**RECOMMENDATION**

Staff recommends adoption of the attached resolution which authorizes the Executive Director or her designee to:

- apply to the California Housing Finance Agency (CHFA) for \$2 million through the Housing Enabled by Local Partnerships (HELP) Program to fund revitalization efforts within Franklin Villa;
- execute CHFA Commitment and Loan Agreement and all related documents for the HELP Program;
- amend the SHRA 2002 budget to accept the proceeds of the CHFA HELP loan; and
- commit local resources, as required by CHFA, to revitalization efforts within Franklin Villa.

**CONTACT PERSONS**

Darren Bobrowsky, Housing Finance Program Manager, 440-1399 x 1454  
Beverly Fretz-Brown, Director of Development Services, 440-1347

**FOR COUNCIL MEETING OF** - September 24, 2002

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority  
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### SUMMARY

This report recommends authorization to apply for \$2 million in funds from the CHFA HELP Program to continue revitalization efforts in Franklin Villa. The intent of the HELP Program is to rescue deteriorated properties, preserve affordable housing, and to promote neighborhood stability. If approved, the HELP funds will be committed in total to Franklin Villa for purposes of acquisition and rehabilitation of units in Phase I of the Franklin Villa Revitalization Strategy.

### COMMISSION ACTION

It is anticipated that at its meeting of September 18, 2002, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending approval of the attached resolution. In the event they fail to do so, you will be notified prior to your September 24, 2002 meeting.

### BACKGROUND

The California Housing Finance Agency (CHFA) established a pilot program in January 1999 to address urgent housing needs through new lending relationships with local governments. The program, entitled Housing Enabled by Local Partnerships (HELP) offer funds to city and county entities as an unsecured loan for up to 10 years, at 3 percent simple interest. The loan carries minimal restriction or conditions. Substantial latitude is thus available to local entities in utilizing the funds to effectuate their particular housing priorities.

Thus far, the Agency has been successful in receiving HELP funds in two previous funding rounds. In 1999, the County Housing Authority received \$1 million in HELP funds to implement a new program in conjunction with the County Nuisance Response Team. This program is designed to use HELP funds to encourage responsible owners to purchase and rehabilitate problem multi-family properties on the County's problem property list.

Last year, the City Housing Authority applied for \$2 million but received \$1 million in HELP funds to assist with the acquisition of properties in Franklin Villa as part of the Phase I Revitalization Strategy, approved by your governing body on October 30, 2001. Because of the competitive nature of the program, it is very difficult to receive the full funding request.

CHFA recently announced a new round of funding for the HELP Program. Applications are due on September 27, 2002. Awards will be made during November. A new opportunity now exists to apply for \$2 million in HELP funds, the maximum allowable in the program, to continue to acquire and rehabilitate units in Franklin Villa. The Housing Authority currently owns 235 units in Franklin Villa; approximately 34 have been acquired with HELP funds.

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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A separate report will be submitted to your governing bodies on October 1, 2002 that addresses other issues related to implementation of the Franklin Villa revitalization strategy, including a comprehensive strategy for financing the project.

### FINANCIAL CONSIDERATIONS

If approved, the HELP loan from CHFA to the City Housing Authority will be in an amount not to exceed \$2 million. The Authority will be responsible for payment of 3 percent simple interest and the loan principal, which will be due 10 years from origination. Partial repayments to CHFA will be made from rent revenue generated by rehabilitated units, many of whose tenants are expected to receive Section 8 assistance. Repayment of principal will occur through a long-term Franklin Villa revitalization-financing plan, which will be the subject of a forthcoming report.

### POLICY CONSIDERATIONS

Increasing the availability of funds for the acquisition and rehabilitation of multi-family problem properties is a high priority of SHRA and the City of Sacramento and is consistent with the policies of the Housing Element and Consolidated Plan.

### ENVIRONMENTAL REVIEW

The proposed action is exempt from further environmental review under the California Environmental Quality Act ("CEQA") per the Agency's adopted Environmental Procedures, Section 7-3(10), as well as per CEQA Guidelines Sections 15022 and 15310. Furthermore, the Agency finds that the activity referred to herein will not have a significant effect on the environment and as such is subject to general exemption under California Environmental Quality Act (CEQA) Guidelines Section 15061(b)(3). NEPA does not apply.

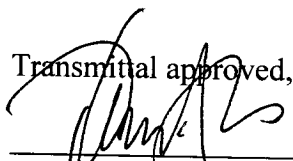
### M/WBE CONSIDERATIONS

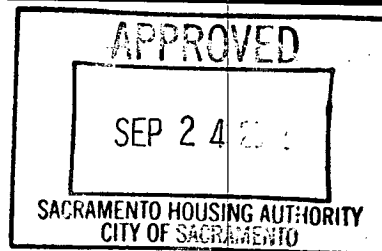
Federal funds are not involved; M/WBE is not applicable under California State Law.

Respectfully submitted,

  
ANNE M. MOORE  
Executive Director

Transmittal approved,

  
ROBERT P. THOMAS  
City Manager



**RESOLUTION NO. 2002-008**

**ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO**

ON DATE OF

**HOUSING ENABLED BY LOCAL PARTNERSHIPS PROGRAM ("HELP")  
APPLICATION AUTHORIZATION; RELATED IMPLEMENTING  
AUTHORIZATIONS**

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF  
SACRAMENTO:

Section 1. The Executive Director is authorized to apply to the California Housing Finance Agency (CHFA) for a loan in the amount of not more than Two Million Dollars (\$2,000,000) under their Housing Enabled by Local Partnerships Program ("HELP") ("Loan") for the acquisition and rehabilitation of multi-family properties in Franklin Villa as part of the Franklin Villa Implementation Strategy ("Strategy").

Section 2. If the Loan is approved, the Agency budget is amended to receive and to appropriate not more than \$2 million in CHFA HELP funds to implement the Strategy.

Section 3. If the Loan is approved, the Executive Director is authorized to execute all Strategy documents required for the acceptance of the Loan funds and implementation of the Strategy; to modify the Agency's existing HELP program guidelines as necessary to assure their consistency with the CHFA Commitment and Loan Agreement for the Loan; and to take all actions necessary to accomplish the goals of the Strategy and protect the interests of the Agency, including but not limited to subordination, reinvesting, foreclosure and disposition of collateral.

Section 4. The Executive Director is authorized to allocate staff and overhead resources as necessary to implement the Strategy, and the Executive Director is authorized to allocate funds from the Agency's HOME, Community Development Block Grant, Housing Trust Funds and other funds as may be necessary to implement the Strategy.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

\_\_\_\_\_  
FOR CITY CLERK USE ONLY

RESOLUTION NO.: \_\_\_\_\_

DATE ADOPTED: \_\_\_\_\_