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APPROVED
JUN 22 1999
SACRAMENTO HOUSING AUTHORITY
CITY OF SACRAMENTO

June 22, 1999

APPROVED
JUN 22 1999
SACRAMENTO REDEVELOPMENT AGENCY
CITY OF SACRAMENTO

APPROVED
BY THE CITY COUNCIL

JUN 22 1999

OFFICE OF THE
CITY CLERK

Housing Authority of the City of Sacramento,
Redevelopment Agency of the City of Sacramento, and
City Council of the City of Sacramento

Honorable Members in Session:

SUBJECT: Freddie Mac/Sacramento Homeownership Alliance Program and Agency
Rehabilitation Loans

LOCATION & COUNCIL DISTRICT City

RECOMMENDATION

Staff recommends adoption of the attached resolutions which authorize the Executive Director to:

- Appropriate \$120,000 of Mortgage Revenue Bonds(MRB) fund balance to the California Housing Finance Insurance Fund (CaHLIF) Loan Pledge and Security Agreement and execute said Agreement;
- Appropriate \$120,000 Self Insurance Fund to the Sacramento Home Works! Rehabilitation and Reserve Fund Agreement and execute said Agreement;
- Appropriate \$60,000 MRB fund balance for the Agency's Acquisition with Rehabilitation Loan programs;
- Adopt Rehabilitation Lending Program Guidelines for small projects (1-10 units) and delegate authority to approve and modify lending programs, subject to the Agency's Underwriting Guidelines adopted December 1998, to the Sacramento Housing and Redevelopment Agency Loan Committee; and
- Amend the use of the Single Family and Multifamily City CDBG Revolving Loan Funds to include acquisition with rehabilitation in addition to rehabilitation for owner-occupied and non-owner occupied properties.

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CONTACT PERSONS

Beverly Fretz-Brown, Director of Development Services, 440-1347
Lisa Bates, Program Manager of Housing Development, 440-1350
Carla Christian, Program Manager of Loan Processing, 264-1524

FOR COUNCIL MEETING OF June 22, 1999

SUMMARY

This report recommends authorization to appropriate \$120,000 MRB funds for the CaHLIF loan guarantee and \$120,000 Self Insurance funds for the Sacramento Home Works! Rehabilitation and Reserve Fund Agreement pursuant to the Freddie Mac Sacramento Homeownership Alliance; appropriation of \$60,000 from MRB fund balance for the Agency's Acquisition with Rehabilitation Loan Programs; establish Agency Rehabilitation Lending Program guidelines; modify existing rehabilitation programs and create new Agency rehabilitation programs. The end goal of these recommendations is to bring new tools to Sacramento which increase opportunities to make homeownership accessible to low income households and to increase the rate of homeownership in low income communities as a strategy for neighborhood stabilization.

COMMISSION ACTION

At its meeting of June 16, 1999, it is anticipated that the Sacramento Housing and Redevelopment Commission will adopt a motion recommending approval of the attached resolutions. In the event that it fails to do so, you will be advised prior to your June 22, 1999 meeting.

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BACKGROUND

FREDDIE MAC SACRAMENTO HOMEOWNERSHIP ALLIANCE

The Freddie Mac Sacramento Homeownership Alliance is a joint effort by Freddie Mac and the Agency to increase homeownership among low-to moderate- income homebuyers and to facilitate the purchase and rehabilitation of distressed properties. The initial programs under the Alliance are the Employer-Assisted Program, an employer-based homebuyer incentive program, and Sacramento Home Works!, an acquisition and rehabilitation loan program. Additionally, Freddie Mac has committed to develop special financing programs to increase homeownership opportunities in Franklin Villa, Del Paso Nuevo and Mather Air Force Base Redevelopment Project Area.

Employer Assisted Program

An integral part of the Alliance is to work cooperatively with large employers to promote homeownership in locations close to the work place. The Employer-Assisted Program provides employees with two homebuyer incentives. The first is favorable mortgage financing and the second is homebuyer and credit counseling at the work site. The mortgage program features a one percent down payment and flexible underwriting. The California Housing Loan Insurance Fund (CaHLIF) will provide reduced mortgage insurance premiums and deferred secondary financing for down payment and closing cost assistance. The employer-assisted program's initial participants are the Sacramento City Unified School District and U.C. Davis Health Systems. Additional public and private employers will be included in the program in the near future.

Important program partners are: the Sacramento Home Loan Counseling Center (SHLCC), Sacramento Neighborhood Housing Services (SNHS) and Credit Counseling Services (CCCS) will provide support to the program. The Sacramento Home Loan Counseling Center (SHLCC) will coordinate onsite home buyer education classes and counseling sessions including the home buying process, credit and budgeting, and home maintenance. The SNHS will help to supplement these counseling services either on site or at their Homeownership Center and will offer other affordable lending programs. CCCS will assist employees with addressing serious financial and credit-related issues through intensive credit counseling.

The Agency is providing CaHLIF a loan guarantee in the amount of \$120,000 (2% of a \$6,000,000 mortgage pool). The guarantee offsets mortgage loss risk and allows CaHLIF to provide lower mortgage insurance costs to borrowers. The funds will be placed in an interest bearing account for five years, after which the funds will be returned to the Agency with accumulated interest. It is anticipated that the Employer-Assisted Program will generate

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approximately 60 homebuyer loans. This report requests authorization for the Agency to execute the CaHLIF Agreement and Security Agreement as approved by Agency counsel.

Sacramento Home Works! Program

The Sacramento Home Works! Program provides acquisition and rehabilitation financing or refinance and rehabilitation funds in one transaction. The owner-occupied program will feature loans at 97 percent of after-rehabilitation value and can be combined with Agency rehabilitation financing for a combined loan to value ratio (CLTV) of 110 percent.

Pursuant to the Alliance, Freddie Mac is working on exceptions to the typical Sacramento Home Works! loan structure to include non-owner occupied housing. It is anticipated that Freddie Mac will approve these exceptions by mid-June. For investors of 1-4 units in targeted neighborhoods, Sacramento Home Works! offers financing of 80 percent of after-rehabilitated value, and a five to ten percent equity requirement. For developers participating in the Agency's Single-Family Boarded and Vacant Homes Rehabilitation Program, Freddie Mac will provide a 97 percent acquisition and rehabilitation loan assumable by a new homeowner. The Boarded and Vacant Homes Program provides a \$10,000 incentive to Agency-approved developers for the purchase, rehabilitation and resale of boarded and vacant homes to owner occupants. The Sacramento Home Works! financing will be extended to developers meeting specific criteria including number of homes rehabilitated in target areas, acceptable credit history, financial capacity, and quality of work verified by Agency rehabilitation staff. Approved developers must participate in landlord training and no citations with the City's building department.

A construction reserve fund in the amount of \$120,000 will be required as a loan guarantee for the completion of proposed rehabilitation projects. The funds may be drawn by either the Agency, Freddie Mac or the participating lender if needed to complete construction work and/or cure mortgage defaults-related to construction delays and other unforeseen circumstances. The Agency's construction staff will develop work write-ups, monitor construction through project completion and provide annual inspections. This report requests authorization for the Agency to execute the Sacramento Home Works! Rehabilitation and Reserve Fund Agreement as approved by Agency Counsel.

~~PROPOSED AGENCY REHAB LOAN PROGRAM AND POLICY CHANGES~~

In December 1998, new underwriting guidelines were established to standardize the evaluation of Agency loan applications. However, the Agency's existing single-family and multi-family loan programs, in some cases, limit staff's ability to make loans based on the needs of the applicants or cannot be modified to complement other private financing such as the Sacramento HomeWorks! Program.

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Staff is proposing Rehabilitation Lending Guidelines, included as Attachment I, that when combined with the newly adopted Underwriting Standards, give staff the flexibility to modify existing programs and design new programs as needed to meet a variety of lending needs. Approval of new programs that meet the underwriting and program rehabilitation guidelines will be delegated to the Sacramento Housing and Redevelopment Loan Committee.

Single Family Programs. For single family owner-occupied properties, the Agency is proposing a new program called the "Flexible Property Improvement Loan". This program is designed to be used either in conjunction with the Sacramento Home Works! program or as a direct stand alone Agency rehabilitation loan. This program features a deferred payment option for the first five years, maximum loan amounts up to \$35,000, and special target area incentives such as a \$2,500 exterior beautification grant, higher CLTV limits, and higher income levels in the redevelopment areas. The Agency also requests authorization to amend the Home Improvement Loan for Seniors to increase the maximum funding available under this program to \$35,000. Please see Attachment II and III for the Fact Sheets on these two programs.

Rental Rehabilitation Program. For non-owner occupied 1-10 unit properties Agency will provide deferred payments and/or reduced interest rates as incentives to invest in target and redevelopment areas, maintain affordability and/or to assist up to 10 units. Please see Attachment IV and V for Fainted Ladies and Investor Loans Fact Sheets.

FINANCIAL CONSIDERATIONS

This report recommends the appropriation of \$120,000 of Mortgage Revenue Bonds (MRB) to be utilized as a pledge pool for the California Housing Loan Insurance Fund and recommends the appropriation of \$120,000 of Agency Self Insurance Funds for the Sacramento Home Works! Rehabilitation and Reserve Fund Program pursuant to the Freddie Mac Sacramento Homeownership Alliance Program. This report also recommends appropriation of \$60,000 from MRB fund balance for the Agency's Acquisition with Rehabilitation Loan Programs. This report also requests that the uses of the Single Family and Multifamily City CDBG Revolving Loan Funds be amended to include acquisition with rehabilitation in addition to rehabilitation for owner-occupied and non-owner occupied properties.

POLICY CONSIDERATIONS

By adopting acquisition and rehabilitation lending guidelines, this report creates a new policy authorizing the loan committee to approve new loan programs that are consistent with these guidelines and the recently adopted SHRA loan underwriting standards.

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ENVIRONMENTAL REVIEW

The proposed actions do not constitute a project under CEQA per guidelines Section 15378(b)(3).). The actions are consistent with previous NEPA reviews for rehabilitation programs, and loans will continue to be reviewed on a case by case basis.

M/WBE CONSIDERATIONS

Parties are encouraged to utilize M/WBE firms for subcontracting opportunities made available through the project.

Respectfully submitted,


ANNE M. MOORE
Executive Director

Transmittal approved,



ROBERT P. THOMAS
City Manager

REHABILITATION LENDING PROGRAM GUIDELINES FOR SMALL PROJECTS (1-10 units)

The Agency's rehabilitation lending objectives are, in brief, to leverage the use of Agency funds while achieving the public policy goals of:

- Improving the housing stock;
- Maintaining and increasing homeownership;
- Providing incentives to redevelop and invest in distressed neighborhoods; and
- Providing decent, safe and sanitary housing for Sacramento residents.

Therefore, it is expected that Agency funds will be leveraged with private sources of finances when possible while meeting general underwriting objectives.

Proposed assistance will vary dependent on two factors: 1) the population being served and 2) the location of the housing.

General terms of financing are discussed below:

Maximum Loan Amounts:

Homeowner: \$35,000 (single family dwelling), \$50,000 (Fainted Ladies)
Rental (1-10): \$15,000 per unit up to \$150,000
\$25,000 per unit up to \$250,000 (Fainted Ladies)

Interest Rate: 4 percent per annum

Deferred Payments: Loan payments may be deferred in the following instances:

- Up to 18 months for construction period
- Up to 5 years for ownership projects if existing housing expense/income ratio is at least 35 percent or if used in combination with Sacramento Home Works! loan program.
- Up to 15 years for low-income senior owner-occupied loans, may be extended if necessary
- Up to 5 years for rental projects if needed to assist with cash flow

Interest Forgiveness:

Construction period interest (18 month maximum)

Grants:

\$2,500 exterior beautification grants in redevelopment and target areas in combination with rehabilitation loan

\$2,000 Emergency Repair Grant for very low income home owners

\$5,000 Retrofit Grant for disabled renters

\$10,000 Single family boarded and vacant incentive fee (\$15,000 in redevelopment areas)

Subsidy Grants

\$3,000 subsidy for interest rate buydown on Title 1 for low income home owners.

\$5,000 subsidy for interest rate buydown on Title 1 in target areas

Construction Guarantee Reserve

In the case of the Sacramento Home Works! program, a construction reserve is established by the Agency to guarantee the completion of the construction. If the construction costs exceed the original budget, the loan may be increased to pay the shortfall subject to maximum loan amounts and CLTV allowable under the guidelines. If this does not cover the construction costs, additional funds may be granted to the borrower for project completion.

Loan Term: 20 years or less

Refinance:

For owner-occupied projects, up to \$5,000 of the available loan funds may be used to refinance an existing property lien if the overall housing costs are reduced and the housing is made more affordable, or if existing lien jeopardizes the Agency's lien position. Does not include income or property tax liens.

Agency Loan to Value:

Owner occupant: Up to 95%
Rental: Up to 50%*

* Redevelopment and target areas rehabilitation loans may exceed this amount if needed for project feasibility. Justification for exceeding 50% limit must be provided at loan approval, such as the property is an identified problem property, or is historical in nature.

Combined Loan to Value

Consistent with Agency Underwriting Guidelines

Loan Position:

1st, 2nd or 3rd position

Target Areas

Avondale/Glen Elder, Ben Ali, East Del Paso Heights, Franklin Villa, Mather Field, Meadowview, Southside Park, Parker Homes, Rancho Cordova, Delta area, and Strawberry Manor. Subject to modification by Sacramento Housing Redevelopment Commission

Redevelopment Areas:

Alkali Flat, Auburn Boulevard, Del Paso Heights, Franklin Boulevard, North Sacramento, Downtown Merged Project Area, Oak Park, Walnut Grove, and Stockton Boulevard. Agency can add or delete from list of target or redevelopment areas subject to approval by the Agency's Loan Committee.

Funding Sources

CDBG, HOME, tax increment, MRB, and other funding sources as allocated by the Agency

Affordability and Income Eligibility

Eligibility is determined by funding source.

EXAMPLES OF ASSISTANCE

Level I - General Population (Non target area)

The general population is defined as people earning over 80% of the median income and living outside Agency target areas. Agency assistance will be limited to Title 1 home improvement funds receiving a reduced market interest rate of 8.75% (rate varies, market rate is 11-12%). Sacramento Home Work! Program for owner-occupied projects.

Level 2: Target Areas

For designated target areas (listed above) Agency assistance may be combined with private financing to achieve greater affordability or incentives to invest in property. Higher income limits may be allowed in redevelopment areas and may include beautification grants in combination with rehabilitation loans.

Example: Higher combined loan to value of 95%. Sacramento HomeWorks! in combination with Agency assistance in the form of deferred payment loans and/or reduced interest rates for non-owner occupied properties. Other incentives may include exterior beautification grants for owner-occupied properties.

Level 3: Special population needs

These incentives will be available to special populations (very low, low, senior and disabled) and in targeted areas.

Example: Senior Rehabilitation program offers deferred payments of 15 years, Flexible Improvement Program includes a five year deferred payment option. Agency financing in combination with Freddie Mac programs or as a stand-alone product.

Level 4: Investor Rehabilitation Loan Program (Fainted Ladies)

Combination of private financing and Agency assistance in the form of reduced interest rate, deferred payments up to five years but not to exceed 50% of total funding.

Example: Title I, Freddie Mac Home Works, or Agency financing. Loans can be utilized separately or in varying combinations as appropriate for project feasibility.

For Fainted Ladies loans and mixed-use (residential portion) projects in redevelopment and target areas, the 50-percent Agency assistance requirement may be waived for project feasibility.

The above examples illustrate a few but certainly not all the ways the Agency can tailor its loan funds to fit borrowers' needs. Please see Exhibit 1 for charts of the Freddie Mac, Agency loan programs, and Title 1 programs.

Freddie Mac Loan Programs

Exhibit 1

	Employer - Assisted	Homeworks Owner	Homeworks Non-Owner
		Acq/Rehab	Acq/Rehab
LTV	97%	97%	80%
CLTV	110%	110%	95%
Borrower Equity	1%	3%	5%
Interest Rate	Market	Market	Market
Mortgage Insurance	CaLHIF	CaLHIF	CaLHIF
Fees/Points	TBD	TBD	TBD
Product Type	SF	SF	1-4
Location	Countywide	Countywide	Target
Homebuyer Income Eligibility	140%- CaLHIF	140%- CaLHIF 50% restricted per CDBG	
Tenant Income Eligibility			VL, L ,Mod
Affordability			
Housing Ratio	42/42	42/42	42/42
# of Loans per Borrower			7
Loan Volume	\$6 million		\$2 million
Loan Term	30	30	30
Maximum Loan Amount	Conforming	Conforming	Conforming
Loan Source	Participating Lender	Participating Lender	Participating Lender
Homebuyer Education	Yes	Yes	N/A
Landlord Education	N/A	N/A	Yes

**Sacramento Housing and Redevelopment Agency
Rehabilitation Loan Programs**

Exhibit 1

	Flexible Property Improvement Loan	Senior Loan Program	Retrofit Loan/Grants	Emergency Repair Program	B/V Grant	Rental	Fainted Ladies Acquisition and/or rehab	
					Developer Fee	Rehab	Owner	Rental
LTV	95%	90%	95%	N/A		50%	50%	50% perm
CLTV	90%,95%,110%	90%	110%	N/A		95%	110%	95%
Borrower Equity	5%	10%	5%	N/A		5%	1-3%	5-10%
Interest Rate	4%, deferral option	4%, deferred	4%, deferred	grant		4-9%	4%	4%
Mortgage Insurance	N/A	N/A	N/A	N/A				
Fees/Points	1%	1%	1%	N/A				
Product Type	SF	SF	SF/Units ok	SF	SF	1-10	SF	1-4
Location	Countywide/Target incentives	Countywide	Countywide	Countywide	Target	Countywide	Central City	Central City
Homebuyer Income Eligibility	80% 120% Redev Areas	80%	80%	50%	County: Low City : Low - Mod		Mod	
Tenant Income Eligibility	N/A	N/A	80%/Grants	N/A		VL,L Mod		L,M
Affordability					Low to Moderate	VL,L, Mod	Mod	Mod
Housing Ratio	45%-55%	45%-55%	N/A	N/A		1.15		1.15
# of Loans per Borrower								
Loan Volume								
Loan Term	20 years	15 years	15 years	N/A		20	20	20
Maximum Loan Amount	\$35,000 2,500 exterior grant	\$35,000	\$5,000	\$2,000	\$10,000	15k/unit, \$150	50,000	25K/unit \$250,000
Loan Source	CDBG/HOME/TI	CDBG/HOME	CDBG	CDBG	TI, HTF	T1,TI, HOME	T1, TI	TI
Homebuyer Education	Yes	No	No	No	No	N/A	N/A	N/A
Landlord Education	N/A	N/A	N/A	N/A	NA	No	No	No

**Sacramento Housing and Redevelopment Agency
Rehabilitation Loan Programs**

Exhibit 1

	Title 1 Passthrough	Title 1 Buydown	Graduated Payment Loan	Title 1 Target Buydown	Title 1 Mobile Home
LTV	N/A	N/A	N/A	100%	N/A
CLTV	N/A	N/A	100%	100%	N/A
Borrower Equity	N/A	N/A	N/A	N/A	N/A
Interest Rate	8.75%(varies)	4%	4%	4%	4%
Maximum Buydown	N/A	\$3,000	\$3,000	\$5,000	\$1,500
Fees/Points	BofA	BofA	BofA	BofA	BofA
Product Type	1-4	SF	SF	SF	Mobile Home
Location	Countywide	Countywide	Countywide	Target Areas	Countywide
Homebuyer Income Eligibility	owner/investor	80% median	80% median	80% median	80% median
Tenant Income Eligibility	N/A	N/A	N/A	N/A	N/A
Affordability	N/A	N/A	N/A	N/A	N/A
Housing Ratio	45%	45%	45%	45%	45%
# of Loans per Borrower					
Loan Volume					
Loan Term	20 years	20 years	up to 25 years	up to 25 years	up to 12 years
Maximum Loan Amount	\$25,000 \$12,000 per unit 1-4	\$25,000	\$30,000	\$35,000	\$7,500
Loan Source	Title 1	Title 1, Agency	Title 1, Agency	Title 1, Agency	Title 1, Agency
Homebuyer Education	No	No	No	No	No
Landlord Education	No	No	No	No	No



Fact Sheet

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FLEXIBLE PROPERTY IMPROVEMENT LOAN PROGRAM GUIDELINES

Flexible Property Improvement Loan:	The Flexible Property Improvement Loan is a home improvement loan designed for low-income homeowners whose homes are in need of repair. It may also be used in conjunction with the acquisition of an owner-occupied residence. This program has a deferred payment option and offers additional incentives for properties located in target areas.												
Maximum Loan Amount:	\$35,000												
Interest Rate:	4.00% fixed rate, simple												
Term:	20 years												
Max CLTV:	110% Acquisition Rehabilitation Program 90% Rehabilitation only 95% Target and Redevelopment Areas												
Maximum Total Debt Ratios:	Per Agency Underwriting Guidelines												
Credit Standards:	Per Agency Underwriting Guidelines												
Repayment:	Fully amortized over 20 years.												
Deferred Payment Option:	If eligible, payments may be deferred for the first five years, then fully amortized for the remaining 15 years of the term. Interest will accrue from the date of the loan. The loan will be due on sale or transfer. To be eligible for the deferred payment option, the applicant's current minimum housing expense/income ratio must be at least 35% or the applicant must be participating in an acquisition rehabilitation loan program.												
Eligible Applicants:	Owner-occupants of single-family homes in the City and County of Sacramento who are defined as Low-Income households based on 80% of the area median: <table> <tr> <td>1-person</td> <td>\$29,050</td> </tr> <tr> <td>2-person</td> <td>\$33,200</td> </tr> <tr> <td>3-person</td> <td>\$37,350</td> </tr> <tr> <td>4-person</td> <td>\$41,500</td> </tr> <tr> <td>5-person</td> <td>\$44,850</td> </tr> <tr> <td>6-person</td> <td>\$48,150</td> </tr> </table>	1-person	\$29,050	2-person	\$33,200	3-person	\$37,350	4-person	\$41,500	5-person	\$44,850	6-person	\$48,150
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2-person	\$33,200												
3-person	\$37,350												
4-person	\$41,500												
5-person	\$44,850												
6-person	\$48,150												
Eligible Properties:	Single Family homes in the City and County of Sacramento whose after rehabilitation value do not exceed \$164,341.												
Target Area Incentives:	If the property is located in a target area, there is a \$2,500 exterior beautification grant available in addition to the loan funds. This grant is not available by itself, but only in conjunction with a rehabilitation loan meeting property rehabilitation standards.												

*Redevelopment Areas: In certain redevelopment areas, the household income may exceed the above limits and may be less than or equal to 120% of area median:

1-person	\$43,600
2-person	\$49,850
3-person	\$56,050
4-person	\$62,300
5-person	\$67,300
6-person	\$72,250

* Subject to approval of Tax Increment Funds.

Use of Funds: Funds may be used to finance real property improvements that substantially protect or improve the basic livability or utility of the property. Improvements must meet local housing quality standards and code requirement. General property improvements (GPI) may be included subject to the limitations of the Agency Property Rehabilitation Standards. In the case of an acquisition rehab loan, some of the funds may be used to achieve affordability.

Special Refinancing: Up to \$5,000 of the available loan funds may be used to refinance an existing lien on the property if this refinancing allows the overall housing costs of the borrower to be reduced and the housing is made more affordable, or if the existing lien jeopardizes the Agency lien position. This does not include income or property tax liens.

Homeowner Education: Homeowners will be required to complete the Property Maintenance/Good Neighbor course. Homebuyers will be required to complete the Home Buying Process and the Property Maintenance/ Good Neighbor courses.

Source of Funds: CDBG /HOME/Tax Increment

05/17/99
f:\loan processing fact sheets



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HOME LOAN IMPROVEMENT PROGRAM FOR SENIORS

PROGRAM GUIDELINES

HLP for Seniors Program:	The HLP Seniors program is designed to provide low-interest, deferred payment financing for home improvements to elderly homeowners in the City and County of Sacramento.												
Maximum Loan Amount:	\$35,000												
Interest Rate:	4.00% fixed rate, simple, does not accrue for the first five years.												
Term:	Up to 15 years												
Max CLTV:	90%												
Repayment:	Payments deferred, due upon alienation of property.												
Maximum Total Debt Ratios	Per Agency Underwriting Guidelines												
Credit Standards	Per Agency Underwriting Guidelines												
Use of Funds:	Funds may only be used to finance real property improvements that substantially protect or improve the basic livability or utility of the property. Improvements must meet local housing quality standards and code requirements. General property improvements are not eligible.												
Eligible Applicants:	Owners of single family homes in the City and County of Sacramento who: are 62 years old or older; and are defined as Low-Income--households with incomes less than or equal to eighty percent (80%) of the area median income adjusted for household size. Current maximum incomes are as follows:												
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1-person	\$29,050												
2-person	\$33,200												
3-person	\$37,350												
4-person	\$41,500												
5-person	\$44,850												
6-person	\$48,150												
Eligible Properties:	Single family homes in the City and County of Sacramento whose values do not exceed \$164,341												
Source of Funds:	CDBG/HOME												



Fact Sheet

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FAINTED LADIES HOME IMPROVEMENT PROGRAM PROGRAM GUIDELINES

Fainted Ladies Program:	The Fainted Ladies program is a program designed to provide low-interest financing for home improvements to owners of historically valuable homes in the Central City of Sacramento. Loans under this program can be tailored to the individual needs of rehabilitation projects and can be straight loans, or a combination of amortized and deferred loans.
Maximum Amount:	\$50,000 for owner-occupied, single-family homes \$25,000 per unit up to \$250,000
Interest Rate:	4.00 simple interest
Term:	Up to 20 years
Max CLTV:	90%
Max Agency LTV	50% at permanent financing (upon project completion)
Repayment:	Flexible--straight amortization or straight amortization/short-term deferred.
Use of Funds:	Funds may only be used to finance real property improvements that substantially protect or improve the basic livability or utility of the property. Improvements must meet local housing quality standards and code requirements.
Maximum Total Debt Ratios	Per Agency Underwriting Guidelines
Credit Standards	Per Agency Underwriting Guidelines
Eligible Applicants:	Owners of historically valuable 1 to 10-unit homes in the Central City of Sacramento
Eligible Properties:	One-to four-unit, historically valuable homes in the Central City of Sacramento whose after rehabilitation values or rents are affordable to income earning up to 110% of the median income. A \$2,500 beautification grant is also available in combination with rehabilitation loan funds.
Source of Funds:	Downtown Tax Increments

Fact Sheet

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INVESTOR HOME LOAN IMPROVEMENT PROGRAM PROGRAM GUIDELINES

HLP for Investor Program:	The HLP Investor program is designed to provide low-interest financing for acquisition and/or rehabilitation of 1-10 units in the City and County of Sacramento.
Maximum Loan Amount:	\$15,000 unit up to 10 units
Interest Rate:	4.00% fixed rate, simple
Term:	Up to 20 years
Max CLTV:	90% 95% in target and redevelopment areas
Repayment:	Payments may be deferred for up to five years if needed to assist in project feasibility. Due upon sale of property.
Maximum Total Debt Ratios	Per Agency Underwriting Guidelines
Credit Standards	Per Agency Underwriting Guidelines
Use of Funds:	Funds may only be used to finance real property improvements that substantially protect or improve the basic livability or utility of the property. At a minimum, Improvements must meet local housing quality standards and code requirements.
	<p>Eligible Applicants: Parties interested in acquiring and rehabilitating distressed properties of 1-10 units in target areas of the City and County of Sacramento. The following information is required.</p> <ul style="list-style-type: none"> • Evidence of Site Control • Detailed Scope of Work • Cost estimates related to Scope of Work • Pro-forma Budget • Sources of financing to cover the balance of project costs • Management Plan
Eligible Properties:	Single family homes in the City and County of Sacramento whose values do not exceed \$164,341. Multi-family units in the City and County of Sacramento with rents not to exceed :

Net Rental Rates

	<u>50%</u>	<u>60%Units</u>
Studio	\$421	\$511
1-bedroom	\$444	\$541
2-bedroom	\$525	\$641
3-bedroom	\$596	\$729
4-bedroom	\$656	\$805
5-bedroom	\$716	\$881

RESOLUTION NO. 99-006



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

**FREDDIE MAC SACRAMENTO HOMEOWNERSHIP ALLIANCE:
APPROPRIATION OF MORTGAGE REVENUE BOND FUNDS
AND SELF INSURANCE FUNDS**

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

Section 1. The budget is hereby amended to appropriate \$120,000 of Mortgage Revenue Bond (MRB) Fund Balance to the California Housing Finance Loan Insurance Fund Loan Pledge and Security Agreement project and to execute said agreement in substantially the form on file with the Agency Clerk, subject to modification as approved by Agency Counsel.

Section 2. The budget is hereby amended to appropriate \$120,000 of Self Insurance Funds to the Sacramento Home Works! Rehabilitation and Reserve Fund.

Section 3. The budget is hereby amended to appropriate \$60,000 MRB Fund Balance for the Agency's Acquisition with Rehabilitation Loan Programs.

Section 4. The Executive Director is authorized to execute agreements, in a form approved by Agency Counsel, and to take other actions necessary for the utilization of the above appropriated MRB funds for the designated purposes.

Section 5. This resolution shall take effect upon the adoption of resolutions of the Redevelopment Agency of the County of Sacramento, Housing Authority of the County of Sacramento, Redevelopment Agency of the City of Sacramento, and Sacramento Housing and Redevelopment Commission authorizing the establishment of, and providing funding for, the Freddie Mac Sacramento Homeownership Alliance programs.

CHAIR

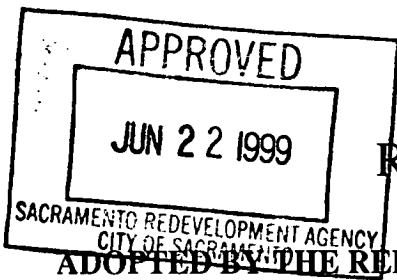
ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____



RESOLUTION NO. 99-024

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

**FREDDIE MAC SACRAMENTO HOMEOWNERSHIP ALLIANCE PROGRAMS;
ADOPTION OF NEW LOAN PROGRAM GUIDELINES; AND DELEGATION OF
AUTHORITY FOR MODIFICATION OF EXISTING AND APPROVAL OF NEW
REHABILITATION LOAN AND GRANT PROGRAMS**

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

Section 1. The Freddie Mac Sacramento Homeownership Alliance Programs are approved.

Section 2. The Rehabilitation Lending Program Guidelines for 1-10 Units, attached to the report, are approved and adopted.

Section 3. The program guidelines for the Home Improvement Loan for Seniors, the Flexible Home Improvement Loan, the Home Improvement Loans for Investors, and the Fainted Ladies program, attached to the staff report, are approved and adopted.

Section 4. Authority is hereby delegated to the Sacramento Housing and Redevelopment Commission to approve lending and grant programs, and to modify existing and future lending and grant programs, provided that such programs are consistent with SHRA underwriting guidelines adopted in December 1998, the Rehabilitation Lending Program Guidelines and budget authority.

Section 5. The Sacramento Housing and Redevelopment Commission shall have the authority to review and approve requests for loans and grants under SHRA lending and grant programs, and to take all actions necessary to accomplish the goals of such programs and protect the interests of the Agency, including but not limited to subordination, revesting, foreclosure and disposition of collateral.

Section 6. The authorities delegated to the Sacramento Housing and Redevelopment Commission under Sections 4 and 5 of this resolution may be delegated in turn to its Loan Committee.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

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Section 7. This resolution shall take effect upon the adoption of resolutions of the Housing Authority of the County of Sacramento, Housing Authority of the City of Sacramento, Redevelopment Agency of the County of Sacramento, and Sacramento Housing and Redevelopment Commission authorizing the establishment of, and providing funding for, the Freddie Mac Sacramento Homeownership Alliance programs; approving the loan program guidelines; and delegating authority for loan and grant programs.

CHAIR

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

APPROVED
BY THE CITY COUNCIL

RESOLUTION NO. 99-345

ADOPTED BY THE SACRAMENTO CITY COUNCIL

JUN 22 1999

ON DATE OF _____

OFFICE OF THE
CITY CLERK

**AMENDMENT OF 1999 COMMUNITY DEVELOPMENT BLOCK GRANT
CONSOLIDATED PLAN AND STATEMENT OF OBJECTIVES**

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

Section 1. The 1999 Community Development Block Grant Consolidated Plan and Statement of Objectives is hereby amended to add acquisition with rehabilitation as a permitted use of the Single Family and Multifamily Revolving Loan Fund.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____