



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



6

August 13, 1986

Budget & Finance Committee and
Committee of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: River City Residence Club Grant

SUMMARY

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

RECOMMENDATION

The staff recommends approval of the attached resolution authorizing the contract execution and proposed funding.

Respectfully submitted,

William H. Edgar
WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:

Solon Wisham Jr.

SOLON WISHAM, JR.
Assistant City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



September 8, 1986

Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: River City Residence Club Grant

SUMMARY

This report recommends approval of a \$38,000 grant to the River City Residence Club, Inc. (a non-profit corporation) to assist in the construction of a project to house 15 disabled and elderly individuals at 1816 "O" Street. These funds will supplement a \$500,000 award from HUD under the Section 202 Program.

BACKGROUND

The River City Residence Club (a non-profit corporation) has been awarded a \$500,000 direct loan from HUD under the 202 Elderly and Handicapped Housing Program. Funds will be used to construct a 15 unit dormitory type facility at 1816 "O" Street. Section 8 assistance will assure that the residents pay no more than 30% of their incomes for rent.

The River City Club is a single-project non-profit corporation, incorporated for the purpose of applying for the 202 award and subsequently constructing and operating the facility. Sponsors are the Transitional Living & Community Support (TLCS) organization and the Retirement Housing Foundation.

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Initially, the HUD award was for the acquisition and rehabilitation of an existing Victorian structure. Subsequent to the award, however, the building was damaged by a fire and must now be demolished. HUD has authorized use of the award for new construction on the site. As we experienced in the past on many other projects, the HUD prototype cost limits will not quite cover the total cost of development of these projects. Because the housing will be a very valuable addition to our overall subsidized housing inventory, we are recommending the grant funds. A written commitment will be required by mid-September to meet HUD's deadlines for issuing a firm commitment.

Since the 202 legislation does not permit secondary financing as a lien on the property the local funds would need to be in the form of a grant or as a residual receipt, unsecured note.

ENVIRONMENTAL DATA

A Negative Declaration has been filed on this project.

FINANCIAL DATA

Funds for this type of project are available in the Downtown Replacement Housing Fund - Hotel Rehabilitation (cost center: 1012). The \$38,000 grant from the Agency would leverage \$500,000 in Federal funds and help product 15 units.

POLICY IMPLICATIONS

This proposal is consistent with previous actions to provide assistance to non-profit organizations which have received Section 202 awards. It is further consistent with the policy of assisting with the construction of new subsidized housing.

VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its meeting of September 8, 1986, the SHRC 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 September 9, 1986 meeting.

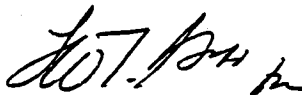
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RECOMMENDATION

Staff recommends that the Redevelopment Agency (1) authorize an appropriation of \$38,000 grant from the Replacement Housing Fund to assist with the construction of the River City Residence Club and (2) authorize the Executive Director of the Redevelopment Agency to enter into a contract with the River City Residence Club for transfer of funds.

Respectfully submitted,


WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Lester Smith, 440-1315.

1601K

RESOLUTION NO.

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

September 9, 1986

RIVER CITY RESIDENCE CLUB GRANT

WHEREAS, the River City Residence Club will be constructing a fifteen unit housing facility for elderly and disabled persons, to be known as the River City Residence Club, and

WHEREAS, the River City Residence Club has received a Section 202 award from the U.S. Department of Housing and Urban Development, and

WHEREAS, such HUD award is insufficient to pay for all costs of construction, and

WHEREAS, the Redevelopment Agency of the City of Sacramento is supportive of efforts to increase the supply of housing for elderly and disabled persons

NOW, THEREFORE BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

Section 1: \$38,000 is hereby appropriated from the Downtown Replacement Housing Fund Hotel Rehabilitation Cost Center 1012 for assistance with the construction of the River City Residence Club housing facility.

Section 2: The Executive Director of the Redevelopment Agency of the City of Sacramento is hereby authorized to negotiate and enter into a contract with The River City Residence Club, Inc for transfer of funds for the construction of the River City Residence Club housing facility.

CHAIR

ATTEST:

SECRETARY