



April 7, 2021

**Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA**

Honorable Members in Session:

**SUBJECT:**

**Riverview Plaza Update**

**RECOMMENDATION:**

Staff is presenting this information to the Commission for review, prior to final review by the Board of Supervisors.

Respectfully Submitted

  
LA SHELLE DOZIER  
Executive Director

Attachment

801 12<sup>th</sup> Street, Sacramento, CA 95814

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
April 20, 2021

To: Board of Supervisors

Through: Ann Edwards, Interim County Executive  
Bruce Wagstaff, Deputy County Executive, Social Services

From: La Shelle Dozler, Executive Director, Sacramento Housing  
and Redevelopment Agency  
Mark Hamilton, Director of Public Housing, Sacramento  
Housing and Redevelopment Agency

Subject: Riverview Plaza Update

District(s): Serna (600 I Street, Sacramento CA 95814)

**RECOMMENDED ACTION**

This item is informational and is meant to advise the Board of Supervisors, of the intent of the Sacramento Housing and Redevelopment Agency (Agency) to apply for the necessary tax credits to fund the much needed rehabilitation of Riverview Plaza located at 600 I Street.

The SHARP, Inc. (SHARP), a Sacramento Housing and Redevelopment Agency (SHRA) Financial Component Unit and 501c3 non-profit, would apply on the project's behalf for new 4% tax credits in California Debt Limit Allocation Committee's (CDLAC) second round in 2021 as the developer for the project.

**BACKGROUND**

**History of the Project**

Riverview Plaza (Project) is a mixed-use development located at 600 I Street in the downtown area of Sacramento. The Project consists of 123 affordable housing units in an elderly high rise building. The Project is currently owned by a California limited partnership, Riverview Plaza Associates, which is organized with a general partner, and a limited

partner.

The current general partner is the SHDC, whose board consists of the Executive Director of SHRA, La Shelle Dozier, and the County Board of Supervisors. The Housing Authority of the City of Sacramento is the 99% owner and is the limited partner in this partnership.

The Riverview Plaza property currently consists of four parcels:

1. Residential – representing the 123 residential units. This parcel is owned currently by the Riverview Plaza Associates, LP.
2. Commercial – this parcel is owned the Housing Authority of the City of Sacramento and includes the following areas:
  - a. Rental office
  - b. Hair salon
  - c. Day care center
  - d. The former commission room and lobby and entrance
3. Basement/Garage – jointly owned by the Housing Authority of the City of Sacramento and the Limited Partnership
4. 16<sup>th</sup> Floor and Roof – owned by the Housing Authority of the City of Sacramento

The land on which the project is located, is owned by the Housing Authority of the City of Sacramento, and is leased to the partnership through a ground lease. The Housing Choice Voucher Program currently leases the commercial space at 600 I Street.

#### Ownership Changes

This project was originally constructed in 1988 and was placed in service as a 9% Low Income Housing Tax Credit project in 1989 in a California limited partnership.

The General Partnership was reassigned to SHDC in the same year.

In 2004, the 15<sup>th</sup> year of the tax credit project, an Option Assignment and Transfer Agreement was signed. The 15<sup>th</sup> year is significant, because it generally represents the end of the initial compliance period and represents the first available time that a project may be sold without the possibility of credit recapture.

In year 15 the Housing Authority then assumed the limited partner role in the California Limited Partnership, which reflects the current structure of the limited partnership today.

The next major milestone was a \$5,000,000 substantial rehabilitation in 2010, to address the building envelope and other exterior features which were in dire need of repair.

#### Repositioning of Housing Authority Assets

In 2018, an overall asset repositioning strategy was commissioned, to determine the best financial strategies to adopt to address the deferred capital needs of all Public Housing owned and managed assets.

The Housing Authority of the City and County of Sacramento, in partnership with their financial consultant CSG Advisors, Inc., determined that Riverview Plaza would benefit from applying for new 4% tax credits, which were non-competitive at the time.

In 2020, CDLAC announced that the 4% tax credits were moving from the non-competitive model, to a more competitive model similar to the current 9% credit criteria. This new model created new requirements for projects to meet in order for tax credits and/or bonds to be awarded to them

To be more competitive for tax credits and preserve affordability for residents the Agency is concurrently working to apply project-based Section 8 vouchers to the property. This will also allow for Riverview Plaza to apply as a preservation project and increase rent revenues.

#### Commission Action

At its meeting of April 7, 2021, the Sacramento Housing and Redevelopment Commission will be presented with this Item. Staff will notify the Board of any additional comments or concerns presented at this meeting.

#### Policy Considerations

This report is informational only. The Agency is not seeking action on this item, and is providing the Board with an update on the Riverview Project. In addition, the Agency is providing its Intent to submit for 4% tax credits, utilizing its non-profit entity, in order to fund the much needed rehabilitation of Riverview Plaza.

#### Environmental Review

California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA): The change in ownership is not considered a project subject to CEQA pursuant to 14 CCR section 15378(b), and the rehabilitation activities are exempt pursuant to 14 CCR section 15301. The change in ownership is categorically excluded under NEPA pursuant to 24 CFR

58.35(a)(5), and the rehabilitation is categorically excluded pursuant to 24 CFR 58.35(a)(3)(ii).

M/WBE/Section 3 Considerations

This report is informational only.

**FINANCIAL ANALYSIS**

If there are additional financial considerations for SHDC to consider, the Agency will present those considerations to the SHDC Board through a subsequent report. In that report, authorization and approval will be sought in regards to those financial considerations. This report, however, is informational.

The Agency has developed a scope of work based on the Riverview's capital needs, along with an estimate of cost. With the 4% credits, all of Riverview's critical needs will be addressed. In addition, the Agency will be able provide substantial tenant improvements to the units as detailed below in the proposed scope of work.

Total Cost and Proposed Scope of Work

The total development cost for the project is estimated to be around \$46.9 million. The scope of work will include the following:

- Elevator rehabilitation
- New energy efficient appliances and lighting
- Unit improvements including cabinetry, flooring, bathrooms, and kitchens
- Building plumbing, mechanical, and electrical improvements
- Security cameras and other security enhancements
- Building Wi-Fi
- Improved fire safety systems
- New controlled access systems for the building

Additional details will be provided in a forthcoming item.

Respectfully Submitted,



LA SHELLE DOZIER, Executive Director  
Sacramento Housing and  
Redevelopment Agency

APPROVED  
ANN EDWARDS  
Interim County Executive

By: \_\_\_\_\_  
BRUCE WAGSTAFF  
Deputy County Executive

ATT 1 - First Amended and Restated Limited Partnership Agreement of  
Riverview Plaza Associates.