



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



7

June 8, 1988

Budget and Finance
Committee of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Section 8 Moderate Rehabilitation Application - 150
Units - City of Sacramento

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 resolutions authorizing the submittal of the application and execution of the ACC.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:


JACK R. CRIST
Deputy City Manager

Attachment



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



May 31, 1988

Housing Authority of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Section 8 Moderate Rehabilitation Application

SUMMARY

This report recommends authorization for submittal of an application to the Federal Department of Housing and Urban Development (HUD) for funding of 150 units under the Section 8 Moderate Rehabilitation Program.

BACKGROUND

HUD has announced the availability of funds under the Section 8 Moderate Rehabilitation Program and has invited Public Housing Authorities (PHAs) to apply. Under this program, the PHA submits an application to HUD and receives Section 8 program funds under an Annual Contribution Contract (ACC). The PHA then solicits rehabilitation proposals from owners of rental properties and distributes subsidies under Housing Assistance Payments Contracts. The term of the HAP is fifteen years.

The Section 8 subsidy under the Moderate Rehabilitation Program remains with the building. The Fair Market Rents are 120% of the existing housing FMR schedule. The "guaranteed" payments is intended to permit amortization of any rehabilitation loan over the fifteen year HAP period.

Project owners are responsible for obtaining any financing necessary to carry out the rehabilitation. Any type of public or private financing may be used with the program, with the exception of HUD Section 312 rehabilitation loans. We will be working with prospective applicants to arrange the necessary rehabilitation financing.

FINANCIAL DATA

If all 150 units proposed in this application are approved the fifteen year Section 8 Annual Contribution Contract with HUD will yield approximately \$450,000 per year in housing assistance payments for the Sacramento area.

(1)

ENVIRONMENTAL REVIEW

NEPA: Categorically excluded 58.35(a)(4)(i)(B) residential building rehabilitation not involving land use change or change from one class of residential to another.

CEQA: Categorical exemption Section 15301 Class 1(d) restoration or rehabilitation of deteriorated or damaged structures to current standards of public health and safety.

POLICY IMPLICATIONS

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

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of June 6, 1988 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

RECOMMENDATION

Staff recommends approval of the attached resolution which approves submittal of an application to HUD for the Section 8 Moderate Rehabilitation Program for 150 units and authorizes execution of an Annual Contributions Contract in the event an award is received.

Respectively submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF

SECTION 8 MODERATE 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 150 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.

CHAIR

ATTEST:

SECRETARY

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