



REPORT TO HOUSING AUTHORITY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

11

Consent
December 4, 2012

Chair and Members of the Housing Authority Board

Title: Designation of the Sacramento Housing and Redevelopment Agency as a Purchase and Resale Entity (PRE) For the Preservation, Rehabilitation and Sale of Vacant Section 32 Homeownership Single Family Homes

Location/Council District: Citywide

Recommendation: Adopt a **Housing Authority Resolution** which: 1) approves an amendment to the Section 32 Homeownership Plan to transfer ownership of vacant Section 32 single family homes to the Sacramento Housing and Redevelopment Agency (SHRA) who will act as a Purchase and Resale Entity (PRE) to preserve, renovate, and sell the houses to qualified low income home buyers, 2) authorizes the Executive Director, or designee, to amend the Agency budget to loan \$500,000 from the City Public Housing Homeownership Fund to the SHRA PRE Fund to cover the preservation, rehabilitation, and sales costs of the properties to be completed within five years from the execution of the agreement with SHRA as PRE, 3) authorizes the Executive Director, or designee, to execute documents to amend the Section 32 Homeownership Plan and to establish a PRE agreement with SHRA, and 4) authorizes the sale of vacant single family homes in the Section 32 Homeownership Plan to SHRA as PRE for fair market value in an agreement approved by Agency Counsel.

Contact: Nick Chhotu, Assistant Director, SHRA, Public Housing, 916-440-1334, Mark Stephenson, Management Analyst, SHRA, Public Housing, 916-449-6212

Presenters: NA

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: This report recommends that the Housing Authority of the City of Sacramento's Section 32 Homeownership Plan, adopted in 2006, be amended to transfer ownership of vacant Section 32 Homeownership single family homes from the Housing Authority of the City to the Sacramento Housing and Redevelopment Agency as a Purchase and Resale Entity (PRE) using seller carry back loans or other similar arrangements for Fair Market Value given their "as is" condition. SHRA as PRE will purchase, renovate, and sell the homes to

Designation of SHRA as a PRE and Section 32 Program Amendment

qualified low-income home buyers. All sales proceeds, after SHRA's carry back loan and renovation/holding costs are deducted, will be placed in the City Public Housing Homeownership fund.

Policy Considerations: Rehabilitating rental single family homes and selling them to new lower-income homeowners are activities endorsed by the City in its Housing Element. Rehabilitating and selling the houses to low income home buyers is also consistent with the Housing Authority's Asset Repositioning Strategy and will remove the vacant houses from the public housing inventory.

Economic Impacts: not applicable

Environmental Considerations: The actions proposed are in furtherance of the disposition and rehabilitation of Housing Authority owned properties. Therefore, these actions are categorically exempt pursuant to the California Environmental Quality Act Guidelines Section 15301, as actions on existing facilities that do not change or expand existing uses.

The proposed actions are in furtherance of the disposition and rehabilitation of Housing Authority owned properties, which are categorically excluded under National Environmental Policy Act regulations, pursuant to 24 CFR 58.35(a)(5) and 24 CFR 58.35(a)(3)(i), respectively.

Sustainability Considerations: not applicable

Commission Action: At its meeting of November 14, 2012, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Alcalay, Chan, Gore, Griffin, Johnson, Morgan, Morton, Rosa, Shah

NOES: none

ABSENT: LeDuc, Stivers

Rationale for Recommendation: In 1996, the Housing Authorities of the City and County of Sacramento reclassified 369 single family public housing rental units and obtained approval from the United States Department of Housing and Urban Development (HUD), under HUD's 5h program to remove them from the active public housing rental inventory. The 5h program was later converted into the Section 32 program in February, 2006. The intent of the Section 32 Homeownership Plan was to sell the remaining vacant single family homes to low-income home buyers and provide more flexibility which would allow more residents to purchase the homes. Through the 5h and Section 32 programs, 218 homes have been sold to first time low income home buyers.

As of November 5, 2012, 111 Section 32 single family homes remain in the City with 32 currently vacant and needing substantial renovations to prepare them for sale. The remaining 40 homes are located in the County of Sacramento. The

Designation of SHRA as a PRE and Section 32 Program Amendment

Housing Authority suspended its efforts to sell Section 32 homes in early 2009 due to continued deterioration of the housing market.

By amending the Section 32 Homeownership plan and transferring ownership of the 32 vacant single family homes from the Housing Authority of the City of Sacramento to SHRA as a Purchase and Resale Entity the houses will be removed from the public housing inventory and placed with SHRA as PRE where the houses can be sold to low income home buyers and avoid further penalty from HUD.

The 32 vacant Section 32 houses have been vacant pending stabilization of property values. Should these vacant homes remain in the Housing Authority's inventory, there is a risk of reduced operational funding, as the houses would be counted against the occupied units and artificially reduce occupancy ratings.

Because the units are part of the Section 32 program, the Housing Authority can designate a PRE to preserve, renovate, and release units for sale over a five-year period. This makes it less likely for any neighborhood to be burdened by an excessive number of homes being sold at once that may serve to further depress area property values.

SHRA is uniquely qualified to act as PRE since it has procurement, construction, property management, and homebuyer education programs in place through qualified personnel, organizational capacity, and contractual agreements and has the capacity to quickly get the units renovated and qualified home buyers ready to take possession.

Financial Considerations: Initial funding for the PRE will be in the form of a loan of \$500,000 from the City Public Housing Homeownership Fund to SHRA for rehabilitation and holding costs. The City Homeownership Fund originated from sales proceeds of earlier Section 32 and Section 5h houses to low income home buyers.

SHRA will repay the loans over a five year period from the proceeds of the sale of the properties to qualified homebuyers. The initial rehabilitation budget is \$500,000, with \$400,000 allocated for estimated renovations and \$100,000 estimated for holding costs. The initial loan will be disbursed as costs are incurred by the PRE. Years two and three of the effort may require additional loans from the fund as renovation proceeds but before units are sold. It is expected that the City Public Housing Homeownership funds will be fully reimbursed by SHRA for expenses related to the renovation upon the sale of the units. However, the Housing Authority must have approval to write down the seller carry back loan if the final sales price is insufficient to pay the outstanding line of credit and total amount of seller carry back loan.

December 4, 2012

Designation of SHRA as a PRE and Section 32 Program Amendment

M/WBE Considerations: Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding.

Respectfully Submitted by:



LA SHELLE DOZIER
Executive Director

Table of Contents

Report

pg. 1

Attachments

1 Resolution

pg. 5

Exhibit A – Amended Section 32 Homeownership Plan

pg. 8

Exhibit B – PRE Agreement with SHRA

pg. 25

2. List of Section 32 vacant homes

pg. 30

Approved as to form:



Agency Counsel



RESOLUTION NO. 2012 -

Adopted by the Housing Authority of the City of Sacramento

on date of

AMENDMENT OF THE SECTION 32 HOMEOWNERSHIP PLAN TO DESIGNATE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (SHRA) AS A PURCHASE AND RESALE ENTITY (PRE) FOR THE PRESERVATION, REHABILITATION, AND SALE OF VACANT SECTION 32 SINGLE FAMILY HOMEOWNERSHIP UNITS

BACKGROUND

- A. The Housing Authority of the City of Sacramento currently owns 32 vacant single family houses that are part of a HUD-approved Section 32 Homeownership Plan that authorizes the sale of single family houses to low-income home buyers.
- B. Vacant Section 32 homes often require considerable rehabilitation prior to sale to a low income family.
- C. The Housing Authority of the City of Sacramento, as part of its asset repositioning strategy, desires to avoid HUD's penalty for carrying vacant units in its public housing inventory.
- D. The Housing Authority of the City of Sacramento desires to designate the Sacramento Housing and Redevelopment Agency (SHRA) as a Purchase and Resale Entity (PRE) and transfers ownership of all vacant Section 32 single family houses to SHRA using seller carry back loans for Fair Market Value given their "as is" condition. SHRA as PRE is to facilitate the preservation, rehabilitation and sale of the units to low income families without penalty from HUD, subject to a five year time limit.
- E. Establishing a PRE requires approval of an amendment to the Section 32 Homeownership Plan by the Local Governing Bodies of the City of Sacramento Housing Authority and the Sacramento Housing and Redevelopment Agency to satisfy HUD.
- F. The PRE must have the authority to act to purchase, preserve, renovate, and sell the homes to qualified low income buyers. Each Housing Authority shall have the ability to write down the seller carry back loan if

the final sales price does not cover SHRA's line of credit obligation and seller carry back loan.

- G. The actions proposed are in furtherance of the disposition and rehabilitation of Housing Authority owned properties. Therefore, these actions are categorically exempt pursuant to the California Environmental Quality Act Guidelines Section 15301, as actions on existing facilities that do not change or expand existing uses.
- H. The proposed actions are in furtherance of the disposition and rehabilitation of Housing Authority owned properties, which are categorically excluded under National Environmental Policy Act regulations, pursuant to 24 CFR 58.35(a)(5) and 24 CFR 58.35(a)(3)(i), respectively.

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

- Section 1. After due consideration of the information presented, the statements in the Background, including the environmental statements, are found to be true and correct.
- Section 2. The Housing Authority of the City of Sacramento hereby amends its Section 32 Homeownership Plan, included as Exhibit A, to designate the Sacramento Housing and Redevelopment Agency (SHRA) act as a Purchase and Resale Entity (PRE) and to take ownership of vacant single family homes that are part of the Section 32 Homeownership Plan.
- Section 3. The Executive Director, or designee, is authorized to execute documents relating to the Section 32 Homeownership Plan amendment and the PRE Agreement, included as Exhibit B, that establishes SHRA as the PRE. The Housing Authority of the City of Sacramento hereby offers the vacant single family homes to SHRA as PRE through seller carry back loans or similar arrangements for Fair Market Value given their "as is" condition. This sale and transfer removes the Section 32 Homeownership Plan vacant single family homes from the public housing inventory of the Housing Authority of the City of Sacramento.
- Section 4. The Executive Director is authorized to amend the budget and use the City Public Housing Homeownership Fund to pay the expenses of the PRE attributed to vacant units located in the City. An administrative budget of \$500,000 shall be established for management of 32 vacant Section 32 single family homes located

in the City of Sacramento. The \$500,000 is apportioned as follows: \$400,000 for renovation and \$100,000 for holding costs. This may be drawn against the budget as a line of credit repayable within five years. Once the PRE has rehabilitated and sold these Section 32 homes, the sales proceeds shall be placed into the City Public Housing Homeownership Fund. If the final sales price is not sufficient to satisfy the seller carry back loan and the line of credit incurred during preservation and renovation, the Housing Authority shall have the ability to write down the seller carry back loan to balance the transaction.

- Section 5. The Executive Director, or designee, shall be authorized to amend the budget, and enter into any loan agreements or other documents as approved as to form by Agency counsel, with SHRA necessary to implement the activities authorized by this resolution.

Table of Contents:

Exhibit A – Amended Section 32 Homeownership Plan

Exhibit B – PRE Agreement with SHRA



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

AMENDED SECTION 32 HOMEOWNERSHIP PLAN FOR THE HOUSING AUTHORITIES OF THE CITY AND COUNTY OF SACRAMENTO

Office of the Executive Director
Public Housing Authorities
801 12th Street
Sacramento, California 95814

Initially approved: February 2005
Amended December, 2012

SECTION 32 HOMEOWNERSHIP PLAN

Amended December 2012

Executive Summary

The Sacramento Housing and Redevelopment Agency (Agency) requests that HUD approve a Section 32 homeownership program for the rehabilitation and sale of the 212 remaining two- and three-bedroom single family homes in the public housing inventory of the Housing Authorities of the City and County of Sacramento (collectively the public housing authorities [PHA]). The homes will be sold to low-income families as prescribed by the Section 32 regulations at 24 CFR Part 906.

The Department of Housing and Urban Development approved a 5(h) Homeownership Program for the Sacramento PHAs on December 29, 1996, which was adopted by the Sacramento Housing and Redevelopment Commission on May 21, 1997. At that time, the Agency included its entire inventory of 389 scattered single family homes in the program since their operation and maintenance were not cost-effective. To date, 60 of those homes have been sold. Although the program has been successful in gaining homeownership for public housing residents and Housing Choice Voucher participants, several obstacles prevented the Agency from meeting its ambitious sales goals in the previously approved plan. Most significant was the number of existing residents in units authorized for sale under the 5(h) homeownership plan who declined to purchase or who were not eligible to purchase their units; consistent with 5(h) regulations, the Agency could not cause those families to relocate.

To more effectively accomplish its homeownership goals, the Agency has recently requested HUD to allow it to reduce the number of homes to be sold under the 5(h) program to 73, all of which are vacant. The Agency's request for a reduction of units in its 5(h) plan was accompanied by the statement that it would submit a Section 32 Homeownership Program for the remaining homes as quickly as possible.

Goals and Objectives of the Homeownership Plan

The goal of the proposed Section 32 program is to provide 212 homeownership opportunities for the public housing residents, Housing Choice Voucher holders, and other low-income households in the City and County of Sacramento. The average resale price for a home in the Sacramento region is now over \$315,000, with very few homes on the market for under \$200,000. The Section 32 program will re-open this opportunity for Sacramento's lower income families.

The Sacramento Housing and Redevelopment Agency will provide direct assistance to the low-income purchasers, including downpayment and closing cost assistance, counseling, relocation, and subordinate financing, as well as manage the procurement, rehabilitation, marketing, and sales of the homes. The Agency will cooperate with local lending institutions and a variety of public and private lenders to arrange financing at the lowest available interest rates, and to secure

other subsidies to attain affordability for families with incomes at or below 80 percent of the area median income (AMI) whose credit and debt allow them to qualify for private mortgages. The Agency's staff is experienced in implementing homeownership and single family rehabilitation programs. The Agency operates a number of first-time homebuyer programs available to Section 32 purchasers, including downpayment and closing cost assistance, deferred second loans, the American Dream Initiative second loan financing and Mortgage Credit Certificates. (Please see Attachment C for a chart of Agency homeownership programs.) In addition, public housing residents in the Family Self Sufficiency (FSS) program build equity through Federal Home Loan Bank-funded Individual Development Accounts which match on a 3-to-1 basis the savings that families accrue for downpayments. Therefore, public and privately funded programs are available to assist candidates for the program who demonstrate their eligibility for homeownership.

In addition to current residents and voucher holders and waiting list candidates, the Consolidated Plan of the City and County of Sacramento identifies 5,000 low-income families in the Agency's jurisdiction with qualifying incomes for homeownership. Given its on-going commitment to homeownership, which has created over 4,384 low-income and very low-income homeowners during the past six years alone, the Agency believes this Section 32 homeownership program is workable with sound potential for long-term success.

Method of Sale: Property Description

See Attachment A for the list of properties.

The Agency will sell the 212 two- and three-bedroom single family homes directly to low-income tenants or eligible families in fee simple conveyance. The list in Attachment A includes the HUD project number, street address, bedroom distribution, vacancy at the time of application, and number of household residents currently in the units.

Amended December 2012

For remaining vacant single family houses in the Section 32 Homeownership program, the Housing Authorities of the City and County of Sacramento desire to use a Purchase and Resale Entity (PRE) to preserve, renovate, and sell the homes. The Sacramento Housing and Redevelopment Agency (SHRA) will act as the PRE by purchasing the houses from the Housing Authorities using seller carry back loans or similar arrangements for current Fair Market Value taking into account their "as is" condition. SHRA as PRE will sell single family houses in the Section 32 program to qualified low income families. The purchase agreement shall include the deed of trust ensuring affordability for qualified low income homebuyers.

SHRA shall preserve, renovate, and sell the houses to qualified low income families. SHRA expenses shall be paid from a line of credit from the City and County Public Housing Homeownership funds. The line of credit and carry back loan shall be repaid by SHRA as each house is sold. Any proceeds remaining shall accrue to the respective funds from which they were originally withdrawn. Any loss on the sale of the house, after documented expenses to the line of credit, shall be deducted from the seller carry back loan. SHRA shall provide reports on the costs involved and sale of each house.

SHRA as PRE will also be responsible for identifying and preparing qualified low income families who are ready for homeownership and want to purchase the houses. Program costs shall be recovered upon sale of each house. SHRA shall have five years to sell renovated houses to low income families. If any house shall not be sold within five years, ownership shall revert to the Housing Authorities of the City and County of Sacramento under the same terms as they were originally acquired by SHRA, depending on the location of the home.

Repair or Rehabilitation

The 212 properties included in the Section 32 program need a range of rehabilitation work to meet or exceed applicable local codes and Housing Quality Standards. The majorities of homes were built in the 1950s and 1960s, and have similar characteristics with the homes sold or being rehabilitated under the current 5(h) program. In addition to housing authority maintenance and unit turnover records for the homes to be included under the Section 32 program, the current rehabilitation work being undertaken on the 5(h) homes provides a reasonable basis for estimating Section 32 rehabilitation costs. Those costs are estimated at an average of \$95,000 for the rehabilitation work, including HUD requirements for lead-based paint and asbestos assessment and remediation. Attachment B provides the Physical Need Assessment form used by the Agency and an example of the condition of a typical single family property in the PHA homeownership program.

Upon rehabilitation completion, the major components will have a remaining useful life that is sufficient to justify a reasonable expectation that homeownership will continue to be affordable by the purchasers over time. Accordingly, the major building systems will have a remaining useful life of 5 – 15 years. The Agency will continue its practice of providing the homeowner a warranty policy through an established company. It will cover the major systems for one year, after which time the homeowner assumes responsibility. The minimal cost of the policy is included in the purchase price.

The after-rehab value of the three-bedroom properties, estimated at \$220,000, is based on current appraisals for the homes sold under 5(h) and a list of 350 comparable single family homes sold in the last quarter of 2004 in the same neighborhoods in which the majority of the Section 32 homes are located. The estimated value for two-bedroom properties (ten percent of the units) is \$190,000. The comparables included the following values: floor space 900 – 1,000 square feet; lot square footage – 6,800 to 8,000 square feet; year built range from 1956 to 1958; and all one-story homes.

The rehabilitation plan for each unit includes the following (shown also on the Implementation Schedule):

- Physical needs inspection of the unit by an Agency construction technician
- Scope of work and specifications prepared, including architectural plans on an as-needed basis
- Bidding package prepared for a group of 5-15 homes, depending on condition and location

- Selection of contractor(s)
- Compliance monitoring established for Davis-Bacon wages, minority and small business enterprises, etc.
- Construction contract administration
- Close-out: final inspection, completion and occupancy notices, etc.

Contract award and administration follow federal procurement standards and California public contract code, when applicable (depending on the source of funds used for rehabilitation). Hazardous materials (asbestos and lead-based paint) will be abated. When a prospective purchaser with disabilities requests accessible features, the features will be added in accordance with 24 CFR parts 8 and 9.

If an HCV homeownership participant chooses to purchase a Section 32 home, the Agency will provide an independent entity to perform the following rehabilitation duties:

- Conduct the initial housing quality standards (HQS) inspection; and
- Review the independent inspection report.

(Additional HCV-related duties by the independent housing entity are described below under “Sale and Financing.”)

See Attachment B for the Physical Need Assessment form and an example of the condition of a typical property

Purchaser Eligibility and Selection

Selection Process

The Agency’s homeownership staff will offer the right of first refusal to the residents occupying the units, all of whom are below the low-income (80 percent of area median income) standard for the program, according to the PHA’s annual income recertifications. The homeownership staff will provide information on the Section 32 program, its application process and eligibility requirements.

The Agency has been operating a 5(h) homeownership program since 1999 and an HCV homeownership program available to public housing residents and HCV participants for the past three years. As a result of communicating about these programs, there are over 80 HCV and resident households who are currently in the counseling and credit-repair process, working toward mortgage eligibility. In addition there are also 155 families participating in the Family Self-Sufficiency (FSS) Program, many of whom are already involved in savings plans under the Agency’s Individual Development Account program. Because of these prior outreach efforts, the Agency will turn its information and marketing efforts toward these households already in

the homeownership counseling process, following the right of refusal process with the current occupants of the units.

Additionally, the Agency in March 2005 will contact current public housing residents and Housing Choice Voucher holders with incomes between 50 percent of median and 80 percent of median in order to maintain a pool of potentially eligible households. As these priority purchasers work their way through homeownership counseling and mortgage eligibility, they will be given priority in home purchase.

If there are not sufficient eligible purchasers from these sources of applicants, the Agency will broadly market the program to other low-income families in the city and county. (Please see Attachment - Affirmative Marketing Plan.) Low-income residents in rental affordable housing developments with homeownership counseling and savings plans in place will be contacted as part of the Affirmative Marketing Plan.

Eligibility is limited to households who are capable of assuming the financial obligations of homeownership, as outlined below. Applicants who have met basic eligibility standards are required to attend homebuyer counseling programs if they have not previously enrolled or completed the required courses or need further attention for credit repair. Upon completing the homebuyer counseling program and obtaining a mortgage commitment, applicants will be given the choice of properties in the program. The rehabilitation schedule for the single family properties will be available to the participants throughout the program.

To summarize, the selection process will start with the public housing resident occupying the unit followed by families enrolled in Agency's FSS program and HCV homeownership candidates that responded to previous outreach and information sessions and are undertaking homeownership counseling and credit repair. For all of those and any further participants from public housing, the voucher program, and the general public, an initial determination of eligibility is made on the basis of the following requirements:

Eligibility Requirements

In order to be selected as a participant in this program, applicants shall meet the following selection criteria:

1. Each applicant must complete a program application, with references.
2. At least one family member must be gainfully employed or have an established source of continuing homeownership-appropriate income for a period of at least two (2) years.
3. Applicants must be current in all rent obligations for at least twelve months and not have any outstanding charges for damages to any apartment nor incurred excessive maintenance charges in the past year;
4. Acceptance as a participant is conditioned upon receipt of an acceptable credit report.
5. Participants shall not have an income greater than 80 percent of area median income for their respective family size.

6. Participants must be able to afford an average monthly estimate for mortgage principal and interest, insurance, real estate taxes, utilities, maintenance and other regularly recurring homeownership cost not to exceed the sum of 35 percent of income and any subsidy that will be available for such payments.
7. Participants must demonstrate the ability to contribute from their own resources a portion of the downpayment that is not less than one percent of the purchase price of the housing.
8. Purchasers shall occupy the home as their principal residence and be a first-time homebuyer. (“First-time homebuyer” means that neither the purchaser nor spouse has owned a home during the last three years, with the following exceptions: a displaced homemaker who worked primarily without remuneration and who owned a home with a previous spouse; and a purchaser with children who is legally separated but who owned a home with a previous spouse.)
9. Participants must complete homebuyer counseling programs (described in more detail under “Counseling”).

Sale and Financing

Method of Sale and Ownership

All properties will be made available for sale after completion of the rehabilitation work. They will be sold as fee simple property.

Below-market Financing

The Sacramento Section 32 homeownership program will provide below market purchase prices to ensure the homes affordability to eligible buyers. The market value of the properties will be established by appraisal, and the affordable price (the discounted market price) will be established based on what a low-income household could afford for two- and three-bedroom homes. The calculation of affordability, which determines the affordable purchase price, includes monthly estimates for mortgage principle and interest, insurance, real estate taxes, utilities, maintenance and other recurring costs such as flood insurance and mortgage insurance. These costs may not exceed 35 percent of income plus any other subsidy used for monthly payments.

The difference between the affordable price and the market value of the home will be captured in a promissory note and deed of trust (non-cash deferred payment second mortgage) as described below under Limitation on Resale Profit (906.29).

One percent of the purchase price of the house must come from the resident’s own funds, as described above under Purchaser Eligibility and Selection.

Homebuyer Subsidies

The Agency's experience in its homeownership programs, including the 5(h) program, shows that first mortgage interest rates are usually at or slightly below the low end of the current market, due in part to FHA-insured loan programs and lenders' Community Reinvestment Act programs. The one exception where interest rates are one to two points below market is the California Housing Finance Agency's Local Government Partnership Program, which unfortunately carries severe restrictions on recapture.

The most prevalent source of subsidies for low-income purchasers is downpayment and closing cost assistance and second mortgage assistance programs, both Agency-sponsored and private lender sponsored. In addition, private lenders offer downpayment grants as part of their Community Reinvestment Act activities. For example, Citibank has continued California Federal's downpayment grant program that ranges from \$5,000 to \$8,000 per low-income household. The Agency also offers second mortgage assistance programs that carry deferred payment terms. Attachment C lists the Agency's homeownership programs and their terms. The homebuyer counseling programs required by the Agency cover all these forms of assistance, both public and private. The housing authorities also carry out a Family Self-Sufficiency Program for public housing residents which matches residents' savings 3 to 1 with grants from the Federal Home Loan Bank of San Francisco's Affordable Housing Program for their approved Individual Development Account (IDA) program.

Recapture and Anti-Speculation Provisions

Because the dwellings will be sold for less than their fair market value, the purchaser will execute a promissory note, payable to the housing authority, along with a mortgage securing the obligation of the note, for the difference between the initial affordable price (the discounted sales price) and the initial market value. This difference will be stated in the note as a dollar amount and will be a deferred payment loan due on resale. Subordinate financing, including mortgage assistance loans and other first-time homebuyer assistance, will be repaid at resale according to the terms of the assistance. (Some downpayment loans are forgiven proportionately over their term.)

For the first five year period, the purchaser who sells will be obligated to repay the housing authority loan and other subordinate homeowner subsidies, according to the individual program's terms. They will then be permitted to retain one-half of any resale profit attributable to appreciation in value over the initial market value, along with any portion of the resale profit that is attributable to documented capital improvements made by the owner after purchase, any personal initial investment (downpayment and closing costs) and the reasonable costs of resale. The balance of the resale profit will return to the housing authorities as sales proceeds, and used according to the Section 32 Homeownership Plan.

After the first five years of residency, the purchaser will be permitted to retain the resale profit attributable to appreciation in value over the initial market value, plus any documented capital improvements, downpayment and closing costs. Subordinate financing will be due on sale, according to the terms of the assistance.

Homeowners will be protected against the loss of their initial investments. If the resale price of the home is below its initial market value, the home purchaser will receive all initial investments (downpayment and closing costs), the reasonable costs of resale, and reduction in principal amounts in the first mortgage by deducting those payments from the housing authority's loan repayment that captured the difference between the initial market value and the initial affordable sales price.

The Agency is not proposing to require resale restrictions for subsequent purchasers.

Recapture Analysis

Following is an example of the proposed resale provisions, somewhat simplified to demonstrate the major provisions of recapture before and after a 5-year owner-occupancy.

<u>Initial sale to low-income purchaser</u>		<u>Upon resale</u>
Fair market value	\$220,000	
Affordable sales price	\$160,000	
Housing authority subordinate loan	60,000	Repaid
First mortgage	\$145,000	Balance repaid
Downpayment (all sources, assume grants)	6,000	Equity to seller
Closing costs (local loan, deferred pmt.)	5,000	See note below
Mortgage assistance deferred pmt. Loan	9,000	Repaid

Upon sale at year 3, with an appraised value at \$230,000, the seller would repay the \$60,000 housing authority loan and \$9,000 mortgage assistance loan for a total of \$69,000. (We assume for sake of simplicity that the initial closing cost loan and the resale closing costs would cancel themselves out.) The seller would receive his/her downpayment equity (plus mortgage principal reduction, which is not shown), and one-half of the appreciation in value over the original fair market value (\$5,000), for a total of \$11,000.

Upon sale at year 7, with an appraised value at \$250,000, the seller would repay the same loans as stated above, receive his/her initial equity, and receive the \$30,000 appreciation between the initial market value and resale market value.

Determinations of market value will be made on the basis of appraisals made by an independent appraiser selected by the Agency.

The sale of Section 32 homes to HCV homeownership participants who use their vouchers for the purchase of the units will follow the procedures found in the Section 8 Homeownership Final Rule of October 12, 2000, namely that the Agency must provide an independent entity to perform the following administrative duties:

- Review the contract of sale;
- Conduct the initial housing quality standards (HQS inspection);
- Review the independent inspection report; and
- Determine the reasonableness of the sales price and any Agency-provided financing.

Protection against Fraud.

The Agency will place a title restriction conditioning the initial purchaser's right to resell the Section 32 home to compliance with the resale restrictions described above. In addition, all housing authority recordations against the properties and those placed by the Agency for downpayment and/or mortgage assistance include a requirement of owner-occupancy. Upon sale, all Agency documents and recorded liens are placed with the Agency's portfolio management department and the property transaction is sent to the servicing company that tracks and reports payments and title changes for all Agency loans.

Resident Consultation

The housing authority is currently operating a 5(h) "Homes for Sale" program for the sale of its single family inventory to low-income households and has operated a Housing Choice Voucher (HCV) homeownership program until December 31, 2004. As a result, public housing and HCV participants, some of whom are in various stages of homeownership counseling, are aware of the reasons for transitioning from the 5(h) program to Section 32. Specifically, the housing authority's 2005 Annual Plan, presented to the Resident Advisory Board in June 2004, and subsequently to the Sacramento Housing and Redevelopment Commission, City Council, and Board of Supervisors in public meetings, included the intent to apply for the Sec. 32 program.

At its public meeting of November 3, 2004, the Sacramento Housing and Redevelopment Commission received a report on the status of the 5(h) program, including the need to concentrate on selling the vacant houses, submitting a request to HUD for that purpose, and applying to HUD for a Sec. 32 program which would enable the housing authority to sell more units efficiently. Two members of the Resident Advisory Board (RAB) are members of the Commission.

On December 16, 2004, SHRA staff presented to the RAB a review of the 5(h) and Sec. 32 programs and the reasons for their applications to HUD. A list of the resident representatives at the meeting is attached. The RAB representative to the Commission also commented favorably on the applications. SHRA did not receive any written comments, but three residents asked for a list of the single family properties, and they were mailed those lists.

On January 24, 2004, SHRA distributed through its Resident Services staff the same written information on the 5(h) and Sec. 32 programs to the housing authority's 23 resident councils (both city and county).

SHRA staff has held numerous meetings with the Sacramento Neighborhood Housing Services, the primary homeownership counseling agency working with public housing and HCV households on budgeting and credit issues in preparation for future homeownership opportunities. Of the over 400 households who submitted applications through the housing authority since 2002, 48 have purchased homes, 42 have been referred to lenders and are seeking housing, 57 have completed counseling and are working on financing issues, and 245 remain in a variety of counseling activities.

Future consultation with residents will occur at many levels: 1) through the counseling agencies working with future homeowner purchasers in their counseling and credit-repair programs; 2) through information sessions described above under Purchaser Eligibility and Selection; and 3) through the public housing authorities' resident councils.

Counseling

All prospective and actual Section 32 purchasers receive (and are required to attend) home ownership counseling and training provided by local nonprofit organizations experienced in homeownership financing, maintenance, and overall responsibilities. The Agency has in the past contracted with ACORN Housing Corporation (AHC) formed by the Association of Community Organizations for Action Now (ACORN), Sacramento Neighborhood Housing Services (SNHS), and the Sacramento Home Loan Counseling Center (SHLCC). The Agency's cost for this counseling and training is included in the proposed budget.

The homebuyer counseling program is a three-part series. First is an introductory first-time homebuyer educational seminar that orients possible purchasers to the values and risks of homeownership and includes homebuyer readiness assessments. Applicants can attend any homebuyer seminar, which occur frequently. Home buyers receive a home buyer's certificate at the completion of the seminar that is good for affordable housing financing programs, such as Fannie Mae's community home buyer program.

Applicants then attend a credit and budget management seminar that provides financial counseling and budgeting techniques for managing household finances with a mortgage payment. The third counseling program covers home maintenance and good neighbor practices and focuses on the transition from renter to homeowner. This seminar is followed up with a home maintenance information/manual given to the new property owners.

In addition, the counseling organizations work with homeownership applicants over time on credit-repair plans. They track the participants' progress and report on their status to the Agency's resident services staff. When the participants' credit status has improved to the point where they are mortgage-eligible, the counseling agency reviews mortgage loan provisions and the various public and private assistance programs available. The Agency's homeownership staff assists the family in applying for the Agency's assistance.

Nonpurchasing Residents

The Agency will offer residents in units to be offered for sale the right of first refusal to purchase the unit. The resident's application will be evaluated on the eligibility standards described previously, as any other applicant. In the event the resident does not exercise the right of first refusal, the Agency's relocation staff will notify the resident in writing at least 90 days prior to the displacement date that the unit will be vacated and that the resident household will be offered comparable housing within the public housing program. The Agency will provide a choice of

comparable units, counseling, and payment of the actual costs of moving. The property will not undergo rehabilitation until the relocation has taken place.

The Agency has had considerable experience in carrying out relocation assistance, both through public housing modernization activity and other revitalization programs. The cost of relocation will be paid by sales' proceeds and is included in the Section 32 budget. The estimated costs of relocation per unit are as follows:

\$1,200 for the basic moving cost
200 for resident counseling
<u>50</u> reimbursement for re-establishment of utility services
\$1,450 relocation expenses per unit

Assuming that 200 units will be occupied, the total relocation cost is estimated at \$290,000.

Two public housing units will be offered to the resident, consistent with the housing authorities' current policies on relocation contained in its approved Administrative Plan.

Sales Proceeds

The Agency assumes a two-tiered system for receiving proceeds: (1) the initial net proceeds from sale and (2) the resale proceeds over time representing the difference between the initial affordable sale price and the market value of the home. The proceeds will be retained by the Agency and used as follows:

1. Payment of administrative costs that are necessary and reasonable for carrying out the Section 32 Homeownership Plan;
2. Assistance to low-income families under the Agency's homeownership programs (Attachment C) that enable them to purchase dwellings at affordable costs from private or public owners;
3. Assistance to affordable housing developments serving low-income families, financed by other federal, state, or local housing programs, such as gap financing for multifamily housing under the Agency's Multifamily Loan Policies;
4. The development of additional public housing or that owned in whole or in part by Agency-controlled nonprofit corporations with dwelling units affordable to and occupied by very low-income and low-income households (24 CFR 941 Subpart F);
5. Assistance to low- and very low-income tenants in tenant-based assistance programs to ensure the continuation of their tenancy in the event of program reductions; and
6. For any purposes authorized for the use of operating funds under the ACC, including maintenance and modernization, augmentation of operating reserves, protective services, and resident services.

Administration

Program Administration and Oversight

Program administration of the Section 32 program includes three major components: (1) rehabilitation; (2) resident services and homeownership assistance, and (3) property sale and loan closing. A project manager will be responsible for the program's implementation, reporting, and maintaining the program's three major components in balance through intensive coordination.

Rehabilitation. Three construction technicians experienced in housing rehabilitation and contract administration will be assigned to the program. They will conduct the physical needs assessments, prepare bidding documents, coordinate the contractor bidding and selection process with the Agency's procurement and compliance division, and administer the construction contracts. Other persons necessary for the housing rehabilitation functions will be the Agency's supervising architect, CAD operator, and support staff.

Homeownership Services. The Agency's Homeownership Program staff will be in charge of the activities necessary to inform and financially assist low-income purchasers for the Section 32 homes. As described above under Purchaser Eligibility and Selection, under the direction of the project manager, they will manage the dissemination of information to public housing residents, HCV participants, and low-income households within the general public. They will determine initial eligibility, manage the contracts with local housing counseling agencies, and make the Agency's resources known and available to potential purchasers.

Property Sale and Closing. The final component, property sale and closing, is overseen by the Agency's Real Estate Division, experienced in property management and disposition. Responsibilities include coordination with the housing rehabilitation staff (e.g., timing of notices of completion), obtaining appraisals, drawing financial and closing documents, requesting title transfer from HUD, and ensuring that the proper documentation is sent to the Agency's finance division, portfolio management, and project manager. In the event of HCV purchasers under the Agency's HCV homeownership program, the independent entity will perform its inspection and review functions prior to loan closing.

Records, Accounts and Reports

The Agency will maintain all records, accounts, reports, and files that relate to the implementation of the revised Section 32 program and will submit all required monitoring and financial reports to HUD, including annual sales reports. All Section 32 financial transactions are maintained in separate fund accounts by the Agency's finance department, which provides the central financial record-keeping services for both capital expenditures and receipts and personnel charges related to the program. The Agency will ensure that the receipt, retention and use of sales proceeds are covered in the regular independent audits of the Agency's public housing operations. Sales reports will be reported through PIC and the Annual Plan.

Individual purchaser records are maintained by the Agency's Portfolio Management Department. These files include income certifications, mortgage eligibility, HQS verification and rehabilitation work, settlement statements, and copies of all loans and title documents. If applicable, relocation notices and expenses will also be maintained in the purchaser files. If a unit is sold, repayment and recapture information is also included in the file.

The program files maintained by the project manager will include relocation notices, financial records, and procurement documents related to moving services.

Budget

Budget and Staffing

The first year budget estimate for the rehabilitation and disposition of an average home is \$104,150 per unit. Of this amount, total construction costs on average (including blueprints, plans and construction management) are estimated at \$99,000, the balance of \$5,150 being total administrative costs per house. The all-inclusive cost estimates for the program for the first year, described above under Administration, are as follows:

Rehabilitation, Construction Management	\$99,000 per house
Homeownership Services:	\$950 per house
Counseling:	\$250 per house over a two-year period
Relocation (moving and services)	\$1,450 per house
Property Sale/Closing:	\$1,000 per house
<u>Project Management:</u>	<u>\$1,500 per house</u>
Total Estimated Cost	\$104,150 per house

Budget notes: The rehabilitation costs assume Davis-Bacon wage rates. Marketing/outreach is carried out by the Agency's homeownership and real estate staff, the former coordinating its work with the nonprofit counseling agencies. The counseling costs represent current contractual agreements for the three-part series of counseling seminars described above under Counseling. These costs average \$250 per participant and assume that one-third will not complete the courses or achieve mortgage eligibility by the time that the vacant homes are sold.



Attachment B: Physical Needs Assessment

Room or Area-Interior	Walls/Clg.	Lead Pnt.	Floors	Doors	Electrical	Windows	Cabinets	Countertops	Sinks	Appliances	Fixtures	Other
Entry												
Kitchen												
Dining Room												
Living Room												
Bathroom 1												
Bathroom 2												
Bedroom 1												
Bedroom 2												
Bedroom 4												
Other room												
Garage												
Exterior Bldg.												
Siding on ext. walls												
Stucco on ext. walls												
Roofing and Gutters												
Exterior doors												
Electricity												
Screens												
Chimney												
Landscaping												
Irrigation												
Trees												
Driveway												
Sidewalks/ Patios												
Fireplace												
HVAC												
Other												

Room or Area-Interior	Walls/Clg.	Lead Pnt.	Floors	Doors	Electrical	Windows	Cabinets	Countertops	Sinks	Appliances	Fixtures	Other
Entry	4	no	4	4	4	4						
Kitchen	4	no	4	4	4	4	4	4	4	4	4	
Dining Room	4	no	4	4	4	4						
Living Room	4	no	4	4	4	4						
Bathroom 1	4	no	4	4	4	4	4	4	4		4	4-tile
Bathroom 2												
Bedroom 1	4	no	4	4	4	4						
Bedroom 2	4	no	4	4	4	4						
Bedroom 3	4	no	4	4	4	4						
Other room												
Garage		5		4	3							4-opnr
Exterior Bldg.												
Siding on ext. walls	Paint											
Stucco on ext. walls	both sides and the rear have stucco along with front and return to house side.									side. Needs paint complete		
Roofing and Gutters	Replace roofing over garage											
Exterior doors	Replace with new											
Electricity	Electricity in place. Panel sizing may change due to load changes and circuits added											
Screens	New with new windows											
Chimney	Clean and Inspect											
Landscaping	New design											
Irrigation	needs irrigation											
Trees	trimming needed											
Driveway	driveway to remain											
Sidewalks/ Patios	replacement needed											
Fireplace	masonry											
HVAC	install new central system gas pack.											

Attachment C: Homeownership Programs

Terms	First-Time Homebuyer FTHB	Target Area Homebuyer Program	American Dream Downpayment Initiative	Mortgage Assistance Program MAP	CalHome Mortgage Assistance Program	Mortgage Credit Certificate Program MCC	Expanded Home Program	Teacher Purchase
Type Assistance of	Down Payment and Closing Cost	Down Payment and Closing Cost	Down Payment / Closing Cost Acquisition/ Rehabilitation	Mortgage Assistance	Down Payment, Closing Cost, and Mortgage Assistance	Income tax Credit	Income tax credit plus down payment assistance	
Max Amount	\$5,000	\$5,000	\$10,000	\$20,000	\$25,000	15% income tax credit	15% income tax credit plus \$7,500	
Interest Rate	0%	5%	3%	3%	3%	N/A	5%	
Payments	Deferred	Deferred	Deferred/ Forgiven	Deferred	Deferred	N/A	3 years forgiven	
Homebuyer Income (Max.)	80% Area Median	110% Area Median	80% Area Median	80% Area Median	80% Area Median	100% 1-2 person 115% 3+ person	100% 1-2 person 115% 3+ person	
First-Time Homebuyer	Yes	No	Yes, displaced homemaker	Yes	Yes, displaced homemaker	Yes, except in certain target areas	Yes, except in certain target areas	
Location	Countywide	Target Areas	Countywide	Countywide	Certain City Areas Unincorporated County	Countywide	Countywide	
Affordability Ratios	N/A	N/A	N/A	28-35%	28-35%	N/A	N/A	
Loan Term	30 years	30 years/45 resale agt	10 years forgiven	30 years	30 years	life of mortgage	3 years forgiven	
First Mortgage Types	FHA, CalHFA, and Conventional	FHA, CalHFA, and Conventional	FHA, CalHFA, and Conventional	FHA, CalHFA and Conventional	FHA, CalHFA, and Conventional	FHA and Conventional no CalHFA	FHA, VA, Conventional no CalHFA	
Homebuyer Education	Yes	Yes	Yes	Yes	Yes	No	Yes	

**Agreement for Sacramento Housing and Redevelopment
Agency (SHRA) to Act as
Purchase and Resale Entity (PRE)
For Vacant Section 32 Homeownership
Single Family Homes**

THIS AGREEMENT, dated _____, is by and between the Housing Authority of the City of Sacramento (the Housing Authority) and the Sacramento Housing and Redevelopment Agency for a term of five years. The organizations are distinct and separate legal entities.

Whereas, the Housing Authority has need for the services of a Purchase and Resale Entity (PRE) to purchase, preserve, renovate, and sell vacant single family houses for sale to qualified low income families and SHRA has agreed to offer its services as a PRE and provide the services required, now, therefore, the parties agree as follows.

1. **SERVICES.** SHRA will perform the obligations set forth in this AGREEMENT, including those identified in Exhibit A, Scope of Services.
2. **WRITTEN NOTICE.** Any notice of termination or other communication having a material effect on the AGREEMENT shall be serviced by U. S. Mail on the signatories listed.
3. **COMPLIANCE.** SHRA shall comply with all applicable federal, state and local laws, rules and regulations, including the Section 32 Homeownership Plan of the Housing Authority of the City of Sacramento.
4. **AGREEMENT.** The Housing Authority of the City of Sacramento will sell 32 currently vacant Section 32 Homeownership houses using seller carry back loans or similar arrangements for Fair Market Value in “as is” condition to SHRA as a Purchase and Resale Entity. After five years, any houses not sold by SHRA as PRE shall return ownership to the Housing Authority from which the property originated. SHRA shall not encumber any of the houses without the advance written permission of the Housing Authority.
5. **JUDICIAL RULING.** If any provision of this AGREEMENT as applied to either party or to any circumstances shall be determined by a court to be void or unenforceable, the same shall in no way affect any other provision of this AGREEMENT or the validity or enforceability of the AGREEMENT.
6. **INDEPENDENT CONTRACTOR.** SHRA, in carrying out the services to be provided under this AGREEMENT, is acting as an “independent

contractor” and shall do so without discrimination or bias in accordance with the Fair Housing Act and implementing regulations. Although the Housing Authority reserve the right to determine the delivery schedule for the work to be performed and to evaluate the quality of the completed performance, the Housing Authority will not control the means or manner of the SHRA’s performance. SHRA is responsible for determining the appropriate means and manner of performing the work within the established annual budget, as determined by the Housing Authority.

7. **MUTUAL INDEMNIFICATION.** Neither SHRA nor any of its officers or employees shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by the Housing Authority under this Agreement. It is also understood that, pursuant to Government Code Section 895.4, the Housing Authority shall fully indemnify, defend and hold SHRA harmless from any liability imposed for injury to persons or property occurring by reason of anything done or omitted to be done by the Housing Authority under or in connection with any work, authority or jurisdiction delegated to the Housing Authority under this Agreement.

Neither the Housing Authority nor any of its officers or employees shall be responsible for any damage or liability occurring by reason of anything done or omitted to be done by SHRA under this Agreement. It is also understood that, pursuant to Government Code Section 895.4, SHRA shall fully indemnify, defend and hold the Housing Authority harmless from any liability imposed for injury to persons or property occurring by reason of anything done or omitted to be done by SHRA under or in connection with any work, authority or jurisdiction delegated to SHRA.

8. **WARRANTY.** SHRA hereby warrants that as PRE, internal controls are in place to protect against fraud, or issue of funds, or other property by employees and/or agents. SHRA is accountable to the Housing Authority for the recordkeeping, reporting, and audit requirements of Section 24 CFR 906.33.
9. **COMPENSATION.** SHRA as PRE shall limit its administrative and overhead costs, and any compensation or profit that may be realized by the PRE, to amounts that are reasonable in relation to its responsibilities and risks. Accordingly, the initial budget for SHRA as PRE shall be set at \$700,000, which shall be structured as a line of credit from the City and County Public Housing Homeownership funds, repayable within five years and amortized from proceeds from the sale of each Section 32 Homeownership house. In the event the final sales price is insufficient to repay the seller carry back loan and the full amount of the line of credit borrowed from the City Public Housing Homeownership Fund, the Housing Authority shall reduce a portion of the seller carry back loan to balance the transaction.

10. **TERMINATION OF AGREEMENT.** The AGREEMENT may be terminated under the following conditions.
- a. By written mutual agreement of both parties. Termination of this provision may be immediate.
 - b. In the event that the Section 32 Homeownership amendment is not approved by the Department of Housing and Urban Development (HUD), this AGREEMENT will terminate immediately.
 - c. The Housing Authority may terminate this AGREEMENT if SHRA fails to provide services, or fails to meet performance standards as specified in this AGREEMENT (or subsequent modifications of this agreement), within the time specified herein or any extension thereof. Termination under this provision may be immediate.
 - d. Failure of SHRA or the Housing Authority to comply with the provisions of this AGREEMENT and all applicable federal, state, and local laws and rules may be cause for termination of this contract.
 - e. Failure to sell all properties to low income home buyers within five years.
 - f. If this AGREEMENT is terminated pursuant to Section 10 c, above, then SHRA shall calculate its expenses incurred up to the date of termination and submit them for payment. Any funds held by SHRA as PRE shall be returned to the City or County Public Housing Homeownership Fund.
11. **SUBCONTRACTING.** No portion of this agreement may be contracted or assigned to any other individual, firm or entity without the express and prior written approval by the Housing Authority. Approval shall not be unreasonably withheld.

**HOUSING AUTHORITY OF THE
CITY OF SACRAMENTO**

**SACRAMENTO HOUSING and
REDEVELOPMENT AGENCY**

La Shelle Dozier
Executive Director

James Shields
Director of Administration

Exhibit A

Scope of Services

The Purchase and Resale Entity (PRE) shall perform as follows:

1. The Sacramento Housing and Redevelopment Agency (SHRA), as the designated PRE, shall accept title to vacant Section 32 Homeownership single family houses located within the City of Sacramento through seller carry back loans or similar arrangements. There are currently a total of 32 vacant single family houses from the Section 32 Homeownership Plan that will be transferred to the PRE effective upon execution of this AGREEMENT, or as soon as reasonably possible thereafter.
2. The PRE shall develop a plan to preserve, renovate, and sell the homes to qualified low income home buyers. "Preservation" shall include securing, managing, and caring for the homes to protect their integrity and appearance within the neighborhood in which each house is located. "Renovation" includes developing repair specifications and performing construction to ensure the houses are move-in ready and all major systems have a useful life of at least 15 years. "Qualified low income home buyers" means identifying low income families with the motivation and means to purchase the houses, and providing them with homeowner education that is generally recognized to help lead to successful homeownership. All vacant houses are to be renovated and sold to qualified low income home buyers within five years. Any Section 32 houses not sold by the PRE within that time shall have ownership revert to the originating housing authority.
3. The PRE shall secure the expertise of a professional realtor including a certified appraiser to assist the sale of each home in a timely manner and ensure that each sale is consistent with real estate laws of California. The homes will be sold at Fair Market Value via a Public Sale.
4. The PRE will secure the expertise of qualified personnel, organizational and/or financial institutions to provide homeownership, counseling, training, and technical assistance to each qualified purchaser.
5. The PRE will identify a budget for the plan to sell vacant single family houses, including all preservation, renovation or repair costs, professional service expenses, counseling, legal, financial, etc. SHRA will be paid for its actual and documented expenses and may draw needed funds for expenses as

a line of credit from the City and County Public Housing Homeownership fund to be repaid upon the sale of each house.

6. The preservation and renovation budget shall be \$500,000 for properties located within the City of Sacramento.
7. The PRE will keep accurate records and evidence of each house sale and the funds provided. Documentation provided to the Housing Authority include final closing statements, deed restrictions, loan agreements, administrative and other expenses incurred in preparing each house for sale and qualifying low income home buyers.
8. The Housing Authority of the City of Sacramento Public Housing Homeownership fund shall incur any gain or shall bear any loss associated with the sale of the house to a qualified low income family. SHRA shall not incur any benefit or loss from its activities related to the preservation, renovation, or sale of the vacant Section 32 houses.



Housing Authority of the City of Sacramento - Section 32

11/5/2012

Count	Unit ID	Address	Street	Type	City	Zip	S32	PIC Status as of 11.2.12
1	503376	1436	68th	AV	SACTO	95822	X	Vacant, DemoDispo - Approved
2	503401	7542	TWILIGHT	DR	SACTO	95822	X	Vacant, DemoDispo - Approved
3	503483	2161	BERG	AV	SACTO	95822	X	Vacant, DemoDispo - Approved
4	503488	1444	WACKER	WY	SACTO	95822	X	Vacant, DemoDispo - Approved
5	503513	2270	BABETTE	WY	SACTO	95832	X	Vacant, DemoDispo - Approved
6	503843	7684	SWEETBRIER	WY	SACTO	95832	X	Vacant, DemoDispo - Approved
7	503863	2145	63rd	AV	SACTO	95822	X	Vacant, DemoDispo - Approved
8	503873	1429	STODDARD	ST	SACTO	95822	X	Vacant, DemoDispo - Approved
9	503908	6508	GOLF VIEW	DR	SACTO	95822	X	Vacant, DemoDispo - Approved
10	503917	1543	STERLING	ST	SACTO	95822	X	Vacant, DemoDispo - Approved
11	503947	7509	SCHREINER	ST	SACTO	95822	X	Vacant, DemoDispo - Approved
12	503951	7470	SYLVIA	WY	SACTO	95822	X	Vacant, DemoDispo - Approved
13	519563	7676	22nd	ST	SACTO	95832	X	Vacant, DemoDispo - Approved
14	519587	2515	CADJEW	AV	SACTO	95832	X	Vacant, DemoDispo - Approved
15	519765	7708	LYTLE	ST	SACTO	95832	X	Vacant, DemoDispo - Approved
16	519767	7750	LYTLE	ST	SACTO	95832	X	Vacant, DemoDispo - Approved
17	519770	7807	19th	ST	SACTO	95832	X	Vacant, DemoDispo - Approved
18	503421	7714	40th	AV	SACTO	95824	X	Vacant, DemoDispo - Approved
19	503422	7730	40th	AV	SACTO	95824	X	Vacant, DemoDispo - Approved
20	503452	7726	40th	AV	SACTO	95824	X	Vacant, DemoDispo - Approved
21	503453	7732	40th	AV	SACTO	95824	X	Vacant, DemoDispo - Approved
22	503496	3917	36th	ST	SACTO	95820	X	Vacant, DemoDispo - Approved
23	503611	8004	38th	AV	SACTO	95824	X	Vacant, DemoDispo - Approved
24	503862	7717	VALLECITOS	WY	SACTO	95828	X	Vacant, DemoDispo - Approved
25	503904	1575	34th	ST	SACTO	95816	X	Vacant, DemoDispo - Approved
26	503907	7650	17th	AV	SACTO	95820	X	Vacant, DemoDispo - Approved
27	503911	8000	CAPISTRANO	WY	SACTO	95824	X	Vacant, DemoDispo - Approved
28	503912	8020	CAPISTRANO	WY	SACTO	95824	X	Vacant, DemoDispo - Approved
29	503962	7616	VALLECITOS	WY	SACTO	95828	X	Vacant, DemoDispo - Approved
30	503397	142	ARCADE	BL	SACTO	95815	X	Vacant, DemoDispo - Approved
31	503932	136	REDONDO	AV	SACTO	95815	X	Vacant, DemoDispo - Approved
32	503943	2891	GROVE	AV	SACTO	95815	X	Vacant, DemoDispo - Approved
33	502070	7651	MANORSIDE	DR	SACTO	95822	X	Occupied, DemoDispo - Approved
34	503385	2252	ARLISS	WY	SACTO	95822	X	Occupied, DemoDispo - Approved
35	503402	3449	GATES	WY	SACTO	95832	X	Occupied, DemoDispo - Approved
36	503512	3600	REEL	CIR	SACTO	95832	X	Occupied, DemoDispo - Approved
37	503514	2274	BABETTE	WY	SACTO	95832	X	Occupied, DemoDispo - Approved
38	503603	7563	MEADOWAIR	WY	SACTO	95822	X	Occupied, DemoDispo - Approved
39	503847	7591	RED WILLOW	WY	SACTO	95822	X	Occupied, DemoDispo - Approved
40	503861	7506	21st	ST	SACTO	95822	X	Occupied, DemoDispo - Approved
41	503890	1531	GLIDDEN	AV	SACTO	95822	X	Occupied, DemoDispo - Approved
42	503892	1467	66th	AV	SACTO	95822	X	Occupied, DemoDispo - Approved
43	503920	7359	15th	ST	SACTO	95822	X	Occupied, DemoDispo - Approved
44	503922	1611	FLORIN	RD	SACTO	95822	X	Occupied, DemoDispo - Approved
45	503923	2124	63rd	AV	SACTO	95822	X	Occupied, DemoDispo - Approved
46	503933	2184	50th	AV	SACTO	95822	X	Occupied, DemoDispo - Approved
47	503939	2070	48th	AV	SACTO	95822	X	Occupied, DemoDispo - Approved
48	503946	7722	DETROIT	BL	SACTO	95832	X	Occupied, DemoDispo - Approved
49	503949	7656	MANORCREST	WY	SACTO	95832	X	Occupied, DemoDispo - Approved
50	519562	7857	DETROIT	BL	SACTO	95832	X	Occupied, DemoDispo - Approved
51	519564	7695	22nd	ST	SACTO	95832	X	Occupied, DemoDispo - Approved
52	519567	2239	CRAIG	AV	SACTO	95832	X	Occupied, DemoDispo - Approved
53	519576	7670	22nd	ST	SACTO	95832	X	Occupied, DemoDispo - Approved

54	519766	7712	LYTLE	ST	SACTO	95832	X	Occupied, DemoDispo - Approved
55	519768	7759	LYTLE	ST	SACTO	95832	X	Occupied, DemoDispo - Approved
56	519769	7791	19th	ST	SACTO	95832	X	Occupied, DemoDispo - Approved
57	519771	7834	AMHERST	ST	SACTO	95832	X	Occupied, DemoDispo - Approved
58	503162	2943	42ND	ST	SACTO	95817	X	Occupied, DemoDispo - Approved
59	503168	3661	4th	AV	SACTO	95817	X	Occupied, DemoDispo - Approved
60	503169	3421	21st	AV	SACTO	95820	X	Occupied, DemoDispo - Approved
61	503171	3804	21st	AV	SACTO	95820	X	Occupied, DemoDispo - Approved
62	503172	3922	39th	ST	SACTO	95820	X	Occupied, DemoDispo - Approved
63	503173	4001	32nd	ST	SACTO	95817	X	Occupied, DemoDispo - Approved
64	503384	5409	56th	ST	SACTO	95820	X	Occupied, DemoDispo - Approved
65	503389	7736	VALLECITOS	WY	SACTO	95828	X	Occupied, DemoDispo - Approved
66	503404	7612	51st	AV	SACTO	95828	X	Occupied, DemoDispo - Approved
67	503420	6071	WILKINSON	ST	SACTO	95824	X	Occupied, DemoDispo - Approved
68	503454	7748	40th	AV	SACTO	95824	X	Occupied, DemoDispo - Approved
69	503507	3405	24th	AV	SACTO	95820	X	Occupied, DemoDispo - Approved
70	503525	5064	10th	AV	SACTO	95820	X	Occupied, DemoDispo - Approved
71	503527	5110	BRADFORD	DR	SACTO	95820	X	Occupied, DemoDispo - Approved
72	503927	7604	VALLECITOS	WY	SACTO	95828	X	Occupied, DemoDispo - Approved
73	503989	2931	24th	AV	SACTO	95820	X	Occupied, DemoDispo - Approved
74	519572	4439	6th	AV	SACTO	95820	X	Occupied, DemoDispo - Approved
75	519574	7709	40th	AV	SACTO	95824	X	Occupied, DemoDispo - Approved
76	519575	6021	WILKINSON	ST	SACTO	95824	X	Occupied, DemoDispo - Approved
77	503602	1013	NORTH	AV	SACTO	95838	X	Occupied, DemoDispo - Approved
78	503846	150	BARTON	WY	SACTO	95838	X	Occupied, DemoDispo - Approved
79	503888	212	ARCADE	BL	SACTO	95815	X	Occupied, DemoDispo - Approved
80	503895	1340	STEPHANIE	AV	SACTO	95838	X	Occupied, DemoDispo - Approved
81	503913	3634	CLARKSON	CRT	SACTO	95838	X	Occupied, DemoDispo - Approved
82	503944	272	ARCADE	BL	SACTO	95815	X	Occupied, DemoDispo - Approved
83	503974	233	OLMSTEAD	DR	SACTO	95838	X	Occupied, DemoDispo - Approved
84	503984	180	OLMSTEAD	DR	SACTO	95838	X	Occupied, DemoDispo - Approved
85	503999	125	CATHCART	AV	SACTO	95838	X	Occupied, DemoDispo - Approved
86	519599	44	CATHCART	AV	SACTO	95838	X	Occupied, DemoDispo - Approved
87	503174	4024	ML King	BL	SACTO	95820	X	Vacant, DemoDispo - Proposed
88	503451	3917	TEMPLE	AV	SACTO	95820	X	Vacant, DemoDispo - Proposed
89	503494	3817	16th	AV	SACTO	95820	X	Vacant, DemoDispo - Proposed
90	503495	4308	36th	ST	SACTO	95820	X	Vacant, DemoDispo - Proposed
91	503970	3625	6th	AV	SACTO	95817	X	Vacant, DemoDispo - Proposed
92	519629	3641	5th	AV	SACTO	95817	X	Vacant, DemoDispo - Proposed
93	503403	1001	NORTH	AV	SACTO	95838	X	Vacant, DemoDispo - Proposed
94	503405	3927	FELL	ST	SACTO	95838	X	Vacant, DemoDispo - Proposed
95	503457	3908	HIGH	ST	SACTO	95838	X	Vacant, DemoDispo - Proposed
96	503459	1424	STEPHANIE	AV	SACTO	95838	X	Vacant, DemoDispo - Proposed
97	503468	3346	CYPRESS	ST	SACTO	95838	X	Vacant, DemoDispo - Proposed
98	503487	616	South	AV	SACTO	95838	X	Vacant, DemoDispo - Proposed
99	503601	613	LINDSAY	AV	SACTO	95838	X	Vacant, DemoDispo - Proposed
100	503866	250	FAIRBANKS	AV	SACTO	95838	X	Vacant, DemoDispo - Proposed
101	503872	139	DANVILLE	WY	SACTO	95838	X	Vacant, DemoDispo - Proposed
102	503885	573	MORRISON	AV	SACTO	95838	X	Vacant, DemoDispo - Proposed
103	503930	212	ARROWROCK	RD	SACTO	95838	X	Vacant, DemoDispo - Proposed
104	503931	3527	HIGH	ST	SACTO	95838	X	Vacant, DemoDispo - Proposed
105	503934	1329	STEPHANIE	AV	SACTO	95838	X	Vacant, DemoDispo - Proposed
106	503936	1409	STEPHANIE	AV	SACTO	95838	X	Vacant, DemoDispo - Proposed
107	503981	612	KESNER	AV	SACTO	95838	X	Vacant, DemoDispo - Proposed
108	503982	3901	FELL	ST	SACTO	95838	X	Vacant, DemoDispo - Proposed
109	503986	156	OLMSTEAD	DR	SACTO	95838	X	Vacant, DemoDispo - Proposed
110	519578	3829	ALDER	ST	SACTO	95838	X	Vacant, DemoDispo - Proposed
111	503876	716	ACACIA	AV	SACTO	95815	X	Vacant HUD Approved