



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



8

August 15, 1989

Budget and Finance Committee  
of the City Council  
Sacramento, CA

Honorable Members in Session:

SUBJECT: Application to HUD for an Allocation Under the  
Section 8 Moderate Rehabilitation Program,  
Authorization to Execute the Annual Contribution  
Contract and Approval of Administrative Plan

SUMMARY

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

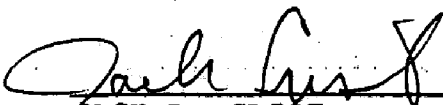
RECOMMENDATION

The staff recommends approval of the attached resolution  
approving the application, contract execution and  
administrative plan.

Respectfully submitted,

  
ROBERT E. SMITH  
Executive Director

TRANSMITTAL TO COMMITTEE:

  
JACK R. CRIST  
Deputy City Manager

Attachment



# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



DATE: August 2, 1989

August 22, 1989

Housing Authority of the  
City of Sacramento  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Application to the Department of Housing and Urban Development (DHUD) for an Allocation under the Section 8 Moderate Rehabilitation Program; execution of the ACC and approval of administrative plan

## SUMMARY

This report recommends approval of an application to the Department of Housing and Urban Development (DHUD) for funds for one-hundred (100) Section 8 Rental Assistance Certificates under the Moderate Rehabilitation Program, and authorizes execution of the Annual Contribution Contract and approval of the administrative plan.

## BACKGROUND

In May 1988, the Housing Authority of the City of Sacramento approved submittal of an application to HUD for one hundred fifty (150) Section 8 certificates under the Moderate Rehabilitation program. At HUD's suggestion, the application was later revised to request seventy-five (75) certificates and was approved by HUD. Through April 1989, the Agency has submitted various supplemental materials at HUD's request, including Resolution No. 89-011 approving submittal of the application. Pursuant to program directives, we had devised an administrative plan for the program.

Then in late April 1989, our allocation was recalled by HUD as a result of the suspension of the Moderate Rehabilitation program at the national level ordered by the HUD secretary.

After revising project selection procedures and making other program adjustments, HUD issued a new Notice of Funds Availability (NOFA) on June 9, 1989. This revised application is in response to that NOFA.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the  
City of Sacramento  
Page 2

There are several reasons for requesting one-hundred certificates rather than the seventy-five originally requested. Firstly, HUD regulations allow for up to one-hundred certificates per jurisdiction. The additional certificates would help to address the documented need for subsidized housing for low income households in Sacramento. Also, the Agency's excellent track record of managing its 4,300 Section 8 certificates and vouchers, including 120 Moderate Rehabilitation certificates, demonstrates its capacity to effectively manage an additional 100 Moderate Rehabilitation certificates. Further, due to recent staff increases and program adjustments in the Agency's Rehabilitation and Housing Development Divisions, the Agency can more quickly and successfully implement the additional Moderate Rehabilitation certificates. The administrative plan reflects your previously adopted policy favoring elderly and/or single room occupancy hotel type projects in targeted areas. If the Moderate Rehabilitation application is approved, staff will develop a Request For Proposal (RFP) in line with the selection criteria previously adopted. The RFP will be brought to the Sacramento Housing and Redevelopment Commission for review and approval.

## FINANCIAL DATA

If all 100 certificates proposed in the application are approved the fifteen year Section 8 Annual Contribution Contract with HUD will yield about \$450,000 per year in housing assistance payments for the Sacramento area.

## ENVIRONMENTAL REVIEW

NEPA: Rehabilitation projects are categorically excluded per 24 CFR Part 58.35 (a)(4)(i). Each individual project will be reviewed to ensure it meets all other Federal statutory requirements.

CEQA: Minor rehabilitation projects are exempt per Section 15301 Class 1(d) consisting of the restoration or rehabilitation of deteriorated or damaged structures to meet current standards of public health or safety.

## POLICY IMPLICATIONS

The actions proposed in this staff report are consistent with previously approved policy and there are no policy changes being recommended.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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City of Sacramento  
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## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of August 7, 1989 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Amundson, Moose, Sheldon, Simon, Strong, Wooley,  
Wiggins, Yew

NOES: None

ABSENT: Pernell, Simpson

## RECOMMENDATION

Staff recommends approval of the attached resolution which approves submittal of an application to HUD for the Section 8 Moderate Rehabilitation program for 100 units; authorizes execution of an Annual Contribution Contract with HUD in the event an award is received; and approves the program's administrative plan.

Respectfully Submitted,



ROBERT E. SMITH  
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE  
City Manager

Contact: John Molloy, 440-1357

RES:JC:plf

2411D

# RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF \_\_\_\_\_

## SECTION 8 REHABILITATION FUNDING APPLICATION

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

Section 1: The Executive Director is hereby authorized and directed to prepare and submit an application to the U.S. Department of Housing and Urban Development for 100 units under the Section 8 Moderate Rehabilitation Program.

Section 2: Upon approval of the application, the Executive Director is hereby authorized to execute an Annual Contribution Contract (ACC) with the U.S. Department of Housing and Urban Development for administration of such Section 8 Moderate Rehabilitation Program.

Section 3: The Administrative Plan for the Section 8 Moderate Rehabilitation Program described in the staff report filed with this resolution is approved.

Section 4: This resolution shall be effective upon its adoption.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

1100WPP2(274)

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

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

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

(5)

1989  
Administrative Plan  
for

SECTION 8  
MODERATE REHABILITATION PROGRAM

Housing Authority of the  
City of Sacramento

February 1989

## I. STATEMENT OF OVERALL APPROACH AND OBJECTIVES

### A. Program Objectives

The Housing Authority of the City of Sacramento's Plan for its 1989 Section 8 Moderate Rehabilitation Plan is designed to achieve the following major objectives:

1. Revitalization or economic stabilization of targeted CDBG and redevelopment areas to compliment other public revitalization activities.
2. Rehabilitation and long-term preservation of single room occupancy (SRO) structures and other housing units for elderly persons.
3. Provision of permanent housing for homeless families and individuals currently involved in the Agency's transitional housing program.

To achieve these objectives, highest priority will be given to SROs and elderly projects in redevelopment areas which require the greatest dollar amount of necessary rehabilitation per unit. Secondary priority will be given to other types of residential accommodations in redevelopment and CDBG target areas which require the greatest amount of necessary rehabilitation and which result in the least amount of displacement of existing residence.

### B. Administrative Approach

To accomplish the above objectives and priorities, and to insure that the budget authority will be utilized within the time frame established by HUD, a two-phase announcement and selection process will be utilized. In Phase I, proposals will be solicited from owners of SROs and elderly projects, primarily within redevelopment target areas. In the event a sufficient number of acceptable applications are not received within nine months, a second phase announcement process will be initiated to utilize the balance of the budget authority. This announcement will give priority to other types of units in redevelopment and CDBG target areas, however, applications from other areas will be accepted.

The rehabilitation related functions of the program will be administered by the Rehabilitation Division of the Sacramento Housing and Redevelopment Agency, with assistance from the Housing Development Division. The Rehabilitation Division will be responsible for outreach, inspections, work write-ups, cost estimates, feasibility analyses, review and selection of proposals, loan origination (if Agency funds are utilized) and construction monitoring.

The Rehabilitation Division has considerable experience in the administration of loans and grants to low and moderate income homeowners, and for rental units in the City for the purpose of making essential repairs. Technical assistance is provided by Staff in guiding applicants through the application process, doing work write-ups and cost estimates, obtaining required financing, conducting property condition inspections, obtaining qualified contractors, monitoring construction through completion and disbursing funds. The Rehabilitation Division has had previous experience in administration of the Section 8 Moderate Rehabilitation Program and therefore is knowledgeable of the program regulations and requirements.

The traditional Section 8 Existing Housing functions required for the Moderate Rehabilitation Program (intake and processing of tenant applications, verification and determination of eligibility, and all functions related to the lease and IDAP contracts) will be performed by the Central Tenant Selection Office (CentSO) and the Leased Housing Division of SHRA. The Division administers over 4,300 Section 8 Certificates in the City and County of Sacramento, including 120 Moderate Rehabilitation Certificates.

In administering the Section 8 Housing Certificates, the Division negotiates leases and contracts, inspects to insure that housing quality standards are met, and annually recertifies income and reinspects dwellings. The Division is fully capable of absorbing additional units.

Tenant intake assistance for SROs will be provided by the SHRA Homeless Coordinator. The Homeless Coordinator working with shelter providers, will identify eligible prospective tenants, and assist them in preparing applications to CentSO.

## II. Plans for Administration of Moderate Rehabilitation Functioning

### A. Owner Participation

#### 1. Program Phasing

The Public Notice/Request for Proposals will be conducted in two phases in accordance with this administrative approach in Section I of the Administrative Plan. In Phase I, proposals will be solicited from owners of SROs and elderly projects within redevelopment target areas. Phase II will be initiated within nine months of the Phase I announcement in the event a sufficient



number of acceptable applications are not received to fully utilize the available Section 8 budget authority. The following procedures, with minor modifications, are applicable for both phases.

2. Solicitation of Owner Proposals

Owner proposals will be requested through a Public Notice/Request for Proposals. Full information about the Moderate Rehabilitation Program will be provided in an Owners Packet which will be available at the Rehabilitation Division of SHRA. The Notice will be placed in local newspapers. In Phase I, the notice will be mailed to all known SRO owners.

A pre-proposal conference will be held at the SHRA central office. At the conference, the workings of the Moderate Rehabilitation program, the owners' rights and responsibilities and the Agency's procedures for receiving, ranking and selecting proposals will be explained.

No proposal format has been developed at this time; however, the Request for Proposals will require that the owner include in his proposal at least the following information:

- a. Owners' name, address and telephone number;
- b. Number, type and bedroom size of unit(s) to be rehabilitated, and the percentage of the total units in the building to be rehabilitated;
- c. Address of unit(s) to be rehabilitated and the date of original construction.
- d. Rent(s) charged by bedroom size during the past 18 months;
- e. Number and bedroom size of vacant units proposed to be assisted, if any;
- f. Number of occupied units proposed to be assisted by bedroom size and family characteristics of present tenants;
- g. A statement that the proposed rehabilitation will not cause permanent displacement of present tenants;

- h. A statement of whether the owner anticipates that temporary relocation of tenant(s) will be necessary, the anticipated length of temporary relocation, and the owner's agreement to assume the costs of temporary relocation;
- i. A certification that no tenant has been forced to move without cause during the past 12 months;
- j. A summary of the owner's prior participation in HUD and PHA programs, if any;
- k. A statement of the owner's plans for managing and maintaining the unit(s) (i.e., who will perform management functions);
- l. A statement of previous management experience of the owner or management agent (required only for proposals for 20 or more units);
- m. Operational cost data.
- n. Outstanding debt on the property.
- o. The owner's plans for financing the rehabilitation; and
- p. A general description of the work items to be completed for each unit and a rough estimate of the cost of each item.

A copy of the Request for Proposals, the Owner's Packet and the Proposal Format will be submitted to HUD after it is developed.

In order to simplify the proposal process and to assist small owners and owners with no experience in dealing with government programs, the Authority will provide a proposal form on which all required information can be entered. The Rehabilitation Division will provide limited assistance to small and/or lower income owners in the preparation of their proposals.

### 3. Review and Screening

Submitted proposals will be reviewed by the Authority's Section 8 and Rehabilitation Staffs for compliance with the basic program requirements.

The Authority will reject all proposals submitted which cannot meet the following conditions:

- a. Do not meet the program objectives.
- b. Units which are outside the approved boundaries (In Phase I).
- c. Incomplete proposals.
- d. Proposals which indicate overcrowded occupancy conditions will not be assisted and will be rejected. Overcrowdedness will be determined by utilizing the existing Section 8 housing occupancy standards.
- e. Proposals which clearly indicate that present rents are at or above the Moderate Rehabilitation Program fair market rents will also be rejected.

If a proposal is rejected, the Authority will notify the owner of such rejection within 10 days. The notice will clearly state all the reasons for such a rejection and the right shall be given the owner to appeal the decision. The notice shall state that if the owner submits, within 15 days, information disapproving the rejection determination the Authority will review and may reconsider the previous determination.

#### 4. Criteria for Selection

- a. Projects will be selected which best meet the following standards and criteria:
  - 1) Location within Redevelopment or CDBG Target Area.
  - 2) Condition - highest priority to projects requiring the greatest amount of rehabilitation and the greatest dollar amount of rehabilitation per unit.
  - 3) Must be feasible, as determined in the preliminary feasibility study.
  - 4) Very-low income tenants - priority will be given to projects which have the highest percentage of existing very-low income tenants.
  - 5) Size of units - priority will be given to SROs and one-bedroom units for the elderly.
  - 6) Willingness of owner to maintain the project beyond the fifteen year HAP period.

b. Additional considerations for selection will include:

- 1) Management experience of the owner.
- 2) Rehabilitation experience of the owner.
- 3) The overall financial package and the need for local assistance.
- 4) The financial status of the owner.
- 5) Ability to initiate and complete the project in an expeditious manner.

5. Initial Inspection

This function will be completed by Housing Rehabilitation Program (HRP) Staff after preliminary feasibility determination. The inspection standard for the program will be the Property Rehabilitation Standards of the City of Sacramento and Energy Efficiency-Performance Requirements 24 CFR Part 882.404. Some rehabilitation work may be required to meet more stringent building, plumbing, mechanical, electrical and energy code standards as determined by the City of Sacramento Building Department. The HRP representative will inspect the property, and provide a written deficiency list outlining required repairs to the property to meet the minimum standards. In the event the owner has existing plans and specifications for the proposed work, the HRP representative will, after inspection, review them for completeness and provide the owner with a list of necessary revisions for compliance. When necessary, a City of Sacramento Building Department Inspector will assist in the initial inspection of the property.

6. Preliminary Feasibility Determination

From among the proposals determined eligible under the Criteria for Selection of Proposals, Housing Rehabilitation Program (HRP) Staff will perform a preliminary feasibility review of projects in their ranked order by the following procedure:

- a. Estimate the monthly amortization for the rehabilitation loan using the estimated cost of rehabilitation (and associated costs), relocation and conventional loan data included in the owner's proposal;

- b. Establish the base rent using the average rent data contained in the proposal;
- c. Calculate the gross rent for the unit(s) by adding the base rent, the monthly loan amortization amount and an allowance for any tenant paid utilities; and
- d. Compare the estimated gross rents with the Fair Market Limits and make a determination of feasibility.

For proposals which appear to be unfeasible based on conventional loan terms, Staff will recompute based upon terms and monthly amortization amounts for publicly subsidized loan programs, if available.

HRP Staff will meet with owners to discuss the feasibility analysis. At this meeting Staff will inform the owner of the proposed base rent for the unit(s). If the owner maintains that the base rent is too low to permit adequate maintenance and management of the rehabilitated unit, he/she will be required to submit expense data to Staff. This data will be analyzed based on HRP knowledge of average management and maintenance expenses in the Sacramento area and on information provided by the HUD Field Office. Property taxes will be obtained from City tax records.

Using the HUD formula and HRP estimates of expenses, the base rent will be recalculated. The monthly loan amortization amount and any allowance for utilities will be added to the base rent. A determination of feasibility based on the resulting gross rent will then be made.

Finally, an evaluation will be made of the owner's ability to secure the required rehabilitation financing and complete required work in a competent and timely manner. This analysis may take into consideration owner's previous participation in other HUD or Authority programs.

If the project is feasible and the owner accepts the rents established in the feasibility analysis, Staff will notify the owner that all tenants should contact the Section 8 to submit an application for assistance. It will be emphasized that tenants should identify themselves as being Moderate Rehabilitation Program applicants so as not to be confused with applicants for the Existing Section 8 waiting list. If the project

is determined unfeasible, or the owner does not accept the established rents, the proposal will be rejected with reasons stated.

In the event that feasible projects exceed budget authority, project assistance will be based upon the project(s) which best meet the priority conditions under the Criteria for Selection of Proposals and which are deemed to be best capable of meeting long range goals of the Agency.

7. Selection of Proposals

All submitted proposals will be rated according to their adherence to the established criteria. Priority considerations will be given to proposals from owners with experience, a favorable track record and a good financial statement and which demonstrate a potential for maintenance of the project beyond the fifteen HAP contract period.

8. Selection Notification

Submitted proposals which have been selected by the Selection Committee will be stamped approved and the owners notified as to the selection. The notification will indicate the tentative number of units to be assisted, together with a request for the following information with a stated due date.

- a. Detailed work write-ups and cost estimates.
- b. Contractor's name, address, telephone and Contractor license numbers.
- c. Financing commitment.
- d. Completed lease document.

9. Determination of Family Eligibility

After the proposals have been selected, the Authority's Section 8 Staff will schedule interviews with the selected owners' present tenants. Tenant eligibility will be determined in accordance with the proceedings set forth under the Section 8 existing housing programs.

Tenants found ineligible for Section 8 housing will be notified in writing of that determination and of their right to a hearing in accordance with 24 CFR 882.517(g).

The owner will also be notified of this determination and informed that this unit will not

be assisted. Here again, the notice will state that if the owner submits, within 15 days, information disapproving the determination, the Authority will review and may reconsider the previous determination.

## B. Rehabilitation Process

### 1. Preparation of Plans, Drawings and Specifications

Preparation of working plans, drawings and specifications will be the responsibility of the owner. HRP Staff will be available to consult the owner or their representatives in the preparation of these documents. When final plans and specifications are prepared, the owner will submit them to the HRP office for approval. Staff will then complete an independent cost estimate for the work.

### 2. Bidding and Contractor Selection

The owner will solicit Bids and Proposals from licensed general contractors, or may, upon the approval of the Authority, act as an owner builder. Owners will be encouraged to solicit three or more bids. HRP Staff will be available to provide limited assistance to both contractors and owners in the preparation of Bids and Proposals. The owner will submit their chosen bid and proposal, or owner builder proposal, to the HRP Staff for review. Lowest bid need not be accepted, owners are encouraged to select the best proposal. Staff will review the bid and proposal for minimum per unit rehabilitation costs, cost reasonableness and conformance with the provisions under 24 CFR Part 882 including:

- a. Federal Labor Standards for projects containing nine (9) or more units
- b. Flood plains Management
- c. Historic Preservation
- d. Flood Disaster Protection
- e. Section 504 Requirements
- f. Equal Employment Opportunity
- g. Minority Business Enterprise
- h. Lead Based Paint Requirements

3. Relocation

The Authority will attempt to keep relocation to a minimum. Where relocation is necessary, the Authority will notify tenants of their rights and the owner will be responsible for relocation costs in accordance with 24 CFR 882.406.

4. Final Feasibility Analysis

A final feasibility analysis will be made utilizing the approved bid amount, base rents, utility allowance, relocation costs, a 5% (minimum) construction contingency and the loan rate and terms of the available rehabilitation financing. Based upon the results of the analysis the proposal will be approved, or approved with conditions, or rejected with reasons stated. The owner may modify the proposal and resubmit for analysis. In any case, approval is subject to the owner securing financing for the rehabilitation work and executing an Agreement To Enter Into a Housing Assistance Contract.

5. Financing

Owners will be informed about financing options at various points during the process and HRP Staff will be available to explain the Program to local lenders. Staff will emphasize the long term commitment of the Section 8 subsidy and how the HAP contract can be used as security for the loan. Staff will review the loan terms proposed by the owner and will counsel owners on financing options if their proposed terms seem unreasonable.

6. Lease Review and Addendum

The owner will be required to submit an acceptable lease before an Agreement To Enter Into a HAP Contract is executed. Section 8 Staff will provide a copy of a suggested lease form which meets HUD requirements and a required Addendum to Lease. The Lease and the Addendum include the Program provisions regarding terminations as specified in 24 CFR 882.511 and all requirements of State and local laws. It is expected that most owners will attached the Addendum-to-the-Lease to their present lease. However, some owners may not have written leases with their tenants, and the suggested lease will be helpful to them. Staff will be available to review owner-submitted leases and to modify them to meet local and State landlord-tenant laws and HUD regulations.



7. Construction Escrow

Prior to the commencement of the rehabilitation work, rehabilitation funds must be deposited into a construction disbursement/escrow account to which the Authority shall be signatory for disbursement. This account may be with the lending institution providing the rehabilitation loan. A ten percent (10%) retention of each progress payment will be held until 35 days after the completion of the project.

8. Execution of Agreement To Enter Into a HAP Contract and Rehabilitation Contract

The Authority will prepare the Construction Contract and Agreement To Enter Into a HAP Contract, and will schedule a meeting to review them with the owner and contractor. After consulting with the owner and contractor, the Authority will enter the starting date for the rehabilitation work and the deadline for its completion on the Agreement and Contract. The Authority's, owner's and contractor's rights and responsibilities under the terms of the Agreement and Contract will be carefully explained, and the importance of timely and correct completion of the work will be emphasized. The Contract and Agreement will be signed at this meeting, and the Agreement will then be submitted to the Section 8 coordinator for review and signing by the Executive Director.

9. Inspection of Work and Monitoring of Program Requirements

Prompt completion of work, adherence to good construction practices, compliance with Labor Standards (where applicable), and other provisions will be monitored through periodic inspections of each unit by HRP Staff. Inspections will be conducted regularly during the rehabilitation period. Normal scheduling will call for inspections as major work items are completed and at each progress payment request. All work must be inspected and signed off by the City Building Inspector prior to release of funds.

During the rehabilitation period, HRP Staff will report to Section 8 Staff the progress of construction. HRP Staff will indicate the percentage of work actually completed and will provide comments regarding any problems which are occurring or anticipated that could delay timely completion.

10. Changes to the Work or Contract Amount

Owner and contractor will be required to request and obtain HRP approval in writing for any changes to the specified work which would alter the design or the quality of the required rehabilitation, or which would increase or decrease the contract amount. Generally, change orders will not be approved unless the cause of the proposed change is beyond the contractor's control and/or is in the best interest of the rehabilitation project. HRP Staff will assist in the monitoring of the contract contingency amount to assure that it is not exceeded due to change orders.

11. Completion of Rehabilitation

The final inspection will be completed by the City Building Inspector and HRP Staff. At the final inspection, all work items required by the Agreement will be inspected and a determination regarding compliance with City Code and Rehabilitation Standards. The owner and the contractor will be requested to participate in the final inspection so that deficiencies can be discussed and agreed upon immediately after the inspection. A written copy of a punch list, detailing deficient or incomplete work items and the amount which must be withheld pending completion of the work items, will be provided to the owner and the contractor.

Because payment of contractor draws will be based on acceptable completion of rehabilitation work, it is anticipated that owner-contractor disagreements will be resolved as the work is being completed. The City Building Inspector and HRP Inspector will inspect the project for Program and code compliance only, and will not get involved in owner-contractor disagreements regarding the quality of the work. A binding arbitration clause will be a mandatory inclusion in the Contract.

12. Acceptance of the Unit

Units which pass final inspections with no deficiencies and units with minor deficiencies will be accepted at the time of final inspection. If minor deficiencies exist, Staff will tentatively schedule a date to inspect any work remaining to be done. Units with other than minor deficiencies will not be accepted until the deficiencies are corrected to the satisfaction of Staff. Resolution of deficiencies will ultimately be the responsibility of the owner.

### 13. Preparation of the HAP Contract

HRP Staff will review the owner certifications immediately following completion and will compare the actual cost to the final feasibility analysis and approved change orders. Contract Rents will be recalculated if rents specified in the Agreement need to be adjusted, pursuant to 24 CFR 882.408(d). If the HAP Contract is being signed before all minor deficiencies have been resolved, an agreement describing the remaining work items, their cost, and the date by which they will be completed will be executed and attached to the HAP Contract.

Within one working day after acceptance of the unit, the information required to prepare a HAP Contract will be sent to the Section 8 Coordinator along with the complete file. The HAP Contract will be prepared immediately and signed by the Executive Director, and the owner will be requested to come to the Authority offices to execute the Contract. When the owner comes to sign the Contract, the Section 8 Coordinator will explain how and when housing assistance payments will be made.

### C. Management Period

#### 1. Initial Leasing of Units

##### a. Referral of Tenants to Vacant Units

The Authority currently administers the Section 8 Moderate Rehabilitation Program, the Section 8 Moderate Rehabilitation Program for Single Room Occupancy Dwellings for Homeless Individuals, and a Section 8 program for homeless persons.

A separate waiting list exists for the Section 8 Moderate Rehabilitation Program for Single Room Occupancy Dwellings for Homeless Individuals.

This list will be filled in accordance with previously approved procedures for the Homeless Moderate Rehabilitation Section 8 Program.

The Section 8 Waiting List for the Existing Housing Program will be used to make referrals to non SRO units participating in the Section Moderate Rehabilitation Program.

When a unit has been determined to be vacant, a list of twenty (20) eligible applicant/persons/ families \*(1) will be referred to the owner of the unit. If an acceptable family is selected, that family will then be given a briefing prior to the leasing of the unit.

If the list of referrals does not meet the needs of the owner, the owner has two options:

- 1) Request another list of eligible applicant families; or
- 2) Refer a prospective renter to the Authority. An eligibility determination will be made at that time. If the prospective renter is eligible, that renter will be assisted under the program when the unit is leased.

b. Beginning Lease Dates for Leasing of Units

The beginning lease date for an eligible applicant family referred from the Section 8 Waiting List will be the later of the date the unit passed an HQS inspection or the date the eligible renter family takes possession of the unit.

The beginning lease date for a prospective renter referred to the Authority by the owner and who is certified eligible will be the later of the date the unit passes inspection, the date the prospective renter takes possession of the unit, or the date the renter is certified as eligible for Section 8 assistance.

c. Vacancy Loss Payments during Initial Leasing of Units

The owner will be entitled to claim vacancy loss for unit vacancies from the date the owner requests a referral list of eligible applicant families for as long as the units remain vacant up to a limit of two months.

\*(1) note: For purposes of this Administrative Plan, a single person is considered a family for SRO occupancy.

2. Ongoing Administration

a. Housing Assistance Payments

Housing Assistance Payments will be paid in accordance with Section VI(A)(1) of this Plan.

b. Annual Recertifications of Families and Inspections of Units

Recertifications and inspections will be conducted in accordance with Section VI(A)(2), VI(A)(3) and VI(A)(4) of this Plan.

c. Adjustments to Utility Allowances

Utility Allowance Adjustments will be made in accordance with Section VI(A)(5) of this Plan.

d. Rent Adjustments

Rent adjustments will be granted in accordance with Section VI(A)(6) of this Plan. Rent adjustments will be applied to the base rent of the unit.

e. Assistance to Families who Move

Section 8 families who wish to move or are required to move through no fault of their own will be offered housing assistance in the Authority's Moderate Rehabilitation, Existing Housing and Public Housing Programs in the order required by 24 CFR 882.517.

f. Owner Claims for Reimbursement for Unpaid Rent, Tenant Caused Damages, and Vacancy Loss

Claims will be processed in accordance with Section VI(A)(7) of this Plan.

g. Owner Compliance with Section 8 Contract and Lease

Owners will be required to perform their responsibilities under the Contract and Lease in accordance with Section VI(B)(1) of this Plan.

h. Family Compliance with Program Requirements

Families will be required to perform their responsibilities as stipulated in the Statement of Family Responsibilities issued at the time of participation in the Program.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

City Council/Redevelopment Agency/  
Housing Authority of the  
City of Sacramento  
Page 6

## RECOMMENDATIONS

1. Endorsement of the Housing Strategy and Action Plan, 1989-1991 described in the attached Report.
2. Amendment of the Agency budget to authorize the expenditure of funds for contractual/temporary services for the Housing Development Division.
3. Amendment of the Agency budget to add two new limited term positions to the Housing Rehabilitation Division.

Respectfully submitted,

  
ROBERT E. SMITH  
Executive Director

TRANSMITTAL TO COUNCIL:

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WALTER J. SLIPE  
City Manager

Contact Person: John Molloy, (916) 440-1357

AJP:BL:plf

# RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF \_\_\_\_\_

AUTHORIZING CONTRACT, TEMPORARY OR LIMITED TERM  
EMPLOYEE SERVICES  
AND AMENDING THE AGENCY BUDGET

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

Section 1: The Sacramento Housing and Redevelopment Agency  
Budget shall be amended to allocate the following contractual,  
temporary or limited term employee positions:

- (a) Housing Development Division- one temporary services  
or contractual services  
employee (Associate  
Planner level)
- (b) Housing Rehabilitation Division- one limited term  
Typist Clerk III.
- one limited term  
Technical Specialist II.

Section 2 The Agency Budget shall be amended to transfer \$26,100  
from the Mortgage Revenue Bond Fund balance to pay for the  
contractual or temporary services employee in the Housing  
Development Division.

Section 3: The Agency Budget shall be amended to increase  
expenditures of the Housing Rehabilitation Division by \$24,387 to  
pay for two limited term positions. Such expenditures shall come  
from acquisition and rehabilitation administrative fees.

Section 4: After the appropriate HUD Annual Contributions  
Contract (ACC) has been executed and the funding from it is  
available, the Executive Director is authorized to hire the  
limited term staff as authorized by Section 1(b) of this  
resolution.

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FOR CITY CLERK USE ONLY

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

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