

RESOLUTION NO. 2009-003

Adopted by the Housing Authority
of the City of Sacramento

March 10, 2009

SUBMISSION OF AN APPLICATION FOR DISPOSITION OF TWO PUBLIC HOUSING RESIDENTIAL DEVELOPMENTS, WASHINGTON PLAZA APARTMENTS AND SUTTERVIEW APARTMENTS, AND RELATED MATTERS

BACKGROUND

- A. The Housing Authority of the City of Sacramento (Housing Authority) has elected a proactive strategy to align the SHRA operations to the realities of the HUD funding environment while adhering to the SHRA's "guiding principles" and continuing to meet the needs of SHRA's traditional constituents.
- B. Under the current HUD public housing funding environment, Sutterview Apartments located at 2526 L Street, and Washington Plaza Apartments located at 1318 E. Street, together are running a substantial operating deficit and have immediate repair and replacement needs of approximately \$7.8 million in hard construction repair and replacement costs that will not be able to be addressed in a timely fashion with public housing funds.
- C. The Housing Authority projects that it can stabilize the operations of the two developments, address the immediate capital needs, and place the developments on a sounder long-term basis by utilizing project-based vouchers and low-income housing tax credits, subject to compliance with program requirements and based on reasonable market assumptions.
- D. The Housing Authority has determined that prompt disposition of the two developments to an affiliate nonprofit corporation would contribute to the stabilization of operations at the developments and put the developments in a more favorable position to be redeveloped using project-based vouchers and tax credits, after further conveyance to an entity that can take advantage of the tax credits.
- E. The Housing Authority can begin to take these steps and seek to obtain the necessary resources to commit project-based vouchers to the developments by submitting an application to the United States Department of Housing and Urban Development (HUD) for the disposition of the Sutterview and Washington Plaza public housing developments, approval of which would entitle the Housing Authority to apply for replacement vouchers. The Housing Authority would not proceed with the dispositions until HUD has committed adequate replacement vouchers.

- F. The Housing Authority has consulted with residents and local officials regarding this situation and has received a letter of support from the Mayor of Sacramento for submission of such a disposition application to HUD.
- G. Based on these facts, the Housing Authority has concluded that disposition of Sutterview Apartments and Washington Plaza Apartments is appropriate for reasons that are consistent with the goals of the Housing Authority and its PHA Plan and are otherwise consistent with the United States Housing Act of 1937.

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

- Section 1. Approve and authorize the submission of an application to the U.S. Department of Housing and Urban Development (HUD) for the disposition of the Housing Authority of the City of Sacramento's Sutterview Apartments (CA00-5000-106) located at 2526 L Street, and Washington Plaza Apartments (CA00-5000-103) located at 1318 E Street in Sacramento, CA, which may commit the Housing Authority to the plans outlined in this resolution.
- Section 2. Approve and authorize the formation of an instrumentality of the Housing Authority,
- Section 3. Approve and authorize the transfer of ownership of Sutterview Apartments and Washington Plaza Apartments to an instrumentality of the housing authority, for ultimate further transfer to an entity that can benefit from use of low-income housing tax credits to accomplish the necessary renovations to these properties.
- Section 4. Approve and authorize the submission of the Housing Authority, upon HUD approval of the disposition application, of an application to HUD for as many replacement vouchers as may be available.
- Section 5. The Executive Director, or her designee, is authorized to execute all necessary documents and to take all other necessary steps to provide for the submission and approval by HUD of the disposition application, application for replacement vouchers, transfer of Sutterview Apartments and Washington Plaza apartments to the instrumentality after adequate replacement vouchers have been obtained and other necessary preparatory steps have been taken, and the continued protection of current tenants.

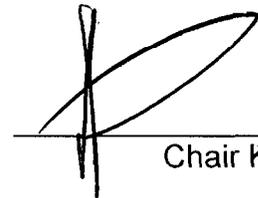
Adopted by the Housing Authority of the City of Sacramento on March 10, 2009 by the following vote:

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

Noes: None.

Abstain: None.

Absent: Councilmember Tretheway.



Chair Kevin Johnson

Attest:



Shirley Concolino
Shirley Concolino, Secretary