



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO CITY COUNCIL AND
REDEVELOPMENT AGENCY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org**

Consent
September 22, 2009

**Honorable Mayor and Members of the City Council
Honorable Chair and Members of the Redevelopment Agency**

Title: Approval of Funding for Norwood Avenue Apartments and Norwood Estates

Location/Council District: 3257 and 3335 Norwood Avenue; Council District 2

Recommendation: Adopt 1) a **Redevelopment Agency Resolution** a) approving an allocation of up to \$917,000 including up to \$412,680 of Alkali Flat Low/Moderate Tax-exempt Tax Increment Housing Set-aside funds and up to \$504,320 of North Sacramento Low/Moderate Tax-exempt Tax Increment Housing Set-aside funds, of which \$300,000 has already been budgeted, for the acquisition, rehabilitation, and permanent financing of the Norwood Avenue Apartments; and b) authorizing the Executive Director or her designee to amend the Agency budget to allocate \$917,000 in Tax Increment funds to the project; 2) a **Redevelopment Agency Resolution** a) approving an allocation of up to \$1,300,000 including up to \$400,000 of Aggregate Low/Moderate Tax Increment Housing Set-aside funds, up to \$300,000 of Alkali Flat Low/Moderate Tax-exempt Tax Increment Housing Set-aside funds, up to \$172,442 of Del Paso Heights Low/Moderate Tax Increment funds, and up to \$427,558 of North Sacramento Low/Moderate Tax-exempt Tax Increment Housing Set-aside funds for the rehabilitation and permanent financing of Norwood Estates; and b) authorizing the Executive Director or her designee to amend the Agency budget to allocate \$1,300,000 in Tax Increment funds to the project; 3) a **City Resolution** a) de-funding \$333,000 City HOME funds from the Arena Senior Apartments project, which did not proceed, for the purpose of reallocating to the Norwood Avenue Apartments project; and b) authorizing the Executive Director or her designee to amend the Agency budget to allocate \$333,000 in City HOME funds to the project; and 4) a **City Resolution** a) de-funding \$450,000 City HOME funds from the Arena Senior Apartments project, which did not proceed, for the purpose of reallocating to the Norwood Estates project; and b) authorizing the Executive Director or her designee to amend the Agency budget to allocate \$450,000 in City HOME funds to the project.

Contact: Lisa Bates, Deputy Executive Director, 440-1330, Christine Weichert, Assistant Director, Housing and Community Development, 440-1353

Presenters: None

Approval of Funding for Norwood Avenue Apartments and Norwood Estates

Department: Sacramento Housing and Redevelopment Agency
Description/Analysis

Issue: Norwood Avenue Apartments is a 28-unit affordable housing development located at 3257 Norwood Avenue owned by Norwood Avenue Housing Corporation (NAHC), a non-profit affiliate of the Sacramento Housing and Redevelopment Agency (Agency). Norwood Estates is a neighboring 44-unit affordable development located at 3335 Norwood Avenue that is owned by Norwood Housing Associates, L.P., an affiliate of Sacramento Mutual Housing Association (SMHA) (Developer). Both developments are in the Del Paso Heights Redevelopment Area. The proposed project includes the acquisition of Norwood Avenue Apartments by the Developer and the rehabilitation and operation of the two properties as a single 72-unit project. NAHC and the Developer propose combining ownership and management of the two properties to allow for cost efficiencies that can be achieved through the unified operation of the two projects as one development. The use of a single property management firm for both projects and the ability to combine contracts for services will result in lower operating costs per unit for both projects.

The proposed project will include a complete rehabilitation of both properties including interior and exterior repairs to the buildings and site improvements. The proposed rehabilitation conforms to the Agency's guidelines and will bring the property up to current market standards. The improvements will create complexes that are more visually appealing and functionally improved, increasing their marketability and having a positive impact on the surrounding neighborhood.

This report recommends approval of funding of up to \$3 million to accomplish the immediate acquisition of Norwood Avenue Apartments by the Developer and the renovation of both Norwood Avenue Apartments and Norwood Estates. The use of Tax Increment funds requires an executed Owner Participation Agreement (OPA) on each property. The Developer is nearing completion of negotiations with the existing lenders on the projects. Approval of this funding request will assist the Developer in these discussions. Staff will return to the City Council and Redevelopment Agency for approval of the loan terms and OPA's when negotiations have been completed.

Further background on the project developer and the properties are included in Attachment 1. Vicinity and location maps and site plans are included as Attachments 2 and 3 respectively. A project summary, including a proposed sources and uses of funds, is included as Attachment 4. A schedule of maximum rents and incomes for the project is included as Attachment 5.

Policy Considerations: The project qualifies as a recapitalization project which has a high priority for Agency funding under the Agency's adopted multifamily lending guidelines. When the Agency returns for approval of the OPA, regulatory

Approval of Funding for Norwood Avenue Apartments and Norwood Estates

restrictions on the property will be specified in loan regulatory agreements with the Agency. As affordable housing projects, Norwood Avenue Apartments and Norwood Estates are exempt from the Art in Public Places requirement.

Environmental Considerations: The proposed action is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Sections 15310 and 15301(a) and (d) which exempts bond and loan financing and rehabilitation of existing facilities where the use remains unchanged. The project is Categorically Excluded from environmental review under National Environmental Policy Act regulations at 24 CFR Section 58.35 (a) subsection (3)(ii).

Sustainability Considerations: The Project has been reviewed for consistency with the focus areas, goals, policies, and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the project will advance the following focus areas: the project supports Focus Area number one – Energy Independence, by replacing resource inefficient infrastructure, and Focus Area number six – Urban Design, Land Use, Green Building and Transportation, by reducing dependence on private automobiles due to the fact that the properties are located in close proximity to Regional Transit bus stops.

Committee/Commission Action: *Sacramento Housing and Redevelopment Commission:* At its meeting on September 2, 2009, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Burruss, Chan, Dean, Fowler, Gore, Morgan, Morton, Otto, Rosa, Shah, Stivers

NOES: None

ABSENT: None

Rationale for Recommendation: The actions recommended in this report further the Agency goal of eliminating blight and promoting and preserving affordable housing in the City and enable the Agency to continue to fulfill its mission to provide a range of affordable housing opportunities in the City and County of Sacramento.

Financial Considerations: Staff recommends allocation of a total of \$3 million in Low/Moderate Tax Increment Housing Set-Aside funds and HOME funds to accomplish the immediate acquisition of Norwood Avenue Apartments and the renovation of both properties.

The funding allocated to both Norwood Avenue Apartments and Norwood Estates will be structured as separate loans. The sources used to fund these projects and the requirements of other existing lenders will require portions of each loan to be structured as forgivable and/or residual receipts loans.

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Approval of Funding for Norwood Avenue Apartments and Norwood Estates

M/WBE Considerations: The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Recommendation Approved:

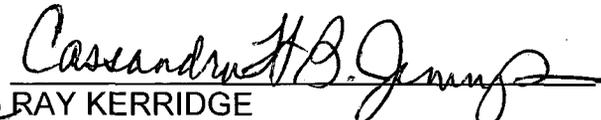

for RAY KERRIDGE
City Manager

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Norwood Avenue Apartments and Norwood Estates Projects Background Information

Description of Development: Norwood Avenue Apartments is a 28 unit project originally constructed in 1971 and renovated in 1993. The current project was financed with 9 percent Low Income Housing Tax Credits (LIHTC's), Family Housing Demonstration Project (FHDP) funds from the California Department of Housing and Community Development (HCD), and Tax Increment (TI) loans from the Agency in the amounts of \$215,000 in 1991 and \$465,000 in 1992. The project consists of eight one-bedroom, 11 two-bedroom, and nine three-bedroom units in seven two-story buildings. Amenities include a Head Start daycare facility, a community room, three laundry rooms, and gated entry. Norwood Estates is a 44 unit project built in 1991 also using 9 percent LIHTC's and TI loans from the Agency in the original amounts of \$352,503 and \$57,700. The project consists of 22 two-bedroom and 22 three-bedroom units in six buildings. Amenities include a clubhouse/business center, a tot-lot, a laundry room, and gated entry. The two projects were constructed similarly with wood frame buildings on concrete foundations with stucco siding. The roofs are pitched with composition shingles. Together the projects include 31 very low-income units affordable to families at or below 50 percent of Area Median Income (AMI), 40 low-income units affordable to families at or below 60 percent of AMI, and one manager's unit.

NAHC and the Developer propose combining management of the properties in order to allow for cost efficiencies that can be achieved through the unified operation of the projects as one development. The Developer already owns the 15-unit Norwood Annex Apartments located between the two subject properties. The use of a single property management firm for all three developments and the ability to combine contracts for services will result in lower operating costs per unit throughout. Resident services will be provided to the residents of all the projects allowing for reduced cost and greater flexibility in the range of services provided. Additionally, construction costs associated with the rehabilitation of the Norwood Avenue Apartments and Norwood Estates will be lower per unit than if the two projects are completed separately.

The proposed project will include a complete rehabilitation of the Norwood Avenue Apartments and Norwood Estates including interior and exterior repairs to the buildings and site improvements. Interior rehabilitation will include repair and replacement of appliances, kitchen cabinets, bathroom fixtures, water heaters, carpets and vinyl flooring, as needed. Exterior work will include replacement or repair of the stucco, roofing, and gutters along with repainting. Site work will include landscaping, improvements to the children's playground, asphalt repairs, installation of additional site lighting and new security cameras. The proposed rehabilitation conforms to the Agency's guidelines and will bring the property up to current market standards.

The projects are proposed to be financed with new TI and HOME loans from the Agency totaling \$3 million, conventional senior debt, and assumption of current debt, which includes the loan from HCD on the Norwood Avenue Apartments property, and the existing TI loans from the Agency on each property. Unfortunately, the use of tax-exempt bonds and LIHTC's to supplement the financing is impossible in the current

Approval of Funding for Norwood Avenue Apartments and Norwood Estates

economic environment. The use of TI funds requires an executed Owner Participation Agreement (OPA) on each property.

Developer: SMHA is an experienced owner and manager of affordable rental housing projects. SMHA owns and operates approximately 650 affordable homes in 11 mutual housing communities, and houses more than 2,150 low income residents. Incorporated in 1988, SMHA was formed as a partnership of neighborhood residents, business representatives, housing advocates, and local government dedicated to improving housing opportunities for lower income families. Mutual housing is designed to offer a permanent solution to the housing needs of low-income residents with residents taking a key role in the management and maintenance of their homes and developing a vested interest in the success of their community. SMHA is the owner of a number of projects in the Sacramento area, including Mutual Housing at Lemon Hill, Victory Townhomes and Evergreen Estates, River Garden Estates, Greenway Village, and Los Robles.

Resident Services: Services will be provided to the residents by SMHA. The service provider will be required to provide at least 17 hours of services per week. Programs will be tailored to the needs of the residents. Examples of services include after-school programs, computer training, English as a Second Language classes and coordinating social activities for the residents.

Property Management: The project will be managed by a property management company experienced in operating affordable apartment communities. Agency staff will review the management plan, including daily operations, leasing procedures, maintenance, and eviction procedures, to ensure the company meets the Agency's requirements for property management.

Project Financing: Staff recommends allocation of a total of \$3 million in Low/Moderate Tax Increment Housing Set-Aside funds and HOME funds to accomplish the immediate acquisition of Norwood Avenue Apartments and the renovation of both properties. The Agency funding will be supplemented with new senior loans from Neighborhood Housing Services of America-Community Development Financial Institution in the amounts of \$359,000 and \$150,000 for Norwood Avenue Apartments and Norwood Estates, respectively, and the assumption of existing debt in the total amounts of \$3,172,000 and \$1,733,000, respectively. The sources used to fund this project and the requirements of other existing lenders will require portions of the allocation to be structured as forgivable and/or residual receipts loans.

Low-Income Set-Aside Requirements: As a condition of the previous tax credit financing, federal law required the apartments be set-aside for targeted income groups. Further restrictions on incomes and rents are imposed as a result of the existing FHDP loan from HCD, and the loans from the Redevelopment Agency. Current rents will remain the same after the proposed transaction, but the Agency regulatory restrictions, which expired in June 2009 on Norwood Avenue Apartments and will expire on Norwood Estates in 2023, will be renewed and extended out for another 55 years.

Approval of Funding for Norwood Avenue Apartments and Norwood Estates

The following chart summarizes the combined proposed affordability restrictions:

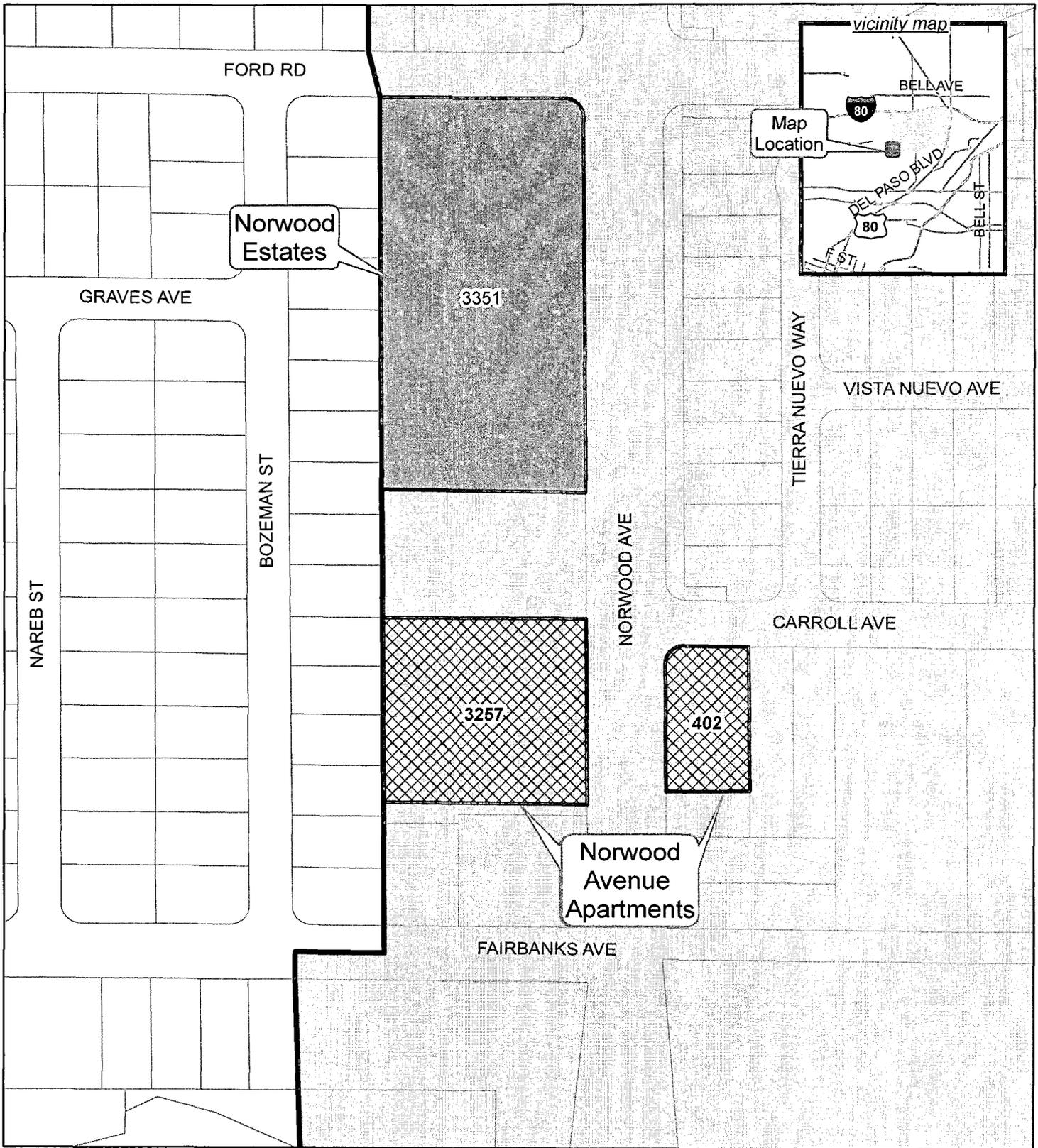
Funding	% of Units	Affordability Restrictions	No. Units	Regulatory Requirements
Tax Credits (LIHTC) Agency TI Loans	43%	Very Low Income (50% AMI)	31	55 years
Agency HOME Loans HCD Loan	56%	Low Income (60% AMI)	40	55 years
Manager's Unit	1%	Unrestricted	1	
Total	100%		72	

Maximum rent and income limits for the LIHTC program, HOME, and tax increment funds can be found in Attachment 5. The project's affordability restrictions will be specified in regulatory agreements with the Developer.

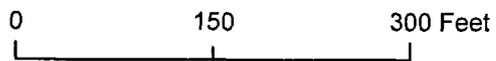
Relocation: State law requires the creation and adoption of a relocation plan, which outlines relocation procedures and tenant's rights whenever redevelopment projects result in the permanent displacement of residents. Residents of Norwood Avenue Apartments and Norwood Estates will be relocated temporarily to other units in their project, with reimbursement for expenses, while their own units are being rehabilitated, but adoption of a relocation plan is not required for the Norwood Avenue Apartments or Norwood Estates because no tenants are anticipated to be permanently displaced as a result of the current project.



Norwood Avenue Apartments & Norwood Estates



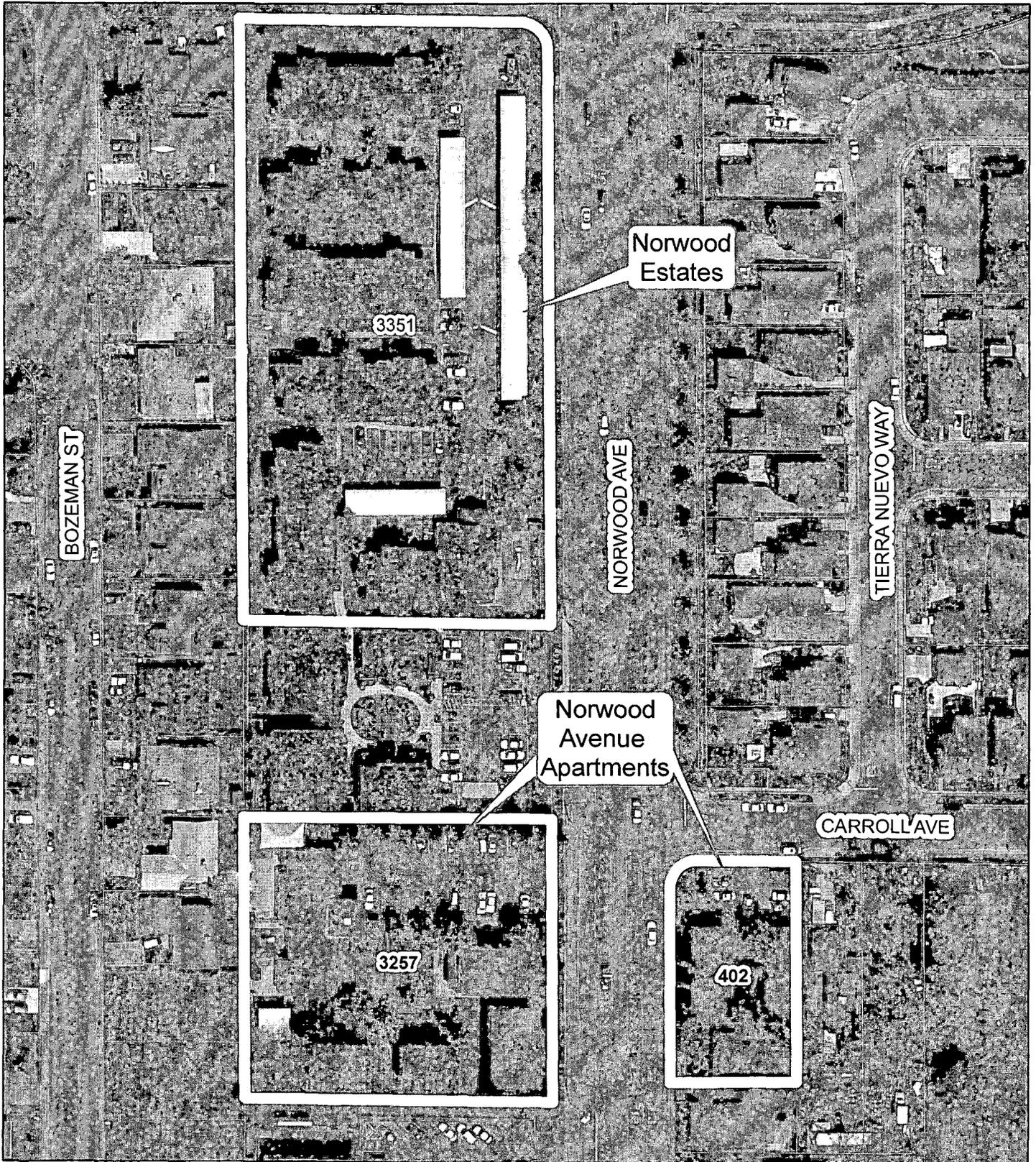
-  Norwood Ave Apts Parcel
-  Del Paso Heights Redevelopment Area
-  Norwood Estates Parcel



SHRA GIS
July 24, 2009



Site Plan



0 100 200 Feet



SHRA GIS
August 17, 2009

Norwood Avenue Apartments and Norwood Estates
Project Summary

Address	3257 and 3335 Norwood Avenue		
Number of Units	72		
Year Built	Norwood Avenue Apartments: 1971 (Renovated 1993) Norwood Estates: 1991		
Acreage	3.61 acres		
Affordability	31 units (43%) at or below 50% of Area Median Income (AMI) 40 units (56%) at or below 60% of AMI One (1) Manager Unit		
Unit Mix and Rents	<u>50% AMI*</u>	<u>60% AMI</u>	<u>Total</u>
1 Bedroom / 1 Bath	8		8
2 Bedroom / 1 Bath	16	18	34
3 Bedroom / 1 Bath	4	4	8
3 Bedroom / 2 Bath	3	18	21
* Rents on 19 units (50% AMI) regulated by HCD-FHDP			
Square Footage	<u>Per Unit</u>	<u>Total</u>	
1 Bedroom / 1 Bath	548	4,384 s.f.	
2 Bedroom / 1 Bath	644	7,728 s.f.	
	845	18,590 s.f.	
3 Bedroom / 1 Bath	660	5,280 s.f.	
3 Bedroom / 2 Bath	1,047	23,034 s.f.	
Common Areas / Daycare		9,922 s.f.	
Total		68,938 s.f.	
Resident Facilities	Community room with kitchen; clubhouse/business center; Head Start daycare facility; tot-lot		
Permanent Sources	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>
Senior Loan (New-Apartments)	\$ 359,000	\$ 4,986	\$ 5.21
Senior Loan (New-Estates)	\$ 150,000	\$ 2,083	\$ 2.18
Agency Loans (New)	\$ 3,000,000	\$ 41,667	\$ 43.52
Project Reserves (Existing)	\$ 566,000	\$ 7,861	\$ 8.21
TOTAL SOURCES	\$ 4,075,000	\$ 56,597	\$ 59.11
Permanent Uses			
Acquisition Costs	\$ -	\$ -	\$ -
Refinance Debt	\$ 255,000	\$ 3,542	\$ 3.70
Construction Costs	\$ 2,228,000	\$ 30,944	\$ 32.32
Architecture and Engineering	\$ 60,000	\$ 833	\$ 0.87
Contingency	\$ 235,000	\$ 3,264	\$ 3.41
Financing Costs	\$ 166,000	\$ 2,306	\$ 2.41
Reserves	\$ 513,000	\$ 7,125	\$ 7.44
Legal Fees	\$ 26,000	\$ 361	\$ 0.38
Temporary Relocation	\$ 50,000	\$ 694	\$ 0.73
Developer Fee	\$ 475,000	\$ 6,597	\$ 6.89
Third Party Reports	\$ 67,000	\$ 931	\$ 0.97
TOTAL USES	\$ 4,075,000	\$ 56,597	\$ 59.11
HCD-FHDP Loan (Assumed-Apartments)	\$ 2,226,000		
Agency Loans (Assumed-Apartments)	\$ 946,000		
NHSA-CDFI Loan (Existing-Estates)	\$ 1,106,000		
Agency Loans (Existing-Estates)	\$ 627,000		
Management / Operations	Proposed Developer: Sacramento Mutual Housing Association		
Operations Budget:	\$320,129	\$4,446	
Replacement Reserves:	\$21,600	\$300	

MAXIMUM RENT AND INCOME LEVELS 2009

Maximum Income Limits		
Family Size	Max Income 50% AMI	Max Income 60% AMI
2 person	\$29,100	\$34,920
3 person	\$32,750	\$39,300
4 person	\$36,400	\$43,680

Maximum Rent Limits		
Tax Increment		
Unit Size	Gross Rent 50% AMI	Gross Rent 60% AMI
1 Bedroom	\$727.50	\$873.00
2 Bedroom	\$818.75	\$982.50
3 Bedroom	\$910.00	\$1,092.00
HOME Program		
Unit Size	Gross Rent @ 50% AMI	Gross Rent @ 65% AMI
1 Bedroom	\$682.00	\$838.00
2 Bedroom	\$818.00	\$1,022.00
3 Bedroom	\$946.00	\$1,196.00
Low-Income Housing Tax Credit Program		
Unit Size	Gross Rent 50% AMI	Gross Rent 60% AMI
1 Bedroom	\$682.00	\$819.00
2 Bedroom	\$818.00	\$982.00
3 Bedroom	\$946.00	\$1,135.00

RESOLUTION NO. 2009 –

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

NORWOOD AVENUE APARTMENTS: APPROVAL OF ALLOCATION OF \$917,000 OF REDEVELOPMENT PROJECT AREA FUNDS TO THE PROJECT; RELATED BUDGET AMENDMENT

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento has adopted the Del Paso Heights Redevelopment Plan (Redevelopment Plan) and an Implementation Plan for the Del Paso Heights Project Area.
- B. The Redevelopment Agency of the City previously budgeted funding to assist with the renovation and to facilitate Norwood Avenue Housing Corporation, the current owner of the property, to acquire the limited partner's interest in the property in preparation to sell the property to Norwood Housing Associates, L.P.
- C. Norwood Housing Associates, L.P., has applied for an allocation of Nine Hundred Seventeen Thousand Dollars (\$917,000) of tax increment funding which is comprised of Four Hundred Twelve Thousand Six Hundred Eighty Dollars (\$412,680) of Alkali Flat Low/Moderate Tax Increment Set-aside tax-exempt bond funds, up to Five Hundred Four Thousand Three Hundred Twenty Dollars (\$504,320) of North Sacramento Low/Moderate Tax Increment Set-aside tax-exempt bond funds of which \$300,000 has already been budgeted for the project, to be combined with up to Three Hundred Thirty-three Thousand Dollars (\$333,000) of City HOME funds for a total allocation of up to One Million Two Hundred Fifty Thousand Dollars (\$1,250,000) to assist in funding the acquisition and rehabilitation of the 28-unit Norwood Avenue Apartments ("Project").
- D. The Agency desires to utilize City Redevelopment Project Area funds for the development of the Project.
- E. The Agency finds that the Project will eliminate blight, improve affordable housing by modernizing and upgrading the property for the benefit of the residents, and preserve the community's supply of low income housing available at an affordable housing cost to persons that are very low and low income households which will be of benefit to the Project Area.
- F. The Agency finds that the Tax Increment set-aside funds used to fund the Project are needed to make the housing units affordable. Therefore, the project is not required to provide Art in Public Places.
- G. The Sacramento Housing and Redevelopment Agency has determined that the project is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Sections 15310 and 15301(a) and (d) which exempts bond and loan financing and rehabilitation of existing facilities where the use remains unchanged.

Approval of Funding for Norwood Avenue Apartments and Norwood Estates

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

- Section 1. The proposed action is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Sections 15310 and 15301(a) and (d) which exempts bond and loan financing and rehabilitation of existing facilities where the use remains unchanged.
- Section 2. It is found and determined that the use of Project Area funds to develop the Project will improve and preserve affordable housing for very low and low income individuals in the Project Area.
- Section 3. It is found and determined that the Tax Increment housing set-aside funds that will be used for the project are needed to make the units affordable and therefore the Project is exempt from providing Art in Public Places.
- Section 4. The Executive Director is authorized to amend the Agency budget to transfer Four Hundred Twelve Thousand Six Hundred Eighty Dollars (\$412,680) of Alkali Flat Low/Moderate Tax Increment Set-aside tax-exempt bond funds and up to Five Hundred Four Thousand Three Hundred Twenty Dollars (\$504,320) of North Sacramento Low/Moderate Tax Increment Set-aside tax-exempt bond funds. The Project will provide affordable housing which will serve and benefit the Project Area.

RESOLUTION NO. 2009 –

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

NORWOOD ESTATES: APPROVAL OF ALLOCATION OF \$1,300,000 OF REDEVELOPMENT PROJECT AREA FUNDS TO THE PROJECT; RELATED BUDGET AMENDMENT

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento has adopted the Del Paso Heights Redevelopment Plan (Redevelopment Plan) and an Implementation Plan for the Del Paso Heights Project Area.
- B. Norwood Housing Associates, L.P., has applied for an allocation of up to One Million Three Hundred Thousand Dollars (\$1,300,000) of tax increment funding which is comprised of up to Four Hundred Thousand Dollars (\$400,000) of Aggregate Low/Moderate Tax Increment Set-aside funds, Three Hundred Thousand Dollars (\$300,000) of Alkali Flat Low/Moderate Tax Increment Set-aside tax-exempt bond funds, One Hundred Seventy-two Thousand Four Hundred Forty-two Dollars (\$172,442) of Del Paso Heights Low/Moderate Tax Increment funds, and Four Hundred Twenty-seven Thousand Five Hundred Fifty-eight Dollars (\$427,558) of North Sacramento Low/Moderate Tax Increment Set-aside tax-exempt bond funds, to be combined with up to Four Hundred Fifty Thousand Dollars (\$450,000) of City HOME funds for a total allocation of One Million Seven Hundred Fifty Thousand (\$1,750,000), to assist in funding the rehabilitation of the 28-unit Norwood Avenue Apartments ("Project").
- C. The Agency desires to utilize City Redevelopment Project Area funds for the development of the Project.
- D. The Agency finds that the Project will eliminate blight, improve affordable housing by modernizing and upgrading the property for the benefit of the residents, and preserve the community's supply of low income housing available at an affordable housing cost to persons that are very low and low income households which will be of benefit to the Project Area.
- E. The Agency finds that the Tax Increment set-aside funds used to fund the Project are needed to make the housing units affordable. Therefore, the project is not required to provide Art in Public Places.
- F. The Sacramento Housing and Redevelopment Agency has determined that the project is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Sections 15310 and 15301(a) and (d) which exempts bond and loan financing and rehabilitation of existing facilities where the use remains unchanged.

Approval of Funding for Norwood Avenue Apartments and Norwood Estates

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

- Section 1. The proposed action is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Sections 15310 and 15301(a) and (d) which exempts bond and loan financing and rehabilitation of existing facilities where the use remains unchanged.
- Section 2. It is found and determined that the use of Project Area funds to develop the Project will improve and preserve affordable housing for very low and low income individuals in the Project Area.
- Section 3. It is found and determined that the Tax Increment housing set-aside funds that will be used for the project are needed to make the units affordable and therefore the Project is exempt from providing Art in Public Places.
- Section 4. The Executive Director is authorized to amend the Agency budget to transfer Four Hundred Thousand Dollars (\$400,000) of Aggregate Low/Moderate Tax Increment Set-aside funds, Three Hundred Thousand Dollars (\$300,000) of Alkali Flat Low/Moderate Tax Increment Set-aside tax-exempt bond funds, One Hundred Seventy-two Thousand Four Hundred Forty-two Dollars (\$172,442) of Del Paso Heights Low/Moderate Tax Increment funds, and Four Hundred Twenty-seven Thousand Five Hundred Fifty-eight Dollars (\$427,558) of North Sacramento Low/Moderate Tax Increment Set-aside tax-exempt bond funds. The Project will provide affordable housing which will serve and benefit the Project Area.

RESOLUTION NO. 2009 –

Adopted by the Sacramento City Council

on date of

NORWOOD AVENUE APARTMENTS: APPROVAL OF ALLOCATION OF \$333,000 OF CITY HOME INVESTMENT PARTNERSHIP (HOME) FUNDS TO THE PROJECT; RELATED BUDGET AMENDMENT

BACKGROUND

- A. Norwood Housing Associates, L.P. has applied for an allocation of Three Hundred Thirty-three Thousand Dollars (\$333,000) in City Home Investment Partnership Program funds (HOME) to be combined with Nine Hundred Seventeen Thousand Dollars (\$917,000) of Tax Increment funds for a total allocation of One Million Two Hundred Fifty Thousand Dollars \$1,250,000 to assist in funding the acquisition and rehabilitation of the 28-unit Norwood Avenue Apartments project;
- B. The Norwood Avenue Apartments project qualifies for HOME funding under Sacramento Housing and Redevelopment Agency guidelines.
- C. The Agency allocated City HOME funds to the Arena Seniors project that did not proceed.
- D. The Sacramento Housing and Redevelopment Agency has determined that the project is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Sections 15310 and 15301(a) and (d) which exempts bond and loan financing and rehabilitation of existing facilities where the use remains unchanged. The Project is categorically excluded under the National Environmental Policy Act pursuant to 24 CFR Section 58.35 (a) subsection (3)(ii).

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1. The above recitals are true and correct and the proposed action is exempt from environmental review under CEQA Guidelines Sections 15310 and 15301(a) and (d). The project is Categorical Excluded from environmental review under National Environmental Policy Act regulations at 24 CFR Section 58.35 (a) subsection (3)(ii).
- Section 2. The Sacramento Housing and Redevelopment Agency is authorized to amend the Agency budget to de-fund \$333,000 in City HOME funds from the Arena Senior Apartments project, which did not proceed, and to reallocate the funds to the Norwood Avenue Apartments project.

RESOLUTION NO. 2009 –

Adopted by the Sacramento City Council

on date of

NORWOOD ESTATES: APPROVAL OF ALLOCATION OF \$450,000 OF CITY HOME INVESTMENT PARTNERSHIP (HOME) FUNDS TO THE PROJECT; RELATED BUDGET AMENDMENT

BACKGROUND

- A. Norwood Housing Associates, L.P. has applied for an allocation of Four Hundred Fifty Thousand Dollars (\$450,000) in City Home Investment Partnership Program funds (HOME) to be combined with One Million Three Hundred Thousand Dollars (\$1,300,000) of Tax Increment funds for a total allocation of One Million Seven Hundred Fifty Thousand (\$1,750,000) to assist in funding the rehabilitation of the 44-unit Norwood Estates project;
- B. The Norwood Estates project qualifies for HOME funding under Sacramento Housing and Redevelopment Agency guidelines.
- C. The Agency allocated City HOME funds to the Arena Seniors project that did not proceed.
- D. The Sacramento Housing and Redevelopment Agency has determined that the project is exempt from environmental review under California Environmental Quality Act (CEQA) Guidelines Sections 15310 and 15301(a) and (d) which exempts bond and loan financing and rehabilitation of existing facilities where the use remains unchanged.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

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- Section 2. The Sacramento Housing and Redevelopment Agency is authorized to amend the Agency budget to de-fund \$450,000 in City HOME funds from the Arena Senior Apartments project, which did not proceed, and to reallocate the funds to the Norwood Estates project.