



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



*Agency Rpt*  
**30**

November 17, 1987

APPROVED  
BY THE CITY COUNCIL  
NOV 24 1987

APPROVED  
NOV 24 1987  
SACRAMENTO HOUSING AUTHORITY  
CITY OF SACRAMENTO

APPROVED  
NOV 18 1987  
NOV 24 1987  
SACRAMENTO HOUSING AUTHORITY  
CITY OF SACRAMENTO

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

Honorable Members in Session:

SUBJECT: Department of Housing and Urban Development (HUD)  
New Construction Reservation

SUMMARY

The Department of Housing and Urban Development (HUD) has reserved forty-eight (48) large family new construction public housing units for the City of Sacramento. This report recommends that you: (1) accept this reservation, (2) authorize the Executive Director to submit the necessary materials to complete the application, (3) direct the Executive Director to seek sites in accord with the attached Fair Share Plan; (4) authorize use of up to \$300,000 of Downtown Tax Increment from the 20% Housing Replacement Fund; (4) authorize the Executive Director to prepare an application to HUD for an advance against future Community Development Block Grant (CDBG) funds of sufficient size to fund the remaining local share of construction of these units; (5) authorize the Executive Director to submit loan application to HUD to fund preliminary planning activities.

BACKGROUND

Administrative Requirements of the HUD Award

On April 7, 1987, in response to a HUD Notice of Funding Available (NOFA), you approved the submittal of applications for one hundred thirty two (132) public housing units (84 large family and 48 elderly). The application proposed that these be in small complexes, on scattered sites. The application also specified that these units would be outside areas of minority concentration and in areas that contain relatively few other subsidized housing units, thereby providing improved locations for low income housing.

11-24-87  
All Districts

(1)

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

30

Governing Bodies of the  
City of Sacramento  
November 17, 1987  
Page 2

On September 16, 1987 we were informed by HUD that one reservation has been made to the City. This reservation is for forty-eight (48) large family (3- bedroom) units. These are to be new construction, 38 row and 10 walk-up units. It is anticipated that the maximum number of units per site should be in the six (6) to twelve (12) unit category but may be up to 24 units depending on lot size. The program reservation is subject to the City's compliance with the following conditions:

- 1) The Executive Director of the Public Housing Authority (PHA) must certify as to the remaining units under the Election Authorization (Article XXXIV).
- 2) The PHA must certify that the Cooperation Agreement (between the Housing Authority and the City of Sacramento) is correct.
- 3) The PHA must submit an opinion of the PHA Counsel in the form required by HUD which specifically opines the validity of the application submission.
- 4) The submission of the PHA Resolution on the application.
- 5) The submission of all required Proposal Exhibits contained in HUD Handbook 7417.1 Rev. 1, dated October 1980.

## Need Analysis

Large family multi-family units are a critical need in the City. Based on 1980 data, the Housing Assistance Plan (HAP) identifies a need for 1,517 large family units for lower income families. Very few three or more bedroom rental units have been built in the City at any rent level since then. Currently, there are approximately 2,900 families on our waiting lists for three-bedroom public housing units or Section 8 Certificates.

## Location

The staff report accompanying the Resolution (HA-1776) authorizing submittal of the application proposed that projects should be dispersed in accord with a Fair Share concept and to meet HUD's project selection criteria (minimize impaction, provide opportunities for minorities outside of areas of minority concentration and to provide improved locational opportunities for lower income families). If you approve acceptance of this reservation, staff will begin to search for sites in accord with this criteria.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

30

Governing Bodies of the  
City of Sacramento  
November 17, 1987  
Page 3

The table attached as Exhibit A1 identifies the current distribution of conventional public and other assisted housing units in the City. The tables attached as Exhibits A2 and A3, relate the current distribution to a Fair Share Plan based on population distribution and identifies those areas which have not reached their proportionate shares. Based on this preliminary analysis, the most appropriate areas appear to be the eastern portion of North Sacramento, Campus Commons, East Sacramento, The Pocket and South Natomas.

## Costs

The HUD prototype cost for large family units is approximately \$62,000 per unit. Based on our previous experience and the anticipated land costs for scattered sites, it is doubtful that the funds allocated by HUD for this program will be sufficient to achieve the quality and amenity standards demanded by the City and the communities in which these complexes will be located. We estimate that an additional \$14,000 per unit (\$672,000 total subsidy) will be necessary. (A typical per unit cost breakdown is included as Exhibit "C").

Available sources for this \$672,000 are Downtown Tax Increment Funds within the 20% Housing Replacement Fund and a Section 108 loan against future CDBG allocations.

Section 33334.2(g) of the Community Redevelopment law authorizes use of the 20% set aside outside of project areas upon a resolution of the Agency and the Legislative body that such use will be of benefit to the project. We think that the public housing program is an excellent way to offset the loss of housing in the Downtown area. Staff therefore proposes utilizing \$300,000 from this source.

Additionally, staff recommends pursuing a Section 108 loan in the amount of \$372,000. Although a 108 loan would reduce the amount of CDBG funds available for other vital programs, it is considered to be justified by the overall benefits. The program would allow the Housing Authority to provide additional housing for the hardest-to-reach families for at least forty years (the contract term), with HUD paying over 80% of the construction cost. Additionally, under the public housing performance system, the Housing Authority will be receiving approximately \$30,000 a year, in current dollars, as HUD provides an annual operational subsidy to very low-income tenants.

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

30

Governing Bodies of the  
City of Sacramento  
November 17, 1987  
Page 4

The Section 108 loan would require a repayment of approximately \$85,000 a year for six years from the CDBG program. It is important to recognize that other activities, such as housing rehabilitation, normally funded with CDBG would have to be reduced.

## FINANCIAL DATA

Total development costs are expected to be approximately \$3,540,320. Of this, approximately \$2,868,320 will be paid by HUD through the public housing development grant. The remaining \$672,000 will need to come from local sources. It is recommended that \$300,000 be allocated from the Downtown Housing Replacement Fund and \$372,000 from a Section 108 loan against future CDBG receipts. This would require repayments of approximately \$85,000 a year for 6 years.

The forty-eight (48) units will generate approximately \$30,000 in annual operating subsidies to assist very low income large families who will pay only 30% of their income for rent.

## ENVIRONMENTAL IMPACT

This action is exempt from CEQA citation status under General Rule Section 15061 (b) (3). This action is exempt from NEPA citation under Section 58.34 (a) (6). (Specific project sites will be subject to Environmental review as they are selected and proposed.)

## POLICY IMPLICATIONS

This proposal is consistent with current policy. No policy changes are proposed.

## VOTE AND RECOMMENDATION OF THE COMMISSION

At its meeting of November 16, 1987 the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were as follows:

AYES: Glud, Moose, Pettit, Sheldon, Simon, Simpson,  
Wiggins, Wooley, Yew  
NOES: None  
NOT PRESENT TO VOTE: Amundson  
ABSENT: None

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

30

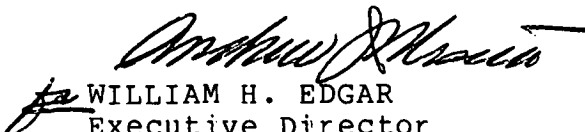
Governing Bodies of the  
City of Sacramento  
November 17, 1987  
Page 5

## STAFF RECOMMENDATIONS


Staff recommends adoption of the attached resolutions which:

- 1) Accept the reservation of forty-eight (48) large family public housing units made by HUD;
- 2) Authorize the Executive Director to submit all materials necessary to meet HUD conditions for the Program Reservation;
- 3) Directs the staff to seek sites in accord with a Fair Share Plan and report back with sites as they become available;
- 4) Authorizes the Executive Director to prepare an application to HUD for a 108 loan against future CDBG allocation and, hold a public hearing to amend the CDBG Statement of Objectives and proposed use of funds.
- 5) Authorize the Executive Director to prepare and submit findings for the utilization of Downtown Tax Increment Replacement Housing Funds outside of the Redevelopment Project area in support of this proposal.

Respectfully submitted,

  
WILLIAM H. EDGAR  
Executive Director

TRANSMITTAL TO COUNCIL:

  
WALTER J. SLIPE  
City Manager

Contact Person: John Molloy

ID 1954  
Lib2410WPP1

30

# RESOLUTION NO. 87-100

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

November 24, 1987

## RECOMMENDING USE OF DOWNTOWN TAX INCREMENT FUNDS FOR CONSTRUCTION

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) has reserved for the Authority, an allocation of forty-eight (48) new public housing units; and

WHEREAS, HUD shall pay approximately \$2,903,520 toward cost of development of said units and the expected cost of development is \$3,575,520.

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

Section 1: The Executive Director is hereby authorized and directed to amend the budget to allocate an amount not to exceed \$300,000 of Downtown Tax Increment from the 20% housing replacement fund to the aforesaid development.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY



213f  
11/17

# RESOLUTION NO. 87-101

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

November 24, 1987

## APPLICATION FOR SECTION 108 LOAN FOR CONSTRUCTION

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") has reserved for the Authority, an allocation of forty-eight (48) new public housing units; and

WHEREAS, HUD shall pay approximately \$2,903,520 toward cost of development of said units and the expected cost of development of said units is \$3,575,520, now, therefore,

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

Section 1: The Executive Director of the Sacramento Housing and Redevelopment Agency is hereby authorized and directed to submit an application to the U.S. Department of Housing and Urban Development for a Section 108 loan against future CDBG allocations to assist in the construction of forty-eight (48) new public housing units by the Housing Authority of the City of Sacramento.

\_\_\_\_\_  
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

212(c) f  
11/12



30

# RESOLUTION NO. 87-972

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

November 24, 1987

## APPLICATION FOR SECTION 108 LOAN FOR CONSTRUCTION

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") has reserved for the Authority, an allocation of forty-eight (48) new public housing units; and

WHEREAS, HUD shall pay approximately \$2,903,520 toward cost of development of said units and the expected cost of development of said units is \$3,575,520, now, therefore,

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

Section 1: The Executive Director of the Sacramento Housing and Redevelopment Agency is hereby authorized and directed to submit an application to the U.S. Department of Housing and Urban Development for a Section 108 loan against future CDBG allocations to assist in the construction of forty-eight (48) new public housing units by the Housing Authority of the City of Sacramento.

ATTEST:

\_\_\_\_\_  
CITY CLERK

\_\_\_\_\_  
MAYOR  
APPROVED  
BY THE CITY COUNCIL  
NOV 24 1987  
OFFICE OF THE  
CITY CLERK

212(b)f  
11/12



30

# RESOLUTION NO. 87-027

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

November 24, 1987

## ACCEPTANCE OF HUD RESERVATION FOR CONSTRUCTION OF PUBLIC HOUSING PROJECTS

WHEREAS, the U.S. Department of Housing and Urban Development ("HUD") has approved the preliminary application of the Authority for forty-eight new, large-family public housing units; and

WHEREAS, acceptance of the HUD reservation for said units and submission of further application information are required, and

WHEREAS, construction sites for said units must be located; now, therefore,

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

Section 1: The following Housing program reservation by HUD are hereby approved and accepted: CA30-P005-027.

Section 2: The Executive Director is hereby authorized and directed to submit all information materials necessary to meet the conditions of the HUD program reservation and to submit an application to HUD for a Front-End Annual Contribution Contract relating to the HUD program reservation.

Section 3: The Executive Director is hereby authorized to seek sites for new construction in accordance with a Fair Share Plan and to report back regarding appropriate sites as they become available.

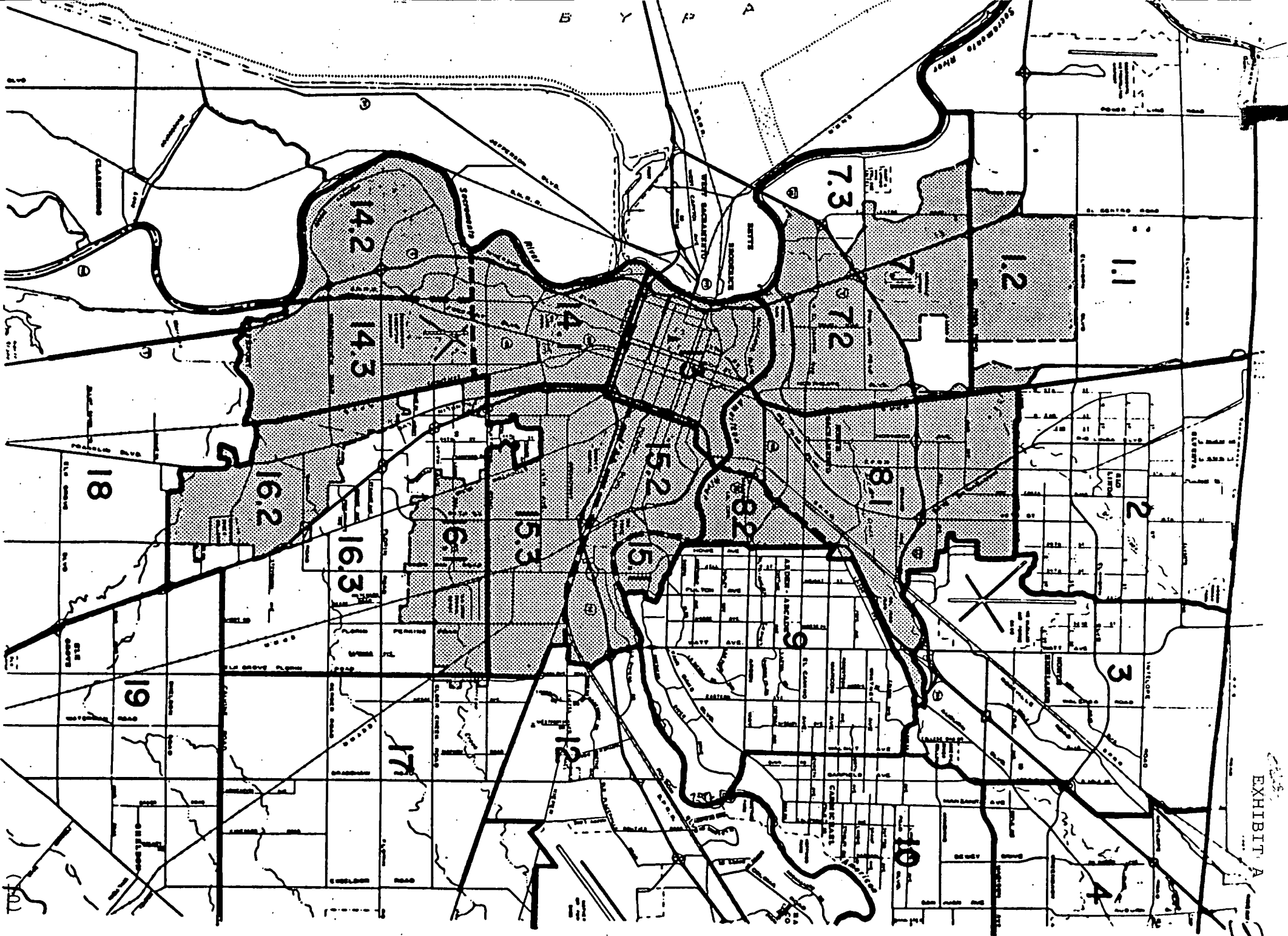
CHAIR

ATTEST:

\_\_\_\_\_  
SECRETARY

212(a)f  
11/12





FAIR SHARE PLAN  
SACRAMENTO CITY TOTAL

Community Planning Area	1987 Population	All Assisted Units			Public Housing Units (SHRA)			Privately Owned Units		
		Total	Family	Elderly	Total	Family	Elderly	Total	Family	Elderly
1.2 North Natomas (city)	376	0	0	0	0	0	0	0	0	0
7.1 South Natomas (city)	4,151	0	0	0	0	0	0	0	0	0
7.2 South Natomas (city)	21,485	57	57	0	11	11	0	46	46	0
8.1 North Sacramento	38,484	576	417	159	247	127	120	329	290	39
8.2 North Sacramento	7,831	0	0	0	0	0	0	0	0	0
13.0 Downtown	30,437	1720	518	1202	880	236	644	840	282	558
14.1 Land Park	34,495	774	774	0	774	774	0	0	0	0
14.2 Pocket	36,735	129	32	97	28	0	28	101	32	69
14.3 Meadowview	32,093	718	718	0	86	86	0	632	632	0
15.1 Campus Commons	4,716	0	0	0	0	0	0	0	0	0
15.2 East Sacramento	35,244	131	1	130	31	1	30	100	0	100
15.3 East Broadway	39,373	997	352	645	256	126	130	741	226	515
16.1 South Sacramento	18,824	345	345	0	122	122	0	223	223	0
16.2 South Sacramento	30,847	132	132	0	35	35	0	97	97	0
<b>TOTALS:</b>	<b>335,091</b>	<b>5579</b>	<b>3346</b>	<b>2233</b>	<b>2470</b>	<b>1518</b>	<b>952</b>	<b>3109</b>	<b>1828</b>	<b>1281</b>

02-Nov-87

ASSISUN6

FAIR SHARE PLAN  
SACRAMENTO CITY TOTAL

Community Planning Area	1987									
	Population	All Assisted U			Public Housing Units (SHRA)			Privately Owned Units		
	Total	Family	Elderly	Total	Family	Elderly	Total	Family	Elderly	
1.2 North Natomas (city)	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7.1 South Natomas (city)	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7.2 South Natomas (city)	6.4%	1.0%	1.7%	0.0%	0.4%	0.7%	0.0%	1.5%	2.5%	0.0%
8.1 North Sacramento	11.5%	10.3%	12.5%	7.1%	10.0%	8.4%	12.6%	10.6%	15.9%	3.0%
8.2 North Sacramento	2.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13.0 Downtown	9.1%	30.8%	15.5%	53.8%	35.6%	15.5%	67.6%	27.0%	15.4%	43.6%
14.1 Land Park	10.3%	13.9%	23.1%	0.0%	31.3%	51.0%	0.0%	0.0%	0.0%	0.0%
14.2 Pocket	11.0%	2.3%	1.0%	4.3%	1.1%	0.0%	2.9%	3.2%	1.8%	5.4%
14.3 Meadowview	9.6%	12.9%	21.5%	0.0%	3.5%	5.7%	0.0%	20.3%	34.6%	0.0%
15.1 Campus Commons	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15.2 East Sacramento	10.5%	2.3%	0.0%	5.8%	1.3%	0.1%	3.2%	3.2%	0.0%	7.8%
15.3 East Broadway	11.7%	17.9%	10.5%	28.9%	10.4%	8.3%	13.7%	23.8%	12.4%	40.2%
16.1 South Sacramento	5.6%	6.2%	10.3%	0.0%	4.9%	8.0%	0.0%	7.2%	12.2%	0.0%
16.2 South Sacramento	9.2%	2.4%	3.9%	0.0%	1.4%	2.3%	0.0%	3.1%	5.3%	0.0%
<b>TOTALS:</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

02-Nov-87

ASSISUN6

FAIR SHARE PLAN  
SACRAMENTO CITY TOTAL

Community Planning Area	1987 Population	All Assisted U			Public Housing Units (SHRA)			Privately Owned Units		
		Total	Family	Elderly	Total	Family	Elderly	Total	Family	Elderly
1.2 North Natomas (city)	376	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7.1 South Natomas (city)	4,151	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
7.2 South Natomas (city)	21,485	15.9%	26.6%	0.0%	6.9%	11.3%	0.0%	23.1%	39.2%	0.0%
8.1 North Sacramento	38,484	89.9%	108.5%	62.0%	87.1%	72.8%	109.8%	92.1%	138.1%	26.5%
8.2 North Sacramento	7,831	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
13.0 Downtown	30,437	339.4%	170.4%	592.6%	392.2%	171.2%	744.7%	297.5%	169.8%	479.6%
14.1 Land Park	34,495	134.8%	224.7%	0.0%	304.4%	495.3%	0.0%	0.0%	0.0%	0.0%
14.2 Pocket	36,735	21.1%	8.7%	39.6%	10.3%	0.0%	26.8%	29.6%	16.0%	49.1%
14.3 Meadowview	32,093	134.4%	224.1%	0.0%	36.4%	59.2%	0.0%	212.3%	361.0%	0.0%
15.1 Campus Commons	4,716	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
15.2 East Sacramento	35,244	22.3%	0.3%	55.4%	11.9%	0.6%	30.0%	30.6%	0.0%	74.2%
15.3 East Broadway	39,373	152.1%	89.5%	245.8%	88.2%	70.6%	116.2%	202.8%	105.2%	342.2%
16.1 South Sacramento	18,824	110.1%	183.5%	0.0%	87.9%	143.1%	0.0%	127.7%	217.2%	0.0%
16.2 South Sacramento	30,847	25.7%	42.9%	0.0%	15.4%	25.0%	0.0%	33.9%	57.6%	0.0%
<b>TOTALS:</b>	<b>335,091</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>

CITY FAMILY RESIDENCES  
 48 UNITS  
 CA30-P003-027  
 Schedule of Activities  
 AS OF 11/05/87

ESTIMATED SCHEDULE	1987				1988						1989												
	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	
DHUD Application Approval	9/16	XXXXX	11/24																				
Approval to retain Architect			X11/24																				
Architectural Contract			XX12/1																				
Architectural Contract Appr.-DHUD			XX12/15																				
Area Site Search		XXXXXXXXXX	11/15																				
NEPA/CEQA Program Review			XXXXXXXXX	2/13																			
Prelis.Title/Appraisal			XXXXX	XXXXX	2/10																		
Site Option/Survey				XXXXX	2/20																		
Planning Conf.-DHUD					2/15																		
Community Meetings/Site Approval					XXXXX	2/30																	
Preliminary Design Conf./In House						XXXXX	3/5																
Preliminary Design Conf.-DHUD							3/10																
NEPA Site Review								13/30															
CEQA Site Review								13/30															
(30 Day Minium)																							
PRELIM. SITE APPROVAL - DHUD								13/15															
Schematic Design - 30 Days								XXXXX	4/10														
Community Meetings/Design Review										XXXXX	5/30												
Schematic Review/Approval -LHA										XXXXX	5/30												
Schematic Review/Approval-DHUD											XXXXX	6/16											
FINAL Site/Schematic Approval-DHUD												6/16											
NEPA/CEQA Project Review													XXXXXXXXX	8/16									
(60 DAYS)																							
Preliminary Plans																							
(60 DAYS)																							
Preliminary Plan Review-LHA																							
Working Drawings																							
SITE APPROVAL - SHRC/City																							
Site Purchase																							
Working Drawing Approval-DHUD																							
County Plan Check																							
Dvlp.Program Approval-LHA																							
Final Program Approval-DHUD																							
Approval to Advertise-SHRC/City																							
Advertisement																							
Accepting Low Bid-SHRC/City																							
DHUD Final Approval																							
Construction Start																							
ON 6/16/89 - CRITICAL/DHUD																							
Lotus 3-27sch/as of 11/09/87																							

EXHIBIT C  
TYPICAL DEVELOPMENT COSTS

	TOTAL COST	HUD FUNDING	BALANCE	TOTAL PER UNIT COST	DONATION PER UNIT COST
Administration	\$249,006	\$192,000	\$57,006	\$5,188	\$1,188
Architectural/Engineering and Planning	\$310,000	\$258,000	\$52,000	\$6,458	\$1,083
Site Acquisition (anticipating 4 Sites)	\$620,000	\$247,208	\$372,792	\$12,917	\$7,767
Site Improvements	\$462,202	\$312,000	\$150,202	\$9,629	\$3,129
Dwelling Construction and Equipment	\$1,814,700	\$1,814,700	\$0	\$37,806	\$0
Community upgrades to Dwelling Construction	\$40,000	\$0	\$40,000	\$833	\$833
Contingency	\$44,412	\$44,412	\$0	\$925	\$0
Sub-Total	\$3,540,320	\$2,868,320	\$672,000	\$73,756	\$14,000