



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



6

January 29, 1986

Budget & Finance Committee
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: California Housing Finance Agency (CHFA) Multifamily
Rehabilitation and Infill New Construction Program
(1983 Issue A) Extension of Commitment Agreement

SUMMARY

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

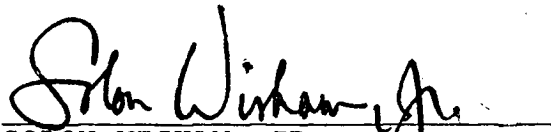
RECOMMENDATION

The staff recommends approval of the attached resolution
authorizing execution of the agreement extension.

Respectfully submitted,

For 
WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:



SOLON WISHAM, JR.
Assistant City Manager



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



February 3, 1986

City Council of the City of Sacramento
Sacramento, CA

Honorable Members in Session:

SUBJECT: California Housing Finance Agency (CHFA)
Multifamily Rehabilitation and Infill New
Construction Program (1983 Issue A) Extension
of Commitment Agreement.

SUMMARY

This report requests authorization for the Executive Director of the Sacramento Housing and Redevelopment Agency to execute an Extension of Commitment Agreement with CHFA in connection with the Multifamily Rehabilitation and Infill New Construction Bond Program. The modification extends the current commitment of funding expiration date from December 15, 1985 to May 31, 1986.

BACKGROUND

On September 20, 1983 the City Council authorized the submittal of an application to California Housing Finance Agency for a commitment of funding from the proceeds of tax exempt mortgage revenue bonds to be issued by CHFA for local rental rehabilitation projects. CHFA subsequently allocated \$800,000 to the City of Sacramento.

A commitment Agreement was executed by the Executive Director pursuant to your resolution of authorization.

The initial date for expiration of the Multifamily Rehabilitation and Infill New Construction Program (1983 Issue A) Commitment was December 15, 1985. As all funds committed have not been expended it is necessary to modify the Commitment Agreement which states in part:

2.2 The Locality may request an extension of the Commitment Period for up to six additional months, which the Agency may in its sole and absolute discretion grant based upon evidence that Loans will be originated during the period of the extension and that the extension will not impair the security for the Bonds.

2-4-86
All Districts

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FINANCIAL DATA

The Agency has "packaged a loan to be made by Bank of America to the Capital Area Development Authority (CADA) for rehabilitation of a 25 unit complex located at 1500 15th Street. \$220,000 of the \$406,000 cost is proposed to be funded from the 1983 Issue A Multifamily Bond Issue and the balance from a subsequent 1985 Issue. In order to fund the loan utilizing the \$220,000 from the 1983 issue it is necessary that the Agreement with CHFA be extended beyond the December 15, 1985 expiration date.

If the expiration date is not extended and the \$220,000 from the 1983 issue cannot be utilized to satisfy the Agency's Commitment to CADA the entire loan amount will need to be funded from the 1985 issue. CHFA's commitment to the City of Sacramento of funds from the 1983 issue will expire and the Agency will forfeit its 3½% commitment fee which was paid from CDBG funds. Funding the entire loan amount from the 1985 issue will virtually deplete the City's allocation from the 1985 bond issue.

As the CADA application was originally made for \$220,000 specifically from the 1983 issue, and the 1983 funds will otherwise be lost, the extension of the Commitment Agreement and the utilization of the 1983 funds for the CADA project will be beneficial to the Agency as the 1985 funds will remain available for other projects.

It is desirable to utilize the 1983 funds for this project because of the accompanying higher interest rate and resultant difficult marketability where as the 1985 funds are more marketable for other projects due to a more favorable interest rate.

ENVIRONMENTAL REVIEW

Environmental Review is not required for action on the time extension for an Agreement which has previously been approved.

POLICY IMPLICATIONS

The proposed actions are consistent with previously adopted policy and there are no policy changes being recommended.

VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of February 3, 1986, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above mentioned action. In the event they fail to do so, you will be advised prior to your February 4, 1986 meeting.

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Redevelopment Agency
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RECOMMENDATION:

The staff recommends adoption of the attached resolution authorizing the Executive Director to execute the Commitment Agreement Extension with CHFA extending the expiration date from December 15, 1985 to May 31, 1986.

Respectfully Submitted


WILLIAM H. EDGAR,
Executive Director

Transmitted to Council

WALTER J. SLIPE,
City Manager

Contact Person: Mike Hanamura
916-440-1350

RESOLUTION No.

Adopted by The Sacramento City Council on date of

February 4, 1986

CALIFORNIA HOUSING FINANCE AGENCY (CHFA)
MULTI-FAMILY REHABILITATION AND INFILL
NEW CONSTRUCTION PROGRAM (1983 Issue A)
COMMITMENT AGREEMENT EXTENSION

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

Section 1: The Executive Director of the Sacramento Housing and Redevelopment Agency is hereby authorized to execute the EXTENSION OF COMMITMENT AGREEMENT MULTI-FAMILY REHABILITATION PROGRAM (1983 Issue A) and other documents that may be necessary.

MAYOR

ATTEST:

CITY CLERK

z:ccCHFA