



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



4

September 16, 1986

Budget and Finance Committee  
of the City of Sacramento  
Sacramento, California

Honorable Members in Session:

SUBJECT: Authorization to Submit Revised Statement to HUD and  
Quarterly Amendments to the City of Sacramento's  
Community Block Grant (CDBG) Program for 1985 through  
1986

SUMMARY

The attached report is submitted to you for review and  
recommendation prior to consideration by the Redevelopment Agency  
and the City Council of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolutions.

Respectfully submitted,

*William H. Edgar*

WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COMMITTEE:

*Solon Wisham, Jr.*

SOLON WISHAM, JR.  
Assistant City Manager

Attachment

00960



# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



September 10, 1986

Redevelopment Agency of the  
City of Sacramento  
Sacramento, California  
and  
Sacramento City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Authorization to Submit Revised Statement to HUD and  
Quarterly Amendments to the City of Sacramento's  
Community Development Block Grant (CDBG) Program for  
1985 through 1986 - Public Hearing

## SUMMARY

The attached resolutions 1) acknowledge the 1986 "Best Case" Statement as originally proposed per the resolution of June 17, 1986 with minor amendments; 2) adopt the second quarterly amendment for 1986 which reprograms surplus funds from completed projects to 1986 contingency and transfers funds from contingency to active projects that require additional funding; 3) authorize the Executive Director to transmit the approved statement to HUD; 4) establish an Interim Rehabilitation Construction Loan Program with Rural California Housing Corporation (RCHC); and 5) authorize the Executive Director to enter into a contract with RCHC. These actions should be considered by public hearing in accordance with HUD regulations.

(1)

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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City of Sacramento  
and Sacramento City Council  
September 10, 1986.  
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## BACKGROUND

As you may recall, the 1986 CDBG budget has been the subject of considerable controversy. In November 1985, your Council adopted the 1986 CDBG budget based on HUD's entitlement estimate. Subsequently, the President deferred roughly 16 percent of the City's 1986 funds, (totalling \$607,000) which necessitated a revised budget. Your Council considered various rebudgeting alternatives on June 17, 1986, and authorized both a "worst case" 1986 budget (assuming the Presidential deferral was supported) and a "best case" 1986 budget (assuming the deferral was overturned). We have now received correspondence from HUD that Congress has overturned the deferral and the President has signed the bill which restores our program to the original, "best case" funding level of \$3,558,000. This report, therefore, acknowledges the restoration of these funds and requests various budget adjustments which have come to light since the time that the "best case" budget was prepared in November 1985.

## A. RECOMMENDED AMENDMENTS:

Periodically, the CDBG budget is amended to move surplus funds from completed projects to active ones to ensure that active projects are fully funded to their completion and to add new projects when necessary. Chart A, attached, shows the reprogramming actions proposed by this report. Highlights of significant changes are briefly discussed below.

### 1. Projects Requiring Additional Funds:

- a. Gardenland Street Improvements (\$45,000): This project needs additional funding for right-of-way acquisition and the completion of the cul-de-sac on Winterhaven Avenue.
- b. Gleaners Statewide (\$15,000): The estimate on the completion of this project was somewhat low initially due to the lack of complete information regarding the project. These funds will complete a slab and structure for a refrigeration box that the Gleaners Statewide now own.
- c. Housing Development Action Grant (HODAG) (\$297,400): This project was brought before you in a recent resolution. It is included in this report for purposes of obtaining a cumulative total 1986 contingency available.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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- d. Donner School Business Incubator (\$426,000): This project was also included in a recent and approved resolution and is included in Chart A for purposes of obtaining a cumulative total 1986 contingency. This project is being cancelled due to lack of feasibility. The balance remaining after moving the funds needed for the HODAG project will be returned to the Economic Development Loan Pool (\$128,600). (As you may recall, the Donner School project set-aside originally came from the CDBG Economic Development Program and we are reverting these funds to that program.)
- e. East Del Paso Heights #5A (\$97,000.00): This project needs additional funding to cover the bid which was over estimate.
- f. Miscellaneous Capital Improvements (\$33,719.14):

The following projects had been closed out; however, some late expenditures have been submitted requiring reprogramming of funds to these projects:

1. East Del Paso Heights A/D #1A (\$6,324.62)
2. East Del Paso Heights A/D #2 (\$4,281.62)
3. Washington Area Street Lights (\$7,884.57)
4. S. Oak Park Street Lights (\$306.45)
5. Woodbine A/D #3 (\$14,921.88)

## 2. New Projects

- a. Interim Rehabilitation Construction Loan Program (\$50,000):

The California Housing Finance Agency (CHFA) has foreclosed on ten (10) flood-damaged homes on Kinnaird Street in Strawberry Manor (see Map #1). CHFA has agreed to sell these homes to the Rural California Housing Corporation (RCHC) for \$18,500 each, (a substantial discount). RCHC will direct the rehabilitation of these units by prospective owners through a self-help program. Upon completion, title will be transferred to the self-help participants.

RCHC has applied to the State Department of Housing and Community Development (DHCD) for a pre-development loan to acquire the properties. They also will be applying to HCD for self-help construction funding. Permanent financing for the ultimate owners will be through CHFA (up to 75% of value) and HCD (for very low income families).

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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RCHC has requested an interim "gap" construction loan of \$5,000 per unit. RCHC has also requested that these funds be rolled over into individual permanent loans for those participants whose incomes are too large to qualify for HCD permanent financing. The SHRA loans would be secondary to a CHFA \$30,000 first. All such individuals would qualify for individual rehabilitation loans under our normal owner-occupant loan processes.

Because the prospective owners will not have title to their properties until the completion of the rehabilitation activities, the interim construction financing will have to go through RCHC. This will require authorization of a new program to include:

1. A \$50,000 interim construction loan for one year to RCHC. (0% interest).
2. Prequalification of participants through SHRA's normal owner-occupied loan program.
3. Roll over to permanent loans of up to \$5,000 per unit upon completion.

b. Bike Trail Beautification Project (\$100,000):

This project will consist of turfing the entire bike trail through Del Paso Heights and providing rest stops which will include benches, drinking fountains, trees, and play areas (see Map #2).

B. 1986 FINAL ENTITLEMENT BUDGET:

On June 17, 1986, the City Council approved a "best case" and "worst case" CDBG budget for 1986 depending on the status of the Presidential funding deferral. Since that time, Congress passed and President Reagan signed the Urgent Supplemental Appropriations Bill which overturned the deferral. HUD has issued a revised letter of credit stating that the City's CDBG allocation for 1986 is now \$3,558,000. Therefore, Attachment B indicates the Statement of Objectives based on this new budget which you previously reviewed ("best case") and which must now be transmitted to HUD.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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There are three projects affected by this change. 1) The Workrecreation Program budget will be restored to \$145,000; 2) the PAC budgets which were previously transferred to tax increment funding will continue to be funded by tax increment funds; and 3) Del Paso Heights Street Improvements #6B which was also transferred to tax increment funding will be jointly funded (\$624,000 from tax increment and \$177,000 from CDBG).

Attachment C provides a synopsis of the original, current, and final budget amounts for each 1986 CDBG-funded activity.

Although there will now be a more substantial contingency, funds should be available to supplement the 1987 allocation. As you know, the 1987 entitlement is not yet known; however some reduction is anticipated. Staff has, therefore, set aside 50% of the 1986 contingency for a 1987 "Reserve Fund". These funds will be utilized to fund projects which have been committed to should there be a greater reduction in the 1987 entitlement than now anticipated.

## ENVIRONMENTAL REVIEW

All of the projects listed in Chart A have previously received environmental clearance under both the California Environmental Quality Act (CEQA) and the National Environmental Protection Act (NEPA).

## POLICY IMPLICATIONS

The actions proposed in this staff report are consistent with previously approved policy.

## FINANCIAL DATA

These proposed reprogrammings are necessary to keep existing projects adequately financed and to move surplus funds from completed projects to contingency.

The projected use of funds outlined in this report will be consistent with the current letter of credit received from HUD.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of September 15, 1986, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES:

NOES:

ABSENT:

## RECOMMENDATION

The staff recommends adoption of the attached resolutions which (1) reprogram funds in accordance with Chart A; 2) approve the revised projected use of funds; 3) authorize the Executive Director to transmit the projected use of funds (revised CDBG Statement) to HUD; 4) establish the Interim Rehabilitation Construction Loan Program with Rural California Housing Corporation; and, 5) authorize the Executive Director to enter into a contract with Rural California Housing Corporation (RCHC).

Respectfully submitted,

*William H. Edgar*

WILLIAM H. EDGAR  
Executive Director

Contact Person: Trish Davey

1371K

# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO  
ON DATE OF

REVISED 1986 PROJECTED USE OF FUNDS  
AND  
VARIOUS AMENDMENTS TO THE 1985 and 1986  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM  
AND AGENCY BUDGET

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY  
OF SACRAMENTO:

Section 1. The 1986 Agency Budget is hereby amended to reflect the CDBG revised Projected Use of Funds as shown on Attachment B and the CDBG budget amendments for specific projects as shown on Chart A attached hereto.

Section 2. The Executive Director is hereby authorized to make the above appropriation changes and to transmit the approved Projected Use of Funds/CDBG Statement and any necessary information on this amendment to the United States Department of Housing and Urban Development.

Section 3. The allocation of \$50,000 for the establishment of the Interim Rehabilitation Construction Loan Program with the Rural California Housing Corporation (RCHC) is hereby approved.

Section 4. The Executive Director is hereby authorized to enter into a contract with Rural California Housing Corporation (RCHC) for the operation of the Interim Rehabilitation Construction Loan Program.

Section 5. This resolution shall take effect immediately.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

0424L



# RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

AMENDING THE 1985 AND 1986  
COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM

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

Section 1. The City Council hereby approves the revised Projected Use of Funds as shown in Attachment B and amendments to the 1985 and 1986 Community Development Block Grant (CDBG) Program appropriations in the manner and amount specified in Chart A attached hereto.

Section 2. The City Council hereby approves an amendment to the City's Capital Improvement Plan and Budget reflecting the changes to the following projects:

- (a) Gardenland Street Improvements (A/D #5)
- (b) East Del Paso Heights A/D #1A and #2
- (c) Washington Area Street Lights
- (d) S. Oak Park Street Lights
- (e) Woodbine A/D #3
- (f) The Bike Trail Beautification Project.

Section 3. The City Council hereby approves an amendment of \$50,000 to the 1986 CDBG Program appropriations for the purpose of funding the Interim Rehabilitation Construction Loan Program with Rural California Housing Corporation (RCHC).

Section 4. This resolution shall take effect immediately.

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MAYOR

ATTEST:

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CITY CLERK

0424L

CITY OF SACRAMENTO  
CHART A: RECOMMENDED REPROGRAMMING ACTIONS

YEAR/COST CENTER	PROJECT	CURRENT ALLOCATION	RECOMMENDED ALLOCATION	NET CHANGE TO CONTINGENCY	COMMENTS
	Beginning 1986 Contingency Balance			\$ 669,117.57	
1985/4302	Gardenland Street Improvements	\$ 480,000.00	\$ 525,000.00	\$- 45,000.00	Additional funds needed to complete project.
1985/4423	Gleaners Statewide	10,000.00	25,000.00	- 15,000.00	Additional funds needed to complete project.
1985/0412	HODAG Frail Elderly	659,111.00	956,512.00	- 297,400.00	Recent previous transaction shown here for cumulative summary.
1986/0730	Donner School	426,000.00	-0-	+ 426,000.00	Project cancelled in previous action; shown here for cumulative summary.
1986/New	East Del Paso Heights A/D #1	463,675.38	470,000.00	- 6,324.62	Additional funds needed to pay late claim.
1986/New	East Del Paso Heights A/D #2	214,756.61	219,038.23	- 4,281.62	Additional funds needed to pay late claim.
1986/New	Washington Area Street Lights	168,849.03	176,733.60	- 7,884.57	Additional funds needed to pay late claim.
1986/New	So. Oak Park Street Lights	22,714.49	23,020.94	- 306.45	Additional funds needed to pay late claim.
1986/New	Woodbine A/D #3	264,456.13	279,378.01	- 14,921.88	Additional funds needed to pay late claim.
1985/4283	Nuisance Abatement	150,000.00	142,163.22	+ 7,836.78	Program complete; surplus funds.

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CITY OF SACRAMENTO  
 CHART A: RECOMMENDED REPROGRAMMING ACTIONS  
 Page Two

YEAR/COST CENTER	PROJECT	CURRENT ALLOCATION	RECOMMENDED ALLOCATION	NET CHANGE TO CONTINGENCY	COMMENTS
1986/4502	E. Del Paso Heights #5A	585,000.00	682,000.00	- 97,000.00	Additional funds needed to cover bid.
1986/4318	Economic Development	370,000.00	498,600.00	- 128,600.00	This reflects the balance from what is being allocated to the HODAG project.
1986/New	Interim Rehabilitation Constructon Loan Program	-0-	50,000.00	- 50,000.00	This is a new project (see description in staff report).
1986/New	Bike Trail Beautification Project	-0-	100,000.00	- 100,000.00	This project is a new project (see description in staff report).
1986/New	1987 Reserve Fund	-0-	168,117.61	- 168,117.61	These funds will be utilized in the event of decreased '87 entitlement.
	ENDING CONTINGENCY BALANCE			+ 168,117.61	

1389K

ATTACHMENT B

CITY OF SACRAMENTO  
1986 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM  
PROJECTED USE OF FUNDS

	<u>1986</u> <u>FUNDING LEVEL</u>
I. CAPITAL IMPROVEMENTS	\$ 1,062,000
See attached page - Target Area Capital Improvements	
II. HOUSING PROGRAMS	
A. Rehabilitation Loan Fund	\$ 600,000*
B. Rehabilitation Administration	400,000
C. Relocation Program	50,000
D. Emergency Repair Grants	300,000
E. Building Code Inspection	80,000
F. Nuisance Abatement Program	95,000
SUB-TOTAL	<u>\$ 1,525,000</u>
III. ECONOMIC DEVELOPMENT	<u>\$ 370,000</u>
IV. PUBLIC SERVICES	
A. Youth Employment - Workrecreation	\$ 145,000
B. Shared Housing	50,000
C. HOME - Lutheran Social Services	10,000
D. Homeless Programs	250,000
SUB-TOTAL	<u>\$ 455,000</u>

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\* This funds the SHRA Rehab Loan pool. Approximately \$140,000 was earlier reprogrammed from this line item to be utilized for Rural California Housing Corporation's Group/Self-Help Flood Repair Program and Farmworker Housing Rehab.

CITY OF SACRAMENTO  
1986 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) PROGRAM  
PROJECTED USE OF FUNDS

1986  
FUNDING LEVEL

V. ADMINISTRATION

A. Human Rights/Fair Housing Commission	\$ 120,000
B. MBE/WBE Coordinator	20,000
C. CDBG Administration	300,000
SUB-TOTAL	<u>\$ 440,000</u>

VI. CONTINGENCY

\$ 669,117.57

(Entitlement: \$3,558,000 plus)  
(Reprogrammed funds: \$963,117.57)

GRAND TOTAL

\$ 4,521,117.57

1373K

CITY OF SACRAMENTO  
1986 COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG)  
PROJECTED USE OF FUNDS

TARGET AREA CAPITAL IMPROVEMENTS

1.	<u>DEL PASO HEIGHTS</u>	
	Del Paso Heights Street Improvements #6B (Tax Increment funds - \$624,000)	<u>\$ 177,000</u>
2.	<u>EAST DEL PASO HEIGHTS</u>	
	East Del Paso Heights Street Improvements #5A	\$ 425,000
	East Del Paso Heights Streets Street Improvements #4 (Design)	<u>50,000</u>
	TOTAL	<u>\$ 475,000</u>
3.	<u>GARDENLAND</u>	
	Stanford Settlement Remodeling, Phase II	\$ 130,000
	Gardenland Park Handball Courts	<u>10,000</u>
	TOTAL	<u>\$ 140,000</u>
4.	<u>OAK PARK</u>	
	1986 Oak Park Street Lights	<u>\$ 70,000</u>
5.	<u>WOODBINE</u>	
	Woodbine Street Improvements #5A (Phase I Construction)	<u>\$ 200,000</u>
	TOTAL	<u>\$ 1,062,000</u>

ATTACHMENT C

1986 CDEG PROGRAM - CITY

	<u>ORIGINAL BUDGET</u>	<u>CURRENT BUDGET (WORST CASE)</u>	<u>FINAL BUDGET</u>
<b>I.     <u>CAPITAL IMPROVEMENTS</u></b>			
Del Paso Street Improvements #6B	\$ 500,000	\$ 177,000	\$ 177,000
E. Del Paso Street Improvements #5A	425,000	425,000	425,000
E. Del Paso Street Improvements #4	50,000	50,000	50,000
Stanford Settlement Remodeling	130,000	130,000	130,000
Gardenland Park Handball Courts	10,000	10,000	10,000
Oak Park Street Lights	70,000	70,000	70,000
Woodbine Street Improvements #5A	200,000	200,000	200,000
<b>SUB-TOTAL</b>	<b><u>\$1,385,000</u></b>	<b><u>\$1,062,000</u></b>	<b><u>\$1,062,000</u></b>
<b>II.    <u>HOUSING PROGRAMS</u></b>			
Rehabilitation Loan Fund	\$ 600,000	\$ 600,000	\$ 600,000
Rehabilitation Administration	400,000	400,000	400,000
Relocation	50,000	50,000	50,000
Emergency Repair Grants	300,000	300,000	300,000
Building Code Inspection	80,000	80,000	80,000
Nuisance Abatement	95,000	95,000	95,000
<b>SUB-TOTAL</b>	<b><u>\$1,525,000</u></b>	<b><u>\$1,525,000</u></b>	<b><u>\$1,525,000</u></b>
<b>III.   <u>ECONOMIC DEVELOPMENT</u></b>			
	<b><u>\$ 350,000</u></b>	<b><u>370,000</u></b>	<b><u>370,000</u></b>
<b>IV.    <u>PUBLIC SERVICES</u></b>			
Workreation	\$ 145,000	\$ 132,000	\$ 145,000
Shared Housing	50,000	50,000	50,000
HOME- Lutheran Social Services	10,000	10,000	10,000
Homeless Programs	250,000	250,000	250,000
<b>SUB-TOTAL</b>	<b><u>\$ 455,000</u></b>	<b><u>\$ 442,000</u></b>	<b><u>\$ 455,000</u></b>

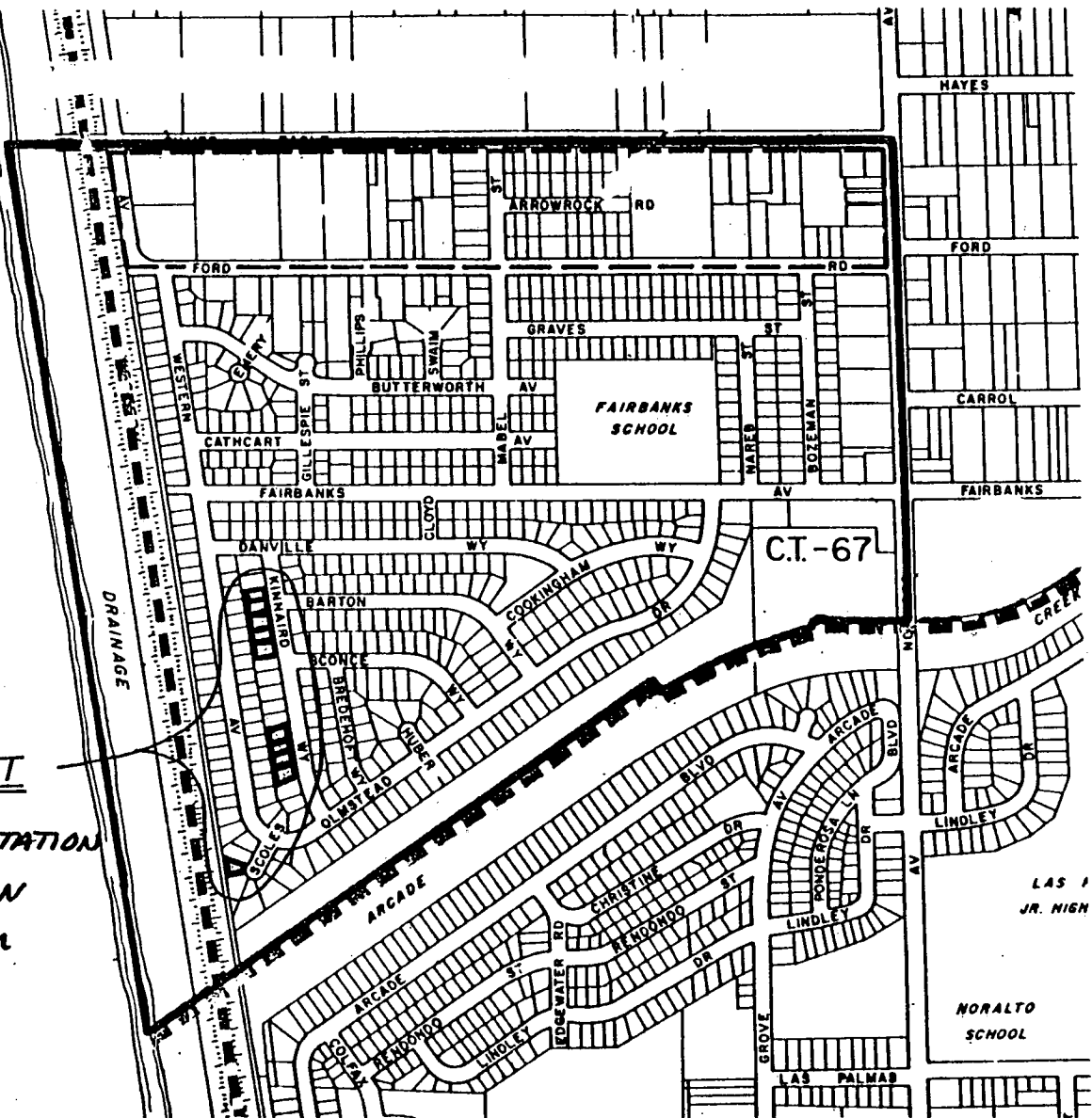
1986 CDEG PROGRAM - CITY

	<u>ORIGINAL</u> <u>BUDGET</u>	<u>CURRENT</u> <u>BUDGET</u> (WORST CASE)	<u>FINAL</u> <u>BUDGET</u>
V. <u>ADMINISTRATION</u>			
Human Rights/Fair Housing	\$ 120,000	\$ 120,000	\$ 120,000
MBE/WEE Coordinator	20,000	20,000	20,000
CDEG Administration	300,000	300,000	300,000
Project Area Committee's	60,000	-0-	-0-
<b>SUB-TOTAL</b>	<b>\$ 500,000</b>	<b>\$ 440,000</b>	<b>\$ 440,000</b>
VI. <u>CONTINGENCY</u>	<u>\$ 275,617.57</u>	<u>\$ 75,117</u>	<u>\$ 669,117.57</u>
<b>TOTAL (ENTITLEMENT)</b>	<b>\$3,527,500.00</b>	<b>\$2,951,000.00</b>	<b>\$3,558,000.00</b>
<b>REPROGRAMMED FUNDS</b>	<b>963,117.57</b>	<b>963,117.57</b>	<b>963,117.57</b>
<b>GRAND TOTAL</b>	<b>\$4,490,617.57</b>	<b>\$3,914,117.57</b>	<b>\$4,521,117.57</b>

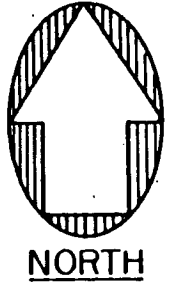
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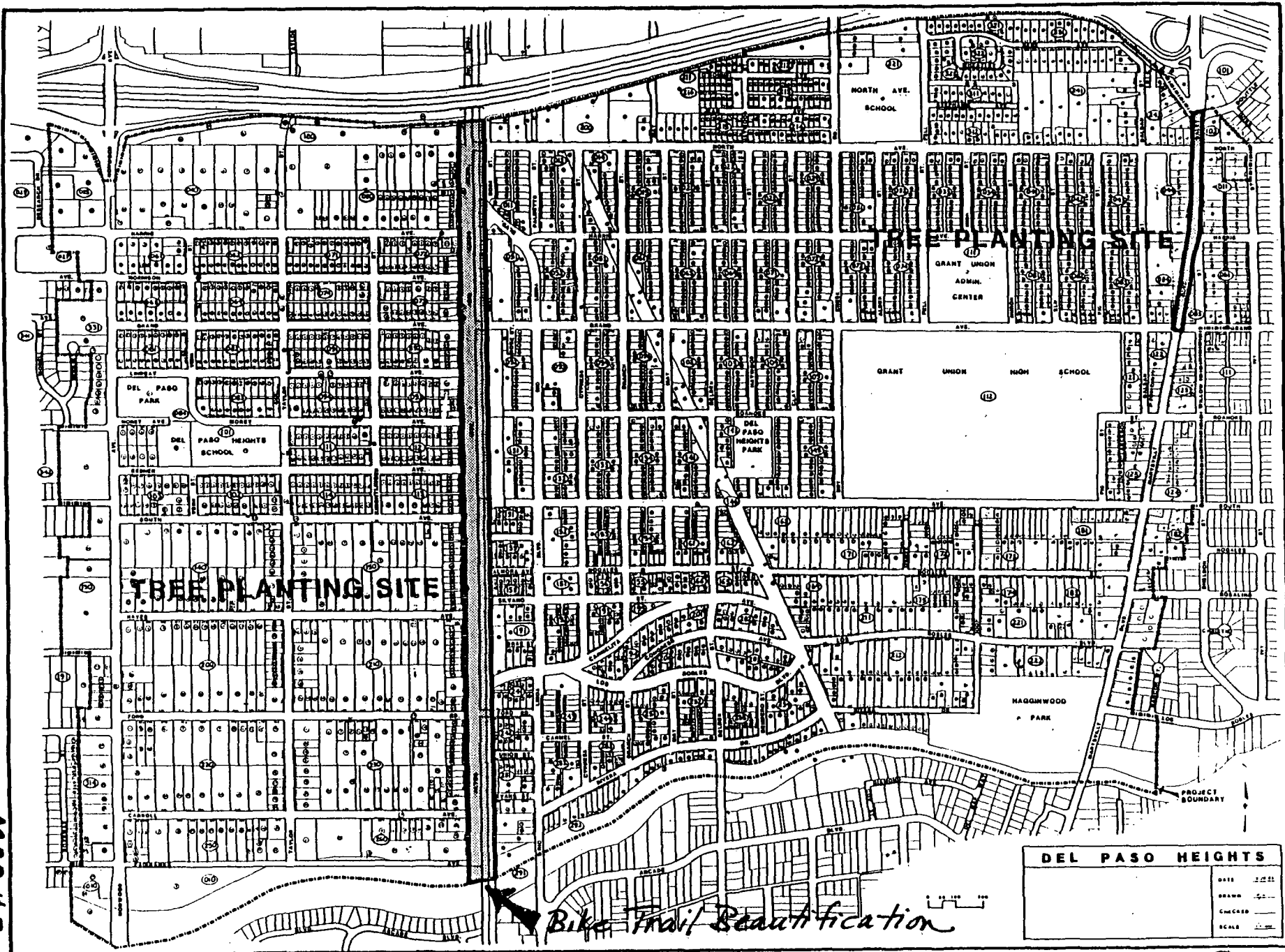


PROJECT  
INTERIM REHABILITATION  
CONSTRUCTION LOAN  
PROGRAM



STRAWBERRY MANOR  
- - - - CENSUS TRACT





DEL PASO HEIGHTS	
DATE	2.22.21
DRAWN	...
CHECKED	...
SCALE	...

*Bike Trail Beautification*

MAP # 2