

RESOLUTION NO. 2008-016

Adopted by the Housing Authority
of the City of Sacramento

November 6, 2008

RIVERVIEW PLAZA: AUTHORIZE GROUND LEASE PAYMENT FORGIVENESS, LIMITED PARTNER CONSENT TO LOAN WRITE-DOWNS, AND APPROVAL OF RESIDENTIAL RENT INCREASE

BACKGROUND

- A. Riverview Plaza is a 16-story commercial and age-restricted residential development located at 600 I Street, Sacramento. The 124-unit residential portion is owned by Riverview Plaza Associates, a California Limited Partnership (Partnership). The substitution of the Housing Authority of the City of Sacramento as limited partner of the Partnership was approved in August 2008.
- B. The current residential rent structure was approved in 1997 and allowed for a 2.5% annual increase, but only until 2002. As a result, many of the residential units are below the levels allowed by the regulatory agreements, and this has caused the property to operate at a deficit for a number of years.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. It is determined that the action proposed by this resolution is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Sections 15310 and 15301 which exempts bond and loan financing and operation of existing facilities where the use remains unchanged.
- Section 2. Authorize the forgiveness of all accrued and future ground lease payments by and between the Housing Authority and the Partnership
- Section 3. Authorize consent as limited partner of the Partnership for the write-down of the following existing loans: Community Development Block Grant (CDBG), Housing Development Action Grant (HODAG) and Downtown Tax Increment (DTI) loans, subject to loan forgiveness approvals by the City of Sacramento and Redevelopment Agency of the City of Sacramento.
- Section 4. Approve a 2.5% annual rent increase to current residents until unit rents reach maximum regulatory rent or unit turnover.
- Section 5. Authorize residential rents at unit turnover to be in conformance with the requirements of the California Housing Finance Agency (CalHFA), Housing Development Action Grant (HODAG), Low Income Housing Tax Credit (LIHTC), and Downtown Housing Set-Aside regulatory agreements on the property as follows:

Tier I	
Units:	25 units @ 50% Area Median Income (AMI) ("Very Low Income") 13 units @ 80% Area Median Income (AMI) ("Lower Income")
Affordability:	50% AMI 80% AMI (Included in tax credit units)
Gross Rent:	25% of income Excludes Section 8 rents
Compliance Period:	30 years beginning 1989
Compliance End:	2019
Tier II	
Units:	18 units @ 50% Area Median Income (AMI) ("Very Low Income") 33 units @ 50% Area Median Income (AMI) ("Very Low Income")
Affordability:	50% AMI ("Very Low Income") Restricted to elderly residents
Gross Rent:	30% of 50% AMI (Including utilities)
Compliance Period:	20 years beginning 1989; 55 years beginning 2008
Compliance End:	18 units @ 50% AMI until 2009 then units may convert to 60% AMI until 2019 33 units until 2063
Tier III	
Units:	47 units
Affordability:	60% Area Median Income ("Low Income")
Gross Rent:	30% of 60% AMI (Including utilities) Excludes Section 8 rents
Compliance Period:	30 years beginning 1989
Compliance End:	2019

Section 6. The proposed rent adjustments, in Section 4 and 5 would be implemented in the first quarter of 2009.

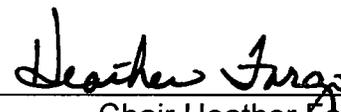
Adopted by the Housing Authority of the City of Sacramento on November 6, 2008 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: None.


Chair Heather Fargo

Attest:

Shirley Concolino, Secretary