

RESOLUTION NO. 2012-019

Adopted by the Housing Authority of the City of Sacramento

December 4, 2012

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.

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Exhibit A – Amended Section 32 Homeownership Plan

Exhibit B – PRE Agreement with SHRA

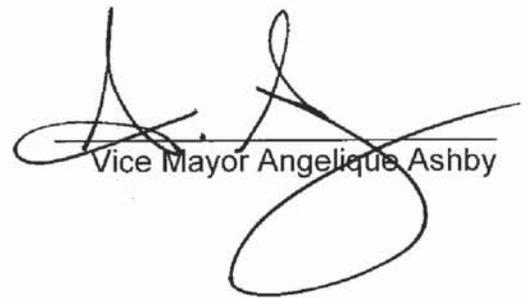
Adopted by the Housing Authority of the City of Sacramento on December 4, 2012 by the following vote:

Ayes: Councilmembers Ashby, Cohn, R Fong, McCarty, Pannell, Schenirer, Sheedy, and Mayor Johnson.

Noes: None.

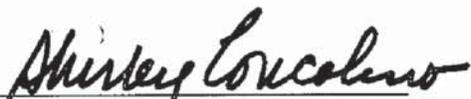
Abstain: None.

Absent: Councilmember D. Fong



Vice Mayor Angelique Ashby

Attest:



Shirley Concolino, City Clerk