

RESOLUTION NO. 90-112

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF December 11, 1990

**FUNDING AUTHORITY FOR SACRAMENTO MUTUAL HOUSING
ASSOCIATION SECOND PROJECT;
DELEGATION OF ALLOCATION FOR PREDEVELOPMENT LOAN
AND PRELIMINARY SITE APPROVAL;
NON-PROFIT PRE-DEVELOPMENT LOAN FUND;
SACRAMENTO MUTUAL HOUSING ASSOCIATION PRIORITY FUNDING**

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

Section 1: The Redevelopment Agency of the City of Sacramento finds that the development by the Sacramento Mutual Housing Association of an affordable housing project within the City of Sacramento, even if outside of the Downtown Redevelopment Area, will be of benefit to said Area.

Section 2: The sum of \$200,000 in Downtown redevelopment tax increment funds is allocated from the 1990 Tax Allocation Bond proceeds for the Sacramento Mutual Housing Association's second project.

Section 3: The Agency delegates authority to the Executive Director, in consultation with an ad hoc committee of the Sacramento Housing and Redevelopment Commission, to give preliminary approval of the site of Sacramento Mutual Housing Association's second project for use of Agency loan funds.

Section 4: The Executive Director, in consultation with an ad hoc committee of the Sacramento Housing and Redevelopment Commission, is authorized, for a period of six months from the date of this Resolution, to approve not more than \$15,000 of the \$200,000 as an unsecured predevelopment loan, without interest, and to disburse such loan funds at such time as the Sacramento Mutual Housing Association submits a predevelopment loan application which is sufficient as determined by Agency staff, and which meets the criteria outlined in Attachment A of the staff report attached. If Agency

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approves an acquisition and construction loan as herein provided, the unpaid balance of the predevelopment loan shall be added to and be a part of the acquisition and construction loan. If Agency does not approve the acquisition and construction loan, the predevelopment loan shall become due and payable five years from the date disbursed.

Section 5: The remainder of the \$200,000 shall be available, for a period of one year from the date of this Resolution, for an acquisition and construction loan, without interest, secured by real property, payable upon receipt by the Sacramento Mutual Housing Association of permanent financing. Such loan funds shall be disbursed in accordance with a schedule established at such time as the Agency approves the Sacramento Mutual Housing Association's complete project proposal as described in Attachment B of the staff report attached.

Section 6: Agency shall deposit all sums received in repayment of the predevelopment or acquisition and construction into a non-profit predevelopment loan fund.


CHAIR

ATTEST:


SECRETARY

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ATTACHMENT A

SACRAMENTO MUTUAL HOUSING ASSOCIATION PREDEVELOPMENT LOAN SUBMITTAL REQUIREMENTS AND CRITERIA

- a. Project Proposal: In order to obtain a predevelopment loan, the Mutual must submit an application describing:
- 1) Site and site location.
 - 2) Any known constraints to development.
 - 3) Proposed development.
 - 4) Estimate of total acquisition and development costs.
 - 5) Proposed sources of construction and permanent financing.
- b. Project Criteria: Site suitability will be evaluated by the following criteria:
- 1) Site must be reasonably accessible to public transportation, shopping and amenities.
 - 2) Any known constraints to development appear to be mitigable.
 - 3) Acquisition costs for the site, and/or structure if applicable, appear to be reasonable.
 - 4) Preliminary estimates of total development costs per unit should indicate financial feasibility.
 - 5) Proposed sources of financing appear to be available and viable.

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ATTACHMENT B

SACRAMENTO MUTUAL HOUSING ASSOCIATION ACQUISITION/CONSTRUCTION LOAN SUBMITTAL REQUIREMENTS AND CRITERIA

- a. Project Proposal: In order to obtain an acquisition/construction loan, the Mutual must submit a complete project proposal including:
- 1) Narrative description of proposed project, including such items as the number of units, size and mix of bedrooms, rents, facilities provided, type of construction, etc.
 - 2) Site plans, floor plans, preliminary architectural renderings and specifications.
 - 3) Estimated project costs.
 - 4) Proformas incorporating rent structure, project costs and proposed financing package.
 - *** 5) Evidence of commitment for the balance of the acquisition and construction financing needs.
 - *** 6) Evidence of commitment for take-out financing sufficient to repay all construction loans.
 - 7) Preliminary management plan.
 - 8) Schedule of performances.
- b. Project Criteria: The project proposal will be evaluated on the basis of the following criteria:
- 1) If new construction, preliminary project design must be attractive and take into account such aspects as security, design harmony with the surrounding neighborhood, and pleasant common areas.
 - 2) If rehabilitation, the planned rehabilitation must be sufficient and meet Agency rehabilitation standards.

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- 3) Project affordability must be such that, at a minimum, 20% of the units must be affordable to households earning less than 80% of area median income.
- 4) Total development cost per unit must be at the lowest level commensurate with reasonably high quality construction.
- 5) Project must leverage Agency funds with other sources of government and private financing and the proposed financing package must appear to be viable.
- 5) Preliminary management proposal for the project must be realistic and sound.

*** Note: The Agency will provide conditional commitment letters to the Mutual as needed to obtain additional acquisition, construction and permanent financing from other sources.

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