



INVESTING IN COMMUNITIES

NOTICE OF REGULAR MEETING
**Sacramento Housing and Redevelopment
Commission**
Wednesday, June 18, 2014 – 6:00 pm
801 12th Street Sacramento, CA

ROLL CALL

APPROVAL OF AGENDA

APPROVAL OF MINUTES

1. Minutes – June 4, 2014

CITIZENS COMMENTS

2. While the Commission welcomes and encourages participation in the Commission meetings, it would be appreciated if you would limit your comments to three minutes so that everyone may be heard. Please fill out a speaker card and present it to the Agency Clerk if you wish to speak under Citizen Comments or on a posted agenda item. Matters under the jurisdiction of the Commission, and not on the posted agenda, may be addressed by the general public at this time. Commission attendees are requested to silence any electronic devices that they have in their possession.

STAFF REPORTS

3. Assignment and Assumption Agreement: Brownfields Revolving Loan Program
4. Sacramento Housing and Redevelopment Agency (SHRA) Conflict of Interest Code Amendment – City report
5. Sacramento Housing and Redevelopment Agency (SHRA) Conflict of Interest Code Amendment – County report
6. Sacramento Housing and Redevelopment Agency Comprehensive Annual Financial Report For The Year Ended December 31, 2013 – City report
7. Sacramento Housing and Redevelopment Agency Comprehensive Annual Financial Report For The Year Ended December 31, 2013 – County report
8. Approval of Tax-Exempt Bonds for Sierra Vista Apartments – City report

WORKSHOP/INFORMATIONAL ITEMS

9. Marshall Hotel update

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

Staff reports are available for public review on the Agency's website www.shra.org and include all attachments and exhibits. Hard copies are available at the Agency Clerk's office (801 12th Street) for 10 cents per page. A copy of materials for this agenda will be available at the meeting for public review. **Assistance for the Disabled:** Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Agency Clerk at (916) 440-1363 at least 48 hours prior to the meeting.



MINUTES

Sacramento Housing and Redevelopment Commission (SHRC)

Regular Meeting

June 4, 2014

Meeting noticed on May 30, 2014

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Chair Michael Alcalay. A quorum of members was present.

MEMBERS PRESENT: Alcalay, Chan, Creswell, Griffin, Johnson, Macedo, Morgan, Morton, Raab, Stivers

MEMBERS ABSENT: LeDuc

STAFF PRESENT: Vickie Smith, LaShelle Dozier, David Levin, MaryLiz Paulson, Christine Weichert, Kyle Flood, Tyrone Williams, Monique Pierre, Lynette Jordan, Cecette Hawkins, Tanya Tran, Site Managers from PHA

APPROVAL OF AGENDA The Chair announced that items 6 and 7 would be presented and approved together and that item 11 would be heard before item 10. The Chair also announced that there was nothing to report out from the closed session meeting.

APPROVAL OF MINUTES

May 7, 2014 minutes were approved as submitted.

CITIZENS COMMENTS

2. Natasha Miller requested information regarding the family self sufficiency programs.

Commissioner Morgan encouraged tenants to attend upcoming meetings of the City Council if the Sutterview project is discussed.

CONSENT

3. Approval of 2014 CalHome Application - City report

4. Approval of 2014 CalHome Application – County report

The Commission recommended approval for the items listed above. The votes were as follows

AYES: Alcalay, Chan, Creswell, Griffin, Johnson, Macedo, Morgan, Morton, Raab, Stivers

NOES: none

ABSENT: LeDuc

BUSINESS ITEMS

5. Updated Agency fees and charges schedule

Greg Potts presented the item.

The Commission recommended approval for the item listed above. The votes were as follows

AYES: Alcalay, Chan, Creswell, Griffin, Johnson, Macedo, Morgan, Morton, Raab, Stivers

NOES: none

ABSENT: LeDuc

6. Approval of Housing Authority and Agency Loan for Woodhaven Senior Residence - City report

7. Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing and Approval Of Tax-Exempt Bonds For Woodhaven Senior Residence Project

Darrin Samford presented the item.

The Commission recommended approval for the items listed above. The votes were as follows

AYES: Alcalay, Chan, Creswell, Griffin, Johnson, Macedo, Morgan, Morton, Raab, Stivers

NOES: none

ABSENT: LeDuc

WORKSHOP/INFORMATIONAL ITEMS

8. Marshall Hotel update

Christine Weichert presented the item.

9. Choice Neighborhoods Initiative (CNI) update

Tyrone Williams, Kyle Flood and Celia Yniguez presented the item.

10. Public Housing Assessment System (PHAS) Presentation

MaryLiz Paulson presented the item.

11. Section Eight Management Assessment Program (SEMAP) Presentation

Sarah Thomas, Lynnette Jordan and Tanya Tran presented the item.

EXECUTIVE DIRECTOR REPORT

LaShelle Dozier announced the following:

- Next meeting would be June 18th
- Staff is organizing a Tour for the commission on July 9th. More information to follow.

COMMISSION CHAIR REPORT

Chair Alcalay announced the following:

- Thanked Commissioner Creswell for her service on the Housing Alliance Board.
- Commented on the Louise Perez community center opening.
- Asked for volunteers to assist with an SHRA marketing campaign.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

none.

ADJOURNMENT

As there was no further business to be conducted, Chair Alcalay adjourned the meeting at 7:30 p.m.

AGENCY CLERK

June 18, 2014



Sacramento Housing and Redevelopment Commission
Sacramento, California

Honorable Members in Session:

SUBJECT Assignment and Assumption Agreements: Brownfields Cleanup
Revolving Loan Fund Program

RECOMMENDATION

Staff recommends adoption of the attached resolution which authorizes the Executive Director or her designee to execute 1) an assignment and assumption agreement with the City of Sacramento relating to the 2002 Brownfields Cleanup Revolving Loan Fund loan to Capitol Area Development Authority and 2) an assignment and assumption agreement with the City of Sacramento relating to the 2004 Brownfields Cleanup Revolving Loan Fund loan to Capitol Area Development Authority.

CONTACT PERSONS

Christine Weichert, Assistant Director, Development Finance, 440-1353
Susan Perry, Supervisor, Portfolio Management and Homeownership, 440-1386

SUMMARY

This report recommends authority for the Executive Director of Sacramento Housing and Redevelopment Agency ("Agency") to execute assignment and assumption agreements with the City of Sacramento ("City") which will transfer to the City the rights and obligations of two loans made by the Agency under the Brownfields Cleanup Revolving Loan Fund Program ("BCRLF Program").

BACKGROUND

The Agency currently has two loans in its loan portfolio which were originated under an agreement between the City of Sacramento and the Agency. Under the City Agreement, the Agency served as fund manager for the City's BCRLF Program. The

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission
June 18, 2014
Page 2

City Agreement with the Agency expired on December 31, 2007, and the Agency no longer serves as the BCRLF Program fund manager for the City.

FINANCIAL CONSIDERATIONS

Not applicable. The Agency no longer serves as the BCRLF Program fund manager.

POLICY CONSIDERATIONS

There are no policy changes recommended in this report. The proposed action is strictly an administrative matter.

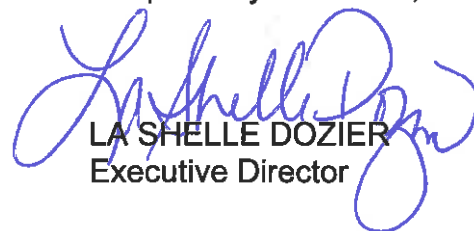
ENVIRONMENTAL REVIEW

The action to execute the assignment and assumption agreements for BCRLF Program loans is administrative in nature and does not constitute a project under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b)(4). The National Environmental Policy Act (NEPA) does not apply.

M/WBE AND SECTION 3 CONSIDERATIONS

The items discussed in this report do not involve federal funding; therefore, there are no MWBE and Section 3 requirements.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director

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1. Resolution
2. City of Sacramento Staff Report - Assignment and Assumption Agreement: Brownfields Revolving Loan program

RESOLUTION NO. SHRC-_____

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF

June 18, 2014

BROWNFIELDS CLEANUP REVOLVING LOAN FUND PROGRAM: EXECUTE ASSIGNMENT AND ASSUMPTION AGREEMENT FOR LOAN AGREEMENT 1 AND LOAN AGREEMENT 2

BACKGROUND

- A.** In 1997 the City of Sacramento ("City") established a Brownfields cleanup revolving loan fund program (the "BCRLF Program") funded by the United States Environmental Protection Agency. The purpose of the BCRLF Program was for the City to provide loans and sub-grants to qualified projects to assist with the investigation and cleanup of contaminated sites within the City.
- B.** The City designated the Sacramento Housing and Redevelopment Agency ("Agency") to serve as the BCRLF Program fund manager, most recently with City Agreement 2000-121-1. As fund manager, the Agency was responsible for managing the financial aspects of the BCRLF Program on behalf of the city, including entering into BCRLF Program loan agreements with borrowers.
- C.** The Agency and the Capitol Area Development Authority ("CADA") entered into a BCRLF Program loan agreement in the amount of \$250,000 to fund the removal of contaminated soil in connection with CADA's Warehouse project on R Street in 2002 ("the Loan Agreement 1").
- D.** The Agency and the Capitol Area Development Authority ("CADA") entered into a second BCRLF Program loan agreement in the amount of \$200,000 to fund the removal of contaminated soil in connection with CADA's Warehouse project on R Street in 2004 ("the Loan Agreement 2").
- E.** City Agreement 2000-121-1 expired on December 31, 2007 and the Agency no longer serves as the BCRLF Program fund manager. The City now manages the BCRLF Program, and the City and the Agency desire to formally transfer the rights and obligations under Loan Agreement 1 and 2.

- F. The action to execute the Assignment and Assumption Agreement for Loan Agreement 1 and 2 is administrative in nature and does not constitute a project under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b)(4). The National Environmental Policy Act (NEPA) does not apply.

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

Section 1. The above recitals, including the environmental recitals, are found to be true and correct.

Section 2. The Executive Director, or her designee, is authorized to execute the Assignment and Assumption Agreement for Loan Agreement 1 and Loan Agreement 2.

CHAIR

ATTEST:

CLERK

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Exhibit A – Assignment and Assumption Agreement for Loan Agreement 1

Exhibit B – Assignment and Assumption Agreement for Loan Agreement 2

**ASSIGNMENT AND ASSUMPTION AGREEMENT
(2002 Loan)**

This agreement, dated _____, 2014, for purposes of identification, is between the **City of Sacramento** (the “**City**”), a California municipal corporation, and the **Sacramento Housing and Redevelopment Agency** (“**SHRA**”), a California joint powers agency.

Background

In 1997, the City established a brownfields cleanup revolving loan fund program funded by the United States Environmental Protection Agency (the “**BCRLF Program**”). The purpose of the BCRLF Program is for the City to provide loans and subgrants to qualified projects to assist with the investigation and cleanup of contaminated sites within the City.

Through a series of agreements between the City and SHRA, most recently in City Agreement 2000-121-1, the City designated SHRA to serve as fund manager of the BCRLF Program. As fund manager, SHRA was responsible for managing the financial aspects of the BCRLF Program on behalf of the City, including entering into BCRLF Program loan agreements with borrowers.

In 2002, SHRA and the Capitol Area Development Authority (“**CADA**”) entered into a BCRLF Program loan agreement to fund the removal of contaminated soil in connection with CADA’s Warehouse project on R Street (the “**Loan Agreement**”). The Loan Agreement is attached as **Exhibit A** to this agreement. CADA has made one payment, in the amount of \$25,000.00, to SHRA under the Loan Agreement.

City Agreement 2000-121-1 expired on December 31, 2007, and SHRA no longer serves as the fund manager. The City now desires to formally assume all of the rights and obligations under the Loan Agreement. The parties further desire that SHRA transfer the \$25,000.00 payment to the City.

With these background facts in mind, the City and SHRA agree as follows:

- 1. Assignment.** SHRA hereby assigns to the City all of SHRA’s rights and obligations under the Loan Documents. “**Loan Documents**” has the meaning given that term in article II, section 1.18 of the Loan Agreement.
- 2. Assumption.** The City hereby accepts the assignment and assumes all of the rights and obligations of SHRA under the Loan Documents.
- 3. Payment.** SHRA shall pay the City \$25,000.00 not more than 30 days after the effective date of this agreement.
- 4. Release of SHRA.** Upon the City’s assumption of the Loan Agreement and all of its provisions, terms, conditions, and covenants and the receipt by the City of the \$25,000 payment, SHRA shall be released from that Loan Agreement.
- 5. Binding effect.** This agreement binds and inures to the benefit of the parties’ successors and assigns.

6. **Severability.** If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.
7. **Interpretation.** This agreement is to be interpreted and applied in accordance with California law, except that that the rule of interpretation in California Civil Code section 1654 will not apply. Exhibit A is part of this agreement.
8. **Third-Party Beneficiaries.** This agreement is solely for the benefit of the City and SHRA. It is not intended to benefit any third parties.
9. **Effective date.** This agreement is effective on the date both parties have signed it, as indicated by the dates in the signature blocks below.
10. **Counterparts.** The parties may sign this agreement in counterparts, each of which will be considered an original, but all of which will constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement shall have the same binding effect as originals.
11. **Integration and modification.** This agreement sets forth the parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

(Signature Page Follows)

City of Sacramento

Sacramento Housing and Redevelopment Agency

By: _____
John F. Shirey
City Manager
Date: _____, 2014

By: _____
La Shelle Dozier
Executive Director
Date: _____, 2014

Approved as to Form
Sacramento City Attorney

Approved as to Legal Form

By: _____
Michael Sparks
Senior Deputy City Attorney

By: _____
David Levin
Agency Counsel

Attest:

By: _____
Assistant City Clerk

**ASSIGNMENT AND ASSUMPTION AGREEMENT
(2004 Loan)**

This agreement, dated _____, 2014, for purposes of identification, is between the **City of Sacramento** (the “**City**”), a California municipal corporation, and the **Sacramento Housing and Redevelopment Agency (“SHRA”)**, a California joint powers agency.

Background

In 1997, the City established a brownfields cleanup revolving loan fund program funded by the United States Environmental Protection Agency (the “**BCRLF Program**”). The purpose of the BCRLF Program is for the City to provide loans and subgrants to qualified projects to assist with the investigation and cleanup of contaminated sites within the City.

Through a series of agreements between the City and SHRA, most recently in City Agreement 2000-121-1, the City designated SHRA to serve as fund manager of the BCRLF Program. As fund manager, SHRA was responsible for managing the financial aspects of the BCRLF Program on behalf of the City, including entering into BCRLF Program loan agreements with borrowers.

In 2004, SHRA and the Capitol Area Development Authority (“**CADA**”) entered into a BCRLF Program loan agreement to fund the removal of contaminated soil in connection with CADA’s Warehouse project on R Street (the “**Loan Agreement**”). The Loan Agreement is attached as **Exhibit A** to this agreement.

City Agreement 2000-121-1 expired on December 31, 2007, and SHRA no longer serves as the fund manager. The City now desires to formally assume all of the rights and obligations under the Loan Agreement.

With these background facts in mind, the City and SHRA agree as follows:

- 1. Assignment.** SHRA hereby assigns to the City all of SHRA’s rights and obligations under the Loan Documents. “**Loan Documents**” has the meaning given that term in article II, section 1.18 of the Loan Agreement.
- 2. Assumption.** The City hereby accepts the assignment and assumes all of the rights and obligations of SHRA under the Loan Documents.
- 3. Release of SHRA.** Upon the City’s assumption of the Loan Agreement and all of its provisions, terms, conditions, and covenants, SHRA shall be released from that Loan Agreement.
- 4. Binding effect.** This agreement binds and inures to the benefit of the parties’ successors and assigns.
- 5. Severability.** If a court with jurisdiction rules that any nonmaterial part of this agreement is invalid, unenforceable, or contrary to law or public policy, then the rest of this agreement remains valid and fully enforceable.

6. **Interpretation.** This agreement is to be interpreted and applied in accordance with California law, except that that the rule of interpretation in California Civil Code section 1654 will not apply. Exhibit A is part of this agreement.
7. **Third-Party Beneficiaries.** This agreement is solely for the benefit of the City and SHRA. It is not intended to benefit any third parties.
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9. **Counterparts.** The parties may sign this agreement in counterparts, each of which will be considered an original, but all of which will constitute the same agreement. Facsimiles, pdfs, and photocopies of signature pages of the agreement shall have the same binding effect as originals.
10. **Integration and modification.** This agreement sets forth the parties' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters. It supersedes all prior or contemporaneous agreements, representations, and negotiations—written, oral, express, or implied—and may be modified only by another written agreement signed by both parties.

(Signature Page Follows)

City of Sacramento

Sacramento Housing and Redevelopment Agency

By: _____
John F. Shirey
City Manager
Date: _____, 2014

By: _____
La Shelle Dozier
Executive Director
Date: _____, 2014

Approved as to Form
Sacramento City Attorney

Approved as to Legal Form

By: _____
Michael Sparks
Senior Deputy City Attorney

By: _____
David Levin
Agency Counsel

Attest:

By: _____
Assistant City Clerk

Meeting Date: 6/24/2014

Report Type: Consent

Report ID: 2014-00454

City of
SACRAMENTO
City Council Report
915 I Street, 1st Floor
www.CityofSacramento.org

Title: Assignment and Assumption Agreement: Brownfields Revolving Loan Program

Location:R Street, District 4

Issue:

Recommendation: Pass a Motion authorizing the City Manager or the City Manager's designee to execute 1) an assignment and assumption agreement with the Sacramento Housing and Redevelopment Agency relating to the 2002 Brownfields Cleanup Revolving Loan Fund loan to Capitol Area Development Authority and 2) an assignment and assumption agreement with the Sacramento Housing and Redevelopment Agency relating to the 2004 Brownfields Cleanup Revolving Loan Fund loan to Capitol Area Development Authority.

Contact: Denise Malvetti, Sr. Project Manager, (916) 808-7064, Economic Development Department

Presenter: None

Department: Economic Development Dept

Division:Citywide Development

Dept ID:18001031

Attachments:

1-Description/Analysis

2-Assignment and Assumption Agreement 2002 (final).doc

3-Assignment and Assumption Agreement 2004 (final).doc

City Attorney Review

Not Approved as to Form
Michael Sparks

City Treasurer Review

Prior Council Financial Policy Approval or
Outside City Treasurer Scope
City Treasurer

Approvals/Acknowledgements

Department Director or Designee: Jim Rinehart

Description/Analysis

Issue Detail: In 1997, the City established a Brownfields cleanup revolving loan fund program (the "BCRLF Program") funded by the United States Environmental Protection Agency. The purpose of the BCRLF Program is for the City to provide loans and sub-grants to qualified projects to assist with the investigation and cleanup of contaminated sites within the City.

Through a series of agreements between the City and SHRA, most recently in City Agreement 2000-121-1, the City designated SHRA to serve as fund manager of the BCRLF Program. As fund manager, SHRA was responsible for managing the financial aspects of the BCRLF Program on behalf of the City, including entering into BCRLF Program loan agreements with borrowers.

In 2002, SHRA and the Capitol Area Development Authority ("CADA") entered into a BCRLF Program loan agreement in the amount of \$250,000 to fund the removal of contaminated soil in connection with CADA's Warehouse project on R Street (the "Loan Agreement 1"). In 2004, SHRA and CADA entered into a second BCRLF Program loan agreement in the amount of \$200,000 to fund the removal of contaminated soil in connection with CADA's Warehouse project on R Street (the "Loan Agreement 2").

City Agreement 2000-121-1 expired on December 31, 2007, and SHRA no longer serves as the fund manager. The City has assumed the role of managing the BCRLF Program, and now SHRA and the City desire to formally transfer the rights and obligations under Loan Agreements 1 and 2.

Policy Considerations: Although the proposed action is strictly an administrative matter, the BCRLF program supports the 2013 Economic Development Strategy goals of Invest in Building Sacramento and Invest in Partners.

Economic Impacts: Not applicable as the recommendation is an administrative matter.

Environmental Considerations: The recommendations are administrative, organizational and fiscal matters that do not constitute a "project" under the California Environmental Quality Act (CEQA) Guidelines section 15061(b)(3). The activity is covered by the general rule that CEQA applies only to projects which have the potential to cause significant effect on the environment.

Sustainability: Not applicable as the recommendation is an administrative matter.

Commission/Committee Action: On June 18, 2014, the Sacramento Housing and Redevelopment Commission authorized the Executive Director to execute the Assignment and Assumption Agreements.

Rationale for Recommendation: City Agreement 2000-121-1 expired on December 31, 2007. SHRA no longer serves as the fund manager, and the City has assumed the role of managing the BCRLF Program. As a result, staff recommends that the City assumes all of the rights and obligations under the 2002 and 2004 Loan Agreements by approving the two Assignment and Assumption Agreements.

Financial Considerations: In 2002, SHRA and the Capitol Area Development Authority ("CADA") entered into a BCRLF Program loan agreement in the amount of \$250,000 (the "Loan Agreement 1") and in 2004, they entered into a second loan agreement in the amount of \$200,000 (the "Loan Agreement 2"). CADA is current on its annual payments for both loans. Economic Development will

bill CADA for the annual loanpayments. The loan under Loan Agreement 1 will be paid off in 2022, and the loan under Loan Agreement 2 will be paid off in 2016. The funds will return to the BCRLF Program (Fund 2029, Brownfield Revolving Loan Program Fund) so that the City can lend them out to additional brownfields projects.

Local Business Enterprise (LBE): Not applicable, no good or services are being procured under this report.

#4



June 12, 2014

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Sacramento Housing and Redevelopment Agency (SHRA) Conflict of Interest Code
Update and Code of Ethics Adoption

SUMMARY

The attached report is submitted to you for review prior to consideration by the City of
Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LASHELLE DOZIER
Executive Director

Attachment



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

**Consent
July 15, 2014**

**Honorable Mayor and Members of the City Council
Chair and Members of the Housing Authority Board**

Title: Sacramento Housing and Redevelopment Agency (SHRA) Conflict of Interest Code Update and Code of Ethics Adoption

Location/Council District: Citywide

Issue: The State of California's Political Reform Act requires all public agencies to adopt a Conflict of Interest (COI) Code for their employees, consultants and Board members. This report update SHRA's current conflict of interest code and proposes the adoption of a code of ethics for all staff.

Recommendation: Adopt 1) a **Housing Authority Resolution** a) adopting the Conflict of Interest Code, designated positions, and disclosure categories for the Housing Authority of the City of Sacramento, b) repealing resolutions HA 83-005, HA 84-003, HA 86-032, HA 87-006, HA 88-014, HA 90-009, HA 91-006, HA 92-004, HA 94-002, HA 96-009, HA 2001-001, HA 2009-016, and HA 2011-007 c) approving the SHRA Code of Ethics and d) making related environmental findings; and 2) a **Council Resolution** a) approving the Housing Authority Conflict of Interest code, designated positions, disclosure categories, b) approving the SHRA Code of Ethics, and c) making related environmental findings.

Contact: Tia Boatman Patterson, Agency Counsel, 440-1319; Vickie Smith, Agency Clerk, 440-1363

Presenters: not applicable

Department: Sacramento Housing and Redevelopment Agency (SHRA)

Description/Analysis

Issue: Sacramento Housing and Redevelopment Agency (SHRA) is a public agency that provides the exclusive staffing for the Housing Authority of the City of Sacramento and administers certain federal housing and community development funding on behalf of the City of Sacramento. Per the State of California's Political Reform Act, all public agencies are required to adopt a

Sacramento Housing and Redevelopment Agency (Agency) Conflict of Interest Code Amendment

Conflict of Interest (COI) Code for their employees, consultants and Board members. In compliance with the law, SHRA adopted a Conflict of Interest Code on January 25, 1983, which adopted by reference the provisions of the California Administrative Code. SHRA has periodically updated that code and currently desires to amend its designated employee list to reflect added or modified employee positions per Government Code 81000, which requires local agencies to update their code to reflect changed circumstances relating to its designated filers and disclosure positions. Exhibit A outlines the COI code, the Disclosure Categories, and the Designated Positions List with the proposed modifications.

Code of Ethics Policy

SHRA has developed a Code of Ethics Policy which will apply to all staff which is attached as Exhibit B. This proposed Code of Ethics policy consolidates various policies and forms currently used by staff into one document which makes it easier for managers to distribute and implement. It also makes clear what the requirements are for staff who are not subject to the formal Conflict of Interest policy.

Policy Considerations: A Conflict of Interest Code must be amended in the event of changed circumstances, such as the addition of new classifications or the modification of existing classifications (Government code Section 87306). SHRA's updated code includes additions of positions that have been deemed to have authorities that require filing; modification of positions that have been reclassified; deletion of classifications that no longer exist; and deletion of positions that have been deemed not to have authorities that require filing. As of February 1, 2012, the administration of the former Redevelopment Agency of the City of Sacramento was assumed within the management structure of the City, which elected to administer the wind down of the former Redevelopment Agency. SHRA does not provide the exclusive staffing to the Redevelopment Agency Successor Agency (RASA). As a result, the RASA is no longer included in SHRA's conflict of interest policy. Staff is recommending adoption of the Code of Ethics policy as a "best practices" measure and to ensure clear guidance for employees regarding their conduct.

Economic Impacts: not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): The recommended activity is not a project under CEQA 15378(b)(5) and no environmental review is required.

Sustainability Considerations: n/a

National Environmental Policy Act (NEPA): The recommended action is an exempt activity under NEPA, 24 CFR 58.34(a)(3).

July 15, 2014

Sacramento Housing and Redevelopment Agency (Agency) Conflict of Interest Code Amendment

Commission Action: At its meeting on June 18, 2014 the Sacramento Housing and Redevelopment Agency Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

Rationale for Recommendation: Pursuant to Government Code local agencies are required to update their conflict of interest codes to reflect changed circumstances relating to their designated filers and disclosure categories. Updating the code also allows incorporation of provisions contained in California Code Regulations Section 18730 that may have changed since the previous approval of the Agency's code.

Financial Considerations: none

M/WBE and Section 3 Considerations: The activities recommended in this staff report do not involve federal funding, therefore, there are no M/WBE or Section 3 requirements.

Respectfully Submitted by:



LA SHELLE DOZIER
Executive Director

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1 Housing Authority Resolution	pg. 4
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Exhibit B	pg.

RESOLUTION NO.

Adopted by the City Council of the City of Sacramento

On date of

APPROVING SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY'S CONFLICT OF INTEREST CODE AND LIST OF DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES AND ADOPTION OF CODE OF ETHICS

BACKGROUND

- A. The Political Reform Act, Government Code §81000 et seq., requires every state or local government agency to adopt and promulgate conflict of interest code.
- B. The City of Sacramento is the code-reviewing body for the Housing Authority of the City of Sacramento.
- C. The Housing Authority of the City of Sacramento has adopted a Sacramento Housing and Redevelopment Agency (Agency) Conflict of Interest Code and desires to amend the Designated Positions and Disclosure Categories, which is attached and incorporated herein.
- D. The recommended activity is not a project under California Environmental Quality Act 15378(b)(5) and no environmental review is required.
- E. The recommended action is an exempt activity under National Environmental Policy Act, 24 CFR 58.34(a) (3).

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

Section 1. The Background facts as stated above, including the environmental facts, are found to be true and correct.

Section 2. The Agency Conflict of Interest Code and the amendment to the Designated Positions and Disclosure Categories, adopted by the Housing Authority of the City of Sacramento, is hereby approved (Exhibit A).

Section 3. The Agency Code of Ethics, adopted by the Housing Authority of the City of Sacramento, is hereby approved (Exhibit B).

Table of Contents:

Exhibit A - Amended Agency Conflict of Interest Code, Disclosure Categories and Designated Employee list.

Exhibit B – Agency Code of Ethics

RESOLUTION NO.

Adopted by the Housing Authority of the City of Sacramento

On date of

ADOPTING A CONFLICT OF INTEREST CODE AND LIST OF DESIGNATED POSITIONS AND DISCLOSURE CATEGORIES AND ADOPTION OF CODE OF ETHICS

BACKGROUND

- A. The Political Reform Act, Government Code §81000 et seq., requires every state or local government agency to adopt and promulgate a conflict of interest code.
- B. The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regulations Section 18730, which contains the terms of a standard model conflict of interest code, which can be incorporated by reference, and which will be amended by the Fair Political Practices Commission to conform to any amendments in the Political Reform Act after public notice and hearing pursuant to the Administrative Procedures Act, Government Code Sections 11370, et seq.
- C. The Political Reform Act requires every local government agency to review its conflict of interest code periodically to determine if it is accurate or needs to be amended.
- D. All persons holding designated positions file statements of economic interests with the Agency Clerk, who is the filing officer with respect to these statements. The statements will be made available for public inspection and reproduction. Statements for all designated positions are retained by the Agency Clerk.
- E. The recommended activity is not a project under the California Environmental Quality Act (CEQA) 15378(b)(5) and no environmental review is required.
- F. The recommended action is an exempt activity under the National Environmental Policy Act (NEPA), 24 CFR 58.34(a)(3).

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

- Section 1. The Background facts, above including the environmental facts, are found to be true and correct.
- Section 2. Prior Housing Authority Resolutions adopted related to the SHRA conflict of interest code (resolutions HA 83-005, HA 84-003, HA 86-032, HA 87-006, HA 88-014, HA 90-009, HA 91-006, HA 92-004, HA 94-002, HA 96-009, HA 2001-001, HA 2009-016, and HA 2011-007) are hereby repealed.

- Section 3. The terms of 2 Cal. Code of Regulations Section 18730, and amendments to that section which may be duly adopted by the Fair Political Practices Commission, included as Exhibit A, is hereby adopted by reference as the body of the Conflict of Interest Code of the Housing Authority of the City of Sacramento.
- Section 4. The list of designated positions and disclosure categories attached hereto as Exhibits B and C is hereby adopted as the Appendix of Designated Positions and Disclosure Categories referred to in 2 Cal. Code of Regulations Section 18730.
- Section 5. This adopted and amended conflict of interest code is effective immediately.
- Section 6. The SHRA Code of Ethics, attached as Exhibit B, is approved.

Table of Contents:

Exhibit A: Agency Conflict of Interest Code. Designated Positions and Disclosure Categories

Exhibit B: Agency Code of Ethics

Sacramento Housing and Redevelopment Agency Conflict of Interest Code

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in Exhibit A referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Exhibit B are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic

interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and

(C) The filing officer is the same for both agencies.

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Exhibit A specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in Exhibit A. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) **Initial Statements.** All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) **Assuming Office Statements.** All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) **Annual Statements.** All designated employees shall file statements no later than

April 1st.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Government Code section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 Cal. Code Regs. Section 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property is required to be reported, the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) Personal Income Disclosure. When personal income is required to be reported, the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or

greater than one hundred thousand dollars (\$100,000);

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported, the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$420.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$420 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under

this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use

his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$420 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.1) Section 9.1. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.2) Section 9.2. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one

thousand dollars (\$1,000) or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 and 2 Cal. Code Regs. Sections 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

1Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code section 81004.

2See Government Code section 81010 and 2 Cal. Code of Regs. Section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

3For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

4Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by

the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

5A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

6Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No.2).
4. Amendment of subsection (b) (7) (B) 1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title1, section 100, California Code of

Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.

12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).

13. Editorial correction adding History¹¹ and 12 and deleting duplicate section number (Register 94, No. 17).

14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).

15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).

16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).

17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).

18. Amendment of subsections (b)(7)(B)^{5.}, new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).

19. Editorial correction of subsection (a) (Register 98, No. 47).

20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).

21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).

22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).

23. Amendment of subsections (b)(7)(A)^{4.}, (b)(7)(B)^{1.-2.}, (b)(8.2)(E)^{3.}, (b)(9)(A)-(C) and footnote 4 filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to

1974

Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003.

Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

Exhibit A

DISCLOSURE CATEGORIES

Category 1:

- a. Interest in real property located within the City and County of Sacramento
- b. All income, loans and gifts, investments, positions and ownership interests in any business located in or doing business in the City or County of Sacramento and/or doing business with any entity administered by the Sacramento Housing and Redevelopment Agency
- c. All sources of income, loans and gifts from individuals residing in the City or County of Sacramento, doing business in the City or County of Sacramento and/or doing business with any entity administered by the Sacramento Housing and Redevelopment Agency

Category 2:

- a. Interest in real property located within the City and County of Sacramento
- b. Income, loans and gifts, investments, positions and ownership interest in any business with any entity administered by the Sacramento Housing and Redevelopment Agency and/or doing business which relates to the types of activities carried on by these entities (e.g., real property construction and management, material and supplies for real property maintenance and construction, general office supplies and services, consulting and services relating to all property development and management businesses located in or near Redevelopment Project Areas, Community Development Target Areas or Agency-owned housing developments)
- c. All sources of income, loans and gifts from individuals residing in the City or County of Sacramento, doing business in the City or County of Sacramento and/or doing business with any entity administered by the Sacramento Housing and Redevelopment Agency

Category 3:

- a. Interest in any real property improved for residential purposes or zoned for residential use located within the City or County of Sacramento
- b. Income, loans and gifts, investments, positions and ownership interest in any business with any entity administered by the Sacramento Housing and Redevelopment Agency and/or doing business which relates to the types of activities carried on by these entities (e.g., real property construction and management, material and supplies for real property maintenance and construction, general office supplies and services, consulting and services relating to all property development and management businesses located in or near Redevelopment Project Areas, Community Development Target Areas or Agency-owned housing developments)
- c. All sources of income, loans and gifts from individuals residing in the City or County of Sacramento, doing business in the City or County of Sacramento and/or doing business with any entity administered by the Sacramento Housing and Redevelopment Agency

Category 4:

- a. Income, loans and gifts, investments, positions and ownership interest in any business with any entity administered by the Sacramento Housing and Redevelopment Agency and/or doing business which relates to the types of activities carried on by these entities (e.g., real property construction and management, material and supplies for real property maintenance and construction, general office supplies and services, consulting and services relating to all property development and management businesses located in or near Redevelopment Project Areas, Community Development Target Areas or Agency-owned housing developments)
- b. All sources of income, loans and gifts from individuals residing in the City of County of Sacramento, doing business in the City or County of Sacramento and/or doing business with any entity administered by the Sacramento Housing and Redevelopment Agency

Exhibit B – Designated Employee List

CLASSIFICATION		REVISIONS
AGENCY CLERK	1	
AGENCY COUNSEL	1	
ASSISTANT AGENCY CLERK	1	
ASSISTANT DIRECTOR OF HOUSING – HOUSING CHOICE VOUCHER	1	
ASSISTANT DIRECTOR OF HOUSING – PUBLIC HOUSING	1	
ASSISTANT DIRECTOR OF HOUSING & COMMUNITY DEVELOPMENT	1	
ASSISTANT DIRECTOR OF REAL ESTATE & CONSTRUCTION SERVICES	1	
ASSISTANT SITE MANAGER	3	
BUYER	4	
COMPLIANCE ANALYST	1	REPLACE WITH COMPLIANCE/ PROCUREMENT ANALYST - (NEW TITLE)
CONSTRUCTION TECHNICIAN	3	
DEPUTY EXECUTIVE DIRECTOR	1	
DESIGN & CONSTRUCTION SERVICES MANAGER	1	
DIRECTOR OF ADMINISTRATION	1	
DIRECTOR OF HOUSING AND COMMUNITY DEVELOPMENT	1	
DIRECTOR OF HOUSING AUTHORITY		
EXECUTIVE DIRECTOR	1	
ENVIRONMENTAL ANALYST	1	
FINANCE DIRECTOR	1	
FINANCE MANAGER	1	
GENERAL COUNSEL	1	
HOMEOWNERSHIP SERVICES SUPERVISOR	3	
HOUSING ASSISTANT - HCV	3	
HOUSING AUTHORITY ANALYST - HCV	3	
HOUSING AUTHORITY ANALYST - HSG	3	
HOUSING AUTHORITY MANAGER - HCV	1	
HOUSING AUTHORITY MANAGER - HSG	1	
HOUSING AUTHORITY SPECIALIST - HCV	3	REPLACE WITH HOUSING PROGRAM SPECIALIST-(NEW TITLE)
HOUSING AUTHORITY SPECIALIST - HSG	3	REPLACE WITH HOUSING PROGRAM SPECIALIST - (NEW TITLE)
HOUSING AUTHORITY SUPERVISOR - HCV	3	
HOUSING AUTHORITY SUPERVISOR - HSG	3	

HOUSING AUTHORITY ANALYST - HCV	3	
HOUSING AUTHORITY ANALYST - HSG	3	
HOUSING FINANCE ANALYST - RANGE 1	2	
HOUSING FINANCE ANALYST - RANGE 2	2	
HOUSING FINANCE ANALYST - RANGE 3	2	
HOUSING PROGRAM TECHNICIAN I	3	NEW CLASSIFICATION
HOUSING PROGRAM TECHNICIAN II	3	NEW CLASSIFICATION
HUMAN RESOURCES MANAGER	1	
IMTS MANAGER	1	
IT NETWORK/MIDRANGE SPECIALIST	4	
MANAGEMENT ANALYST	1	
PRINCIPAL CONSTRUCTION ARCHITECT	2	
PRINCIPAL CONSTRUCTION TECHNICIAN	2	
PRINCIPAL HOUSING AUTHORITY ANALYST - HCV	3	
PRINCIPAL HOUSING AUTHORITY ANALYST - HSG	3	
PRINCIPAL PROCUREMENT SERVICES ANALYST	1	
PRINCIPAL REGULATORY COMPLIANCE ANALYST	2	
PROCUREMENT SERVICES SUPERVISOR	2	
PROGRAM MANAGER, COMMUNITY/SOCIAL SERVICES	1	
PROGRAM MANAGER-PORTFOLIO MANAGEMENT	1	
PROJECT MANAGER	1	
PUBLIC INFORMATION OFFICER	1	
REAL ESTATE MANAGER	1	
REAL ESTATE MANAGER LEVEL 2	1	
REAL ESTATE SPECIALIST	3	
REDEVELOPMENT ANALYST RANGE 1	3	
REDEVELOPMENT ANALYST RANGE 2	3	
REDEVELOPMENT ANALYST RANGE 3	3	
REDEVELOPMENT MANAGER	1	
REDEVELOPMENT PLANNER - RANGE 1	2	
REDEVELOPMENT PLANNER - RANGE 2	2	
REDEVELOPMENT PLANNER - RANGE 3	2	
REGULATORY COMPLIANCE	2	

ANALYST		
RISK SERVICES MANAGER	1	
SITE MANAGER	3	
HOUSING AND REDEVELOPMENT COMMISSION	1	
LOAN COMMITTEE MEMBERS	1	
CONSULTANTS	1	
REDEVELOPMENT ADVISORY COMMITTEE MEMBERS	1	DELETE THIS CLASSIFICATION

Sacramento Housing and Redevelopment Agency

POLICY/PROCEDURE INSTRUCTION

TO: All SHRA Staff

FROM: La Shelle Dozier, Executive Director

POLICY SUBJECT: SHRA Code of Ethics Policy - Acting Ethically and Responsibly

EFFECTIVE: July 15, 2014

Scope and Purpose:

Scope - This policy applies to all employees of the Sacramento Housing and Redevelopment SHRA (SHRA).

Purpose - The purpose of this Policy is intended to help you understand SHRA's expectations for ethical and responsible behavior and the legal requirements to do so.

Policy: As a public agency, SHRA is committed to acting in the best interest of the communities and clients whom we serve. We have the same expectation of our employees.

SHRA's Conflict of Interest Code

Certain employees are subject to SHRA's "Conflict of Interest Code" (the "Code"). The Code requires employees to avoid conflicts of interest—generally, situations in which the employee's economic interests are or may be adverse to SHRA's. In addition, employees subject to the Code are required to disclose certain economic interests to SHRA. If you are required to comply with the Code, you will be notified by the Agency Clerk.

The obligations established in this policy are in addition to any obligations established by the Conflict of Interest Code. However, if you ever feel this policy and the Code are in conflict, please discuss the matter with your supervisor.

Our Ethical Values

As an organization, we value:

- **Honesty and personal integrity**, including truthfulness in our dealings with SHRA, our coworkers, and the public.
- **Respect for others**, meaning acting professionally and courteously toward others, and following all SHRA rules regarding appropriate behavior and conduct toward others.
- **Legal compliance**, which includes the responsibility to know and follow the laws, regulations, and ordinances that apply to SHRA, to request assistance when we are

unsure about the proper course of conduct, and to notify SHRA of potentially illegal or unethical conduct.

- **Protection of public resources**, which requires us not to misuse SHRA resources or time for personal or other reasons.

SHRA's Expectations of Employees

SHRA expects you to exhibit the values described above in your work and workplace behavior, to ask for assistance when needed, and to notify SHRA when you believe someone may have violated this policy.

Here are some examples of conduct that violates this policy:

- Accepting a bribe or favor in exchange for an SHRA benefit
- Not meeting professional commitments (for example, to return phone calls to clients or to arrive to work as scheduled)
- Submitting false time records
- Improperly disclosing client information without a business reason to do so
- Using SHRA equipment or time for a personal business or for the business of another employer
- Renting or leasing property you own or manage to SHRA or an SHRA client
- Having any financial interest (direct or indirect) in an entity doing business with SHRA
- Managing the case file of a family member or friend
- Accessing your own or a family member or friends case file
- Holding employment or serving on the board of an organization funded wholly or in part by the SHRA, without disclosing to the SHRA in advance
- Knowingly violating any law, regulation, or ordinance

Disclosing Information to the SHRA

You must disclose any circumstances that could create an actual or perceived ethical breach to SHRA in advance, by immediately notifying your supervisor. They will then determine what appropriate steps to take, if any, to address the situation.

Here are some common circumstances in which you are required to disclose information to SHRA:

- If you, a family member (spouse, registered domestic partner, child, parent, sibling, uncle, aunt, first cousin, nephew, or niece, including in-laws, step-relations, and half-relations (e.g., parents-in-law, stepsons or stepdaughters, or half-sisters or half-brothers)) or friends are participating in an SHRA program
- If you or a family member own, manage, or have a financial interest in property and a potential tenant is a participant in one of SHRA programs
- If you are assigned to a property or caseload which contains a family member or friend.

- If you work for another employer, and your obligations to that employer could conflict with your obligations to SHRA
- If you have any financial interest in any entity doing business with SHRA
- If a family member works for or applies to work for SHRA
- If you purchase or obtain an interest in real property and any of the tenants residing at the property are clients of SHRA
- If you work for or serve on the board of an entity funded in whole or in part by SHRA

If you are subject to SHRA's "Conflict of Interest Code," you may be subject to additional disclosure requirements. The requirements in this policy are in addition to any disclosure requirements under the Code.

Treating Client Information Confidentially

Depending on the area in which you work, you may have access to private, personal information about SHRA clients or applicants, such as their family income, social security number, criminal and rental history, employment status, and disability status. Part of your ethical obligation requires you to treat that information confidentially, and not to disclose it to others unless there is a business reason to do so.

The SHRA requires you to take particular measures to protect the confidentiality of client information transferred electronically. The Agency's Technology Usage Policy and Data Security Agreements are in place to ensure that technology is used in a professional and responsible manner. Agency departments, such as HCV, also use data security and confidentiality acknowledgement agreements that are specific to the requirements and restrictions of their programs. The Technology Usage Policy is available on the Agency Intranet. Some examples of the restrictions are:

- The use of "blind" copies ("bcc")
- Employees shall not share any password to access any SHRA system or computer with any other individuals not specifically authorized to receive it.
- Employees shall not leave their computers unattended when logged on to any SHRA computer unless you have a password-protected screen saver.
- The transfer any client information to service providers or other agencies authorized to receive such information without a password protected/encrypted email message is prohibited.

Accessing Client Information

If needed to do your job, SHRA provides you access to files and data about clients participating in SHRA programs. As stated above, if you, or your family member, is participating in any SHRA programs, you must disclose it to the SHRA. Doing so enables SHRA to prevent actual or perceived conflicts of interest or other ethical breaches.

However, in addition, you are not permitted to access any SHRA files or data about you, or your family members, or a friend . Nor may you participate in any way in the management of your or a family member or a friend's case file. You may only access files and data about clients on your caseload, and you must immediately notify your supervisor if someone assigned to your caseload is a family member or friend.

If you are participating in either of SHRA programs, you must follow regular channels to meet with your caseworker during his or her regular work hours. You may not meet with your caseworker to discuss your case when you are scheduled to be performing work for SHRA or when your caseworker is not scheduled to be performing work for SHRA.

Renting or Leasing Property to Clients

If you own or manage property in Sacramento County, you may not rent to clients participating in the Housing Choice Voucher Program.

Outside Employment

SHRA generally does not seek to regulate how employees spend their time outside of work. If you choose to work for another employer while working for SHRA, however, you must continue to uphold the ethical obligations described in this policy. It is not ethical, for example, to use SHRA time or resources (phones, fax machines, email, etc.) to conduct business for another employer. Nor is it ethical to use confidential SHRA information for the benefit of another employer. You must have approval from SHRA, in advance, before you commence outside employment.

Working with Family Members

SHRA's Nepotism Policy is outlined in the Agency Personnel Rules which are available on the Agency Intranet. Please notify SHRA of any family members working for SHRA or of any circumstances that could result in a violation of this provision (e.g., if a family member applies for employment with SHRA, or you become related to another SHRA employee by marriage).

Complying With Other SHRA Policies

You may be required to comply with other SHRA policies and procedures that relate to this policy and your obligation to act ethically. If at any time you believe there is a conflict between this policy and any other SHRA policy or practice, please immediately bring the matter to the attention of your supervisor or Human Resources.

When You Have Questions or Complaints

SHRA obviously cannot anticipate every potential situation that may require you to make an ethical and responsible decision. Therefore, if you have any questions, you should direct them to your supervisor.

Additionally, if you observe others engaging in conduct that you believe violates this policy, we want you to share the information with us so that we can appropriately address it. SHRA will investigate all complaints, commensurate with the circumstances. Please report any perceived violations of this policy to your supervisor.

SHRA prohibits retaliation for making a complaint under this policy, or in participating in the investigation of a complaint. If you believe someone is violating this policy against retaliation, please immediately report it to your supervisor.

Procedure:

Staff shall:

Acknowledge receipt of the policy and follow the policy as outlined above.

Process:

Department Heads/Supervisors must:

1. Ensure that all staff receive and acknowledge receipt of the policy annually.
2. Assist with any questions as needed or forward to a higher level supervisor or Human Resources as appropriate.

Non-compliance:

Failure to comply with this Policy may result in disciplinary action up to and including termination.

#5



June 12, 2014

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Sacramento Housing and Redevelopment Agency (SHRA) Conflict of Interest Code
Update and Code of Ethics Adoption

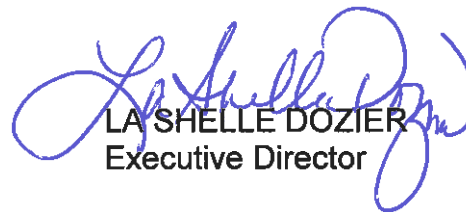
SUMMARY

The attached report is submitted to you for review prior to consideration by the County
of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
July 15, 2014

To: Board of Supervisors and Housing Authority of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Sacramento Housing And Redevelopment Agency (Agency) Conflict Of Interest Code Update And Code Of Ethics Adoption

Supervisorial

District: Countywide

Contact: Tia Boatman Patterson, General Counsel, 440-1319
Vickie Smith, Agency Clerk, 440-1363

Overview

The State of California's Political Reform Act requires all public agencies to adopt a Conflict of Interest (COI) Code for their employees, consultants and Board members. This report updates SHRA's current conflict of interest code and proposes the adoption of a code of ethics for all staff.

Recommendations

Adopt 1) a Housing Authority Resolution a) adopting the Conflict of Interest Code, designated positions, and disclosure categories for the Housing Authority of the City of Sacramento, b) repealing resolutions HA-1591, HA-1632, HA-1764, HA-1772, HA 1816, HA 1914, HA-1949, HA-1988, HA-2049, HA-2094, HA 2176, and HA 2313 c) approving the SHRA Code of Ethics and d) making related environmental findings.

Adopt 2) a Board of Supervisors Resolution a) approving the Housing Authority Conflict of Interest code, designated positions, disclosure categories, b) approving the SHRA Code of Ethics, and c) making related environmental findings.

Measures/Evaluation

Not applicable

Fiscal Impact

Not applicable

BACKGROUND

Sacramento Housing and Redevelopment Agency (SHRA) is a public agency that provides the exclusive staffing for the Housing Authority of the County of Sacramento and administers certain federal housing and community development funding on behalf of the County of Sacramento. Per the State of California's Political Reform Act, all public agencies are required to adopt a Conflict of Interest (COI) Code for their employees, consultants and Board members. In compliance with the law, SHRA adopted a Conflict of Interest Code on January 25, 1983, which adopted by reference the provisions of the California Administrative Code. SHRA has

periodically updated that code and currently desires to amend its designated employee list to reflect added or modified employee positions per Government Code 81000, which requires local agencies to update their code to reflect changed circumstances relating to its designated filers and disclosure positions. Exhibit A outlines the COI code, the Disclosure Categories, and the Designated Positions List with the proposed modifications.

Code of Ethics Policy

SHRA has developed a Code of Ethics Policy which will apply to all staff which is attached as Exhibit B. This proposed Code of Ethics policy consolidates various policies and forms currently used by staff into one document which makes it easier for managers to distribute and implement. It also makes clear what the requirements are for staff , some of whom are not subject to the formal Conflict of Interest policy.

COMMISSION ACTION

At its meeting of June 18, 2014, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

MEASURES/EVALUATIONS

Not applicable

FINANCIAL ANALYSIS

Not applicable.

POLICY CONSIDERATIONS

A Conflict of Interest Code must be amended in the event of changed circumstances, such as the addition of new classifications or the modification of existing classifications (Government code Section 87306). SHRA's updated code includes additions of positions that have been deemed to have authorities that require filing; modification of positions that have been reclassified; deletion of classifications that no longer exist; and deletion of positions that have been deemed not to have authorities that require filing. As of February 1, 2012, the administration of the former Redevelopment Agency of the County of Sacramento was assumed within the management structure of the County, which elected to administer the wind down of the former Redevelopment Agency. SHRA does not provide the exclusive staffing to the Redevelopment Agency Successor Agency (RASA). As a result, the RASA is no longer included in SHRA's

conflict of interest policy. Staff is recommending adoption of the Code of Ethics policy as a “best practices” measure and to ensure clear guidance for employees regarding their conduct.

ENVIRONMENTAL REVIEW

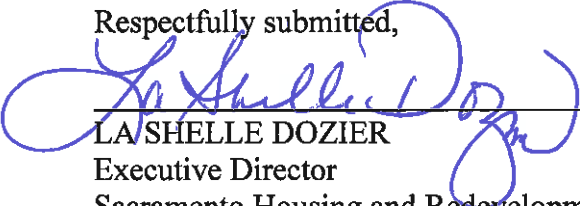
California Environmental Quality Act (CEQA): The recommended activity is not a project under CEQA 15378(b)(5) and no environmental review is required. National Environmental Policy Act (NEPA): The recommended action is an exempt activity under NEPA, 24 CFR 58.34(a)(3).

M/WBE AND SECTION 3 CONSIDERATIONS

The activities recommended in this staff report do not involve federal funding, therefore, there are no M/WBE or Section 3 requirements.

Respectfully submitted,

APPROVED



LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

BRADLEY J. HUDSON
County Executive

Attachments:

RES – County BOS Resolution

RES – HACOS Resolution

EX. A – Updated Code, Designated employee list and Disclosure Categories

EX. B – SHRA Code of Ethics

RESOLUTION NO. _____

ON DATE OF

**APPROVING SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY'S
CONFLICT OF INTEREST CODE AND LIST OF DESIGNATED POSITIONS AND
DISCLOSURE CATEGORIES AND ADOPTION OF CODE OF ETHICS**

WHEREAS, The Political Reform Act, Government Code §81000 et seq., requires every state or local government agency to adopt and promulgate a conflict of interest code; and

WHEREAS, The County of Sacramento is the code-reviewing body for the Housing Authority of the County of Sacramento and the Sacramento Housing and Redevelopment Agency;

WHEREAS, The Housing Authority of the County of Sacramento and the Sacramento Housing and Redevelopment Agency have adopted a Sacramento Housing and Redevelopment Agency (SHRA) Conflict of Interest Code and desire to amend the Designated Positions and Disclosure Categories, which is attached and incorporated herein.

WHEREAS, the recommended activity is not a project under California Environmental Quality Act Guidelines section 15378(b)(5) and no environmental review is required; and

WHEREAS, the recommended action is an exempt activity under the National Environmental Policy Act, 24 CFR 58.34(a)(3).

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS
OF THE COUNTY OF SACRAMENTO:**

Section 1. The above recitals, including the environmental recitals are found to be true and correct.

Section 2. The terms of 2 Cal. Code of Regulations Section 18730, and amendments to that section which may be duly adopted by the Fair Political Practices Commission, is hereby adopted by reference as the body of the Conflict of Interest Code of the Housing Authority of the County of Sacramento.

Section 3. The list of designated positions and disclosure categories is hereby adopted as the Appendix of Designated Positions and Disclosure Categories referred to in 2 Cal. Code of Regulations Section 18730.

Section 4. This adopted and amended conflict of interest code is effective immediately.

Section 5. The SHRA Code of Ethics is approved.

Adopting An Amended Sacramento Housing And Redevelopment Agency Conflict Of Interest Code And List Of Designated Positions And Disclosure Categories

Page 2

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California this 15th day of July, 2014, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk

RESOLUTION NO. _____

**ADOPTED BY THE HOUSING AUTHORITY OF THE
COUNTY OF SACRAMENTO**

ON DATE OF

**ADOPTING A CONFLICT OF INTEREST CODE AND LIST OF DESIGNATED
POSITIONS AND DISCLOSURE CATEGORIES AND
ADOPTION OF CODE OF ETHICS**

WHEREAS, The Political Reform Act, Government Code §81000 et seq., requires every state or local government agency to adopt and promulgate a conflict of interest code; and

WHEREAS, The Fair Political Practices Commission has adopted a regulation, 2 Cal. Code of Regulations Section 18730, which contains the terms of a standard model conflict of interest code, which can be incorporated by reference, and which will be amended by the Fair Political Practices Commission to conform to any amendments in the Political Reform Act after public notice and hearing pursuant to the Administrative Procedures Act, Government Code Sections 11370, et seq.; and

WHEREAS, The Political Reform Act requires every local government agency to review its conflict of interest code periodically to determine if it is accurate or needs to be amended; and

WHEREAS, All persons holding designed positions file statements of economic interests with the Agency Clerk, who is the filing officer with respect to these statements. The statements will be made available for public inspection and reproduction. Statements for all designated positions are retained by the Agency Clerk.

WHEREAS, the recommended activity is not a project under California Environmental Quality Act Guidelines section 15378(b)(5) and no environmental review is required; and

WHEREAS, the recommended action is an exempt activity under the National Environmental Policy Act, 24 CFR 58.34(a)(3).

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF
THE COUNTY OF SACRAMENTO**

Section 1. The above recitals, including the environmental facts, are found to be true and correct.

Section 2. Prior Housing Authority Resolutions adopted related to the SHRA conflict of interest code (resolutions HA-1591, HA-1632, HA-1764, HA-1772, HA 1816, HA 1914, HA-1949, HA-1988, HA-2049, HA-2094, HA 2176, and HA 2313) are hereby repealed.

Adopting An Amended Sacramento Housing And Redevelopment Agency Conflict Of Interest Code And List Of Designated Positions And Disclosure Categories

Page 2

Section 3. The terms of 2 Cal. Code of Regulations Section 18730, and amendments to that section which may be duly adopted by the Fair Political Practices Commission is hereby adopted by reference as the body of the Conflict of Interest Code of the Housing Authority of the Count of Sacramento.

Section 4. The list of designated positions and disclosure categories is hereby adopted as the Appendix of Designated Positions and Disclosure Categories referred to in 2 Cal. Code of Regulations Section 18730.

Section 5. This adopted and amended conflict of interest code is effective immediately.

Section 6. The SHRA Code of Ethics is approved.

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Housing Authority of the County of Sacramento, State of California this 15th day of July, 2014, by the following vote, to wit:

- AYES: Members,
- NOES: Members,
- ABSENT: Members,
- ABSTAIN: Members,

Chair of the Housing Authority
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk

Sacramento Housing and Redevelopment Agency Conflict of Interest Code

(Regulations of the Fair Political Practices Commission, Title 2, Division 6, California Code of Regulations.)

§ 18730. Provisions of Conflict of Interest Codes.

(a) Incorporation by reference of the terms of this regulation along with the designation of employees and the formulation of disclosure categories in Exhibit A referred to below constitute the adoption and promulgation of a conflict of interest code within the meaning of Government Code section 87300 or the amendment of a conflict of interest code within the meaning of Government Code section 87306 if the terms of this regulation are substituted for terms of a conflict of interest code already in effect. A code so amended or adopted and promulgated requires the reporting of reportable items in a manner substantially equivalent to the requirements of article 2 of chapter 7 of the Political Reform Act, Government Code sections 81000, et seq. The requirements of a conflict of interest code are in addition to other requirements of the Political Reform Act, such as the general prohibition against conflicts of interest contained in Government Code section 87100, and to other state or local laws pertaining to conflicts of interest.

(b) The terms of a conflict of interest code amended or adopted and promulgated pursuant to this regulation are as follows:

(1) Section 1. Definitions.

The definitions contained in the Political Reform Act of 1974, regulations of the Fair Political Practices Commission (2 Cal. Code of Regs. sections 18110, et seq.), and any amendments to the Act or regulations, are incorporated by reference into this conflict of interest code.

(2) Section 2. Designated Employees.

The persons holding positions listed in the Exhibit B are designated employees. It has been determined that these persons make or participate in the making of decisions which may foreseeably have a material effect on economic interests.

(3) Section 3. Disclosure Categories.

This code does not establish any disclosure obligation for those designated employees who are also specified in Government Code section 87200 if they are designated in this code in that same capacity or if the geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction in which those persons must report their economic

interests pursuant to article 2 of chapter 7 of the Political Reform Act, Government Code sections 87200, et seq.

In addition, this code does not establish any disclosure obligation for any designated employees who are designated in a conflict of interest code for another agency, if all of the following apply:

(A) The geographical jurisdiction of this agency is the same as or is wholly included within the jurisdiction of the other agency;

(B) The disclosure assigned in the code of the other agency is the same as that required under article 2 of chapter 7 of the Political Reform Act, Government Code section 87200; and

(C) The filing officer is the same for both agencies.

Such persons are covered by this code for disqualification purposes only. With respect to all other designated employees, the disclosure categories set forth in the Exhibit A specify which kinds of economic interests are reportable. Such a designated employee shall disclose in his or her statement of economic interests those economic interests he or she has which are of the kind described in the disclosure categories to which he or she is assigned in Exhibit A. It has been determined that the economic interests set forth in a designated employee's disclosure categories are the kinds of economic interests which he or she foreseeably can affect materially through the conduct of his or her office.

(4) Section 4. Statements of Economic Interests: Place of Filing.

The code reviewing body shall instruct all designated employees within its code to file statements of economic interests with the agency or with the code reviewing body, as provided by the code reviewing body in the agency's conflict of interest code.

(5) Section 5. Statements of Economic Interests: Time of Filing.

(A) **Initial Statements.** All designated employees employed by the agency on the effective date of this code, as originally adopted, promulgated and approved by the code reviewing body, shall file statements within 30 days after the effective date of this code. Thereafter, each person already in a position when it is designated by an amendment to this code shall file an initial statement within 30 days after the effective date of the amendment.

(B) **Assuming Office Statements.** All persons assuming designated positions after the effective date of this code shall file statements within 30 days after assuming the designated positions, or if subject to State Senate confirmation, 30 days after being nominated or appointed.

(C) **Annual Statements.** All designated employees shall file statements no later than

April 1st.

(D) Leaving Office Statements. All persons who leave designated positions shall file statements within 30 days after leaving office.

(5.5) Section 5.5. Statements for Persons Who Resign Prior to Assuming Office.

Any person who resigns within 12 months of initial appointment, or within 30 days of the date of notice provided by the filing officer to file an assuming office statement, is not deemed to have assumed office or left office, provided he or she did not make or participate in the making of, or use his or her position to influence any decision and did not receive or become entitled to receive any form of payment as a result of his or her appointment. Such persons shall not file either an assuming or leaving office statement.

(A) Any person who resigns a position within 30 days of the date of a notice from the filing officer shall do both of the following:

(1) File a written resignation with the appointing power; and

(2) File a written statement with the filing officer declaring under penalty of perjury that during the period between appointment and resignation he or she did not make, participate in the making, or use the position to influence any decision of the agency or receive, or become entitled to receive, any form of payment by virtue of being appointed to the position.

(6) Section 6. Contents of and Period Covered by Statements of Economic Interests.

(A) Contents of Initial Statements.

Initial statements shall disclose any reportable investments, interests in real property and business positions held on the effective date of the code and income received during the 12 months prior to the effective date of the code.

(B) Contents of Assuming Office Statements.

Assuming office statements shall disclose any reportable investments, interests in real property and business positions held on the date of assuming office or, if subject to State Senate confirmation or appointment, on the date of nomination, and income received during the 12 months prior to the date of assuming office or the date of being appointed or nominated, respectively.

(C) Contents of Annual Statements. Annual statements shall disclose any reportable investments, interests in real property, income and business positions held or received during the previous calendar year provided, however, that the period covered by an employee's first annual statement shall begin on the effective date of the code or the date of assuming office whichever is later, or for a board or commission member subject to Government Code section 87302.6, the day after the closing date of the most recent statement filed by the member pursuant to 2 Cal. Code Regs. Section 18754.

(D) Contents of Leaving Office Statements.

Leaving office statements shall disclose reportable investments, interests in real property, income and business positions held or received during the period between the closing date of the last statement filed and the date of leaving office.

(7) Section 7. Manner of Reporting.

Statements of economic interests shall be made on forms prescribed by the Fair Political Practices Commission and supplied by the agency, and shall contain the following information:

(A) Investment and Real Property Disclosure.

When an investment or an interest in real property is required to be reported, the statement shall contain the following:

1. A statement of the nature of the investment or interest;
2. The name of the business entity in which each investment is held, and a general description of the business activity in which the business entity is engaged;
3. The address or other precise location of the real property;
4. A statement whether the fair market value of the investment or interest in real property equals or exceeds two thousand dollars (\$2,000), exceeds ten thousand dollars (\$10,000), exceeds one hundred thousand dollars (\$100,000), or exceeds one million dollars (\$1,000,000).

(B) Personal Income Disclosure. When personal income is required to be reported, the statement shall contain:

1. The name and address of each source of income aggregating five hundred dollars (\$500) or more in value, or fifty dollars (\$50) or more in value if the income was a gift, and a general description of the business activity, if any, of each source;
2. A statement whether the aggregate value of income from each source, or in the case of a loan, the highest amount owed to each source, was one thousand dollars (\$1,000) or less, greater than one thousand dollars (\$1,000), greater than ten thousand dollars (\$10,000), or

greater than one hundred thousand dollars (\$100,000);

3. A description of the consideration, if any, for which the income was received;

4. In the case of a gift, the name, address and business activity of the donor and any intermediary through which the gift was made; a description of the gift; the amount or value of the gift; and the date on which the gift was received;

5. In the case of a loan, the annual interest rate and the security, if any, given for the loan and the term of the loan.

(C) Business Entity Income Disclosure. When income of a business entity, including income of a sole proprietorship, is required to be reported, the statement shall contain:

1. The name, address, and a general description of the business activity of the business entity;

2. The name of every person from whom the business entity received payments if the filer's pro rata share of gross receipts from such person was equal to or greater than ten thousand dollars (\$10,000).

(D) Business Position Disclosure. When business positions are required to be reported, a designated employee shall list the name and address of each business entity in which he or she is a director, officer, partner, trustee, employee, or in which he or she holds any position of management, a description of the business activity in which the business entity is engaged, and the designated employee's position with the business entity.

(E) Acquisition or Disposal During Reporting Period. In the case of an annual or leaving office statement, if an investment or an interest in real property was partially or wholly acquired or disposed of during the period covered by the statement, the statement shall contain the date of acquisition or disposal.

(8) Section 8. Prohibition on Receipt of Honoraria.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (a), (b), and (c) of Government Code Section 89501 shall apply to the prohibitions in this section.

This section shall not limit or prohibit payments, advances, or reimbursements for travel and related lodging and subsistence authorized by Government Code section 89506.

(8.1) Section 8.1. Prohibition on Receipt of Gifts in Excess of \$420.

(A) No member of a state board or commission, and no designated employee of a state or local government agency, shall accept gifts with a total value of more than \$420 in a calendar year from any single source, if the member or employee would be required to report the receipt of income or gifts from that source on his or her statement of economic interests. This section shall not apply to any part-time member of the governing board of any public institution of higher education, unless the member is also an elected official.

Subdivisions (e), (f), and (g) of Government Code section 89503 shall apply to the prohibitions in this section.

(8.2) Section 8.2. Loans to Public Officials.

(A) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the elected officer holds office or over which the elected officer's agency has direction and control.

(B) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any officer, employee, member, or consultant of the state or local government agency in which the public official holds office or over which the public official's agency has direction and control. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(C) No elected officer of a state or local government agency shall, from the date of his or her election to office through the date that he or she vacates office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status.

(D) No public official who is exempt from the state civil service system pursuant to subdivisions (c), (d), (e), (f), and (g) of Section 4 of Article VII of the Constitution shall, while he or she holds office, receive a personal loan from any person who has a contract with the state or local government agency to which that elected officer has been elected or over which that elected officer's agency has direction and control. This subdivision shall not apply to loans made by banks or other financial institutions or to any indebtedness created as part of a retail installment or credit card transaction, if the loan is made or the indebtedness created in the lender's regular course of business on terms available to members of the public without regard to the elected officer's official status. This subdivision shall not apply to loans made to a public official whose duties are solely secretarial, clerical, or manual.

(E) This section shall not apply to the following:

1. Loans made to the campaign committee of an elected officer or candidate for elective office.

2. Loans made by a public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such persons, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under this section.

3. Loans from a person which, in the aggregate, do not exceed five hundred dollars (\$500) at any given time.

4. Loans made, or offered in writing, before January 1, 1998.

(8.3) Section 8.3. Loan Terms.

(A) Except as set forth in subdivision (B), no elected officer of a state or local government agency shall, from the date of his or her election to office through the date he or she vacates office, receive a personal loan of five hundred dollars (\$500) or more, except when the loan is in writing and clearly states the terms of the loan, including the parties to the loan agreement, date of the loan, amount of the loan, term of the loan, date or dates when payments shall be due on the loan and the amount of the payments, and the rate of interest paid on the loan.

(B) This section shall not apply to the following types of loans:

1. Loans made to the campaign committee of the elected officer.

2. Loans made to the elected officer by his or her spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person, provided that the person making the loan is not acting as an agent or intermediary for any person not otherwise exempted under

this section.

3. Loans made, or offered in writing, before January 1, 1998.

(C) Nothing in this section shall exempt any person from any other provision of Title 9 of the Government Code.

(8.4) Section 8.4. Personal Loans.

(A) Except as set forth in subdivision (B), a personal loan received by any designated employee shall become a gift to the designated employee for the purposes of this section in the following circumstances:

1. If the loan has a defined date or dates for repayment, when the statute of limitations for filing an action for default has expired.

2. If the loan has no defined date or dates for repayment, when one year has elapsed from the later of the following:

a. The date the loan was made.

b. The date the last payment of one hundred dollars (\$100) or more was made on the loan.

c. The date upon which the debtor has made payments on the loan aggregating to less than two hundred fifty dollars (\$250) during the previous 12 months.

(B) This section shall not apply to the following types of loans:

1. A loan made to the campaign committee of an elected officer or a candidate for elective office.

2. A loan that would otherwise not be a gift as defined in this title.

3. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor has taken reasonable action to collect the balance due.

4. A loan that would otherwise be a gift as set forth under subdivision (A), but on which the creditor, based on reasonable business considerations, has not undertaken collection action. Except in a criminal action, a creditor who claims that a loan is not a gift on the basis of this paragraph has the burden of proving that the decision for not taking collection action was based on reasonable business considerations.

5. A loan made to a debtor who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

(C) Nothing in this section shall exempt any person from any other provisions of Title 9 of the Government Code.

(9) Section 9. Disqualification.

No designated employee shall make, participate in making, or in any way attempt to use

his or her official position to influence the making of any governmental decision which he or she knows or has reason to know will have a reasonably foreseeable material financial effect, distinguishable from its effect on the public generally, on the official or a member of his or her immediate family or on:

(A) Any business entity in which the designated employee has a direct or indirect investment worth two thousand dollars (\$2,000) or more;

(B) Any real property in which the designated employee has a direct or indirect interest worth two thousand dollars (\$2,000) or more;

(C) Any source of income, other than gifts and other than loans by a commercial lending institution in the regular course of business on terms available to the public without regard to official status, aggregating five hundred dollars (\$500) or more in value provided to, received by or promised to the designated employee within 12 months prior to the time when the decision is made;

(D) Any business entity in which the designated employee is a director, officer, partner, trustee, employee, or holds any position of management; or

(E) Any donor of, or any intermediary or agent for a donor of, a gift or gifts aggregating \$420 or more provided to, received by, or promised to the designated employee within 12 months prior to the time when the decision is made.

(9.1) Section 9.1. Legally Required Participation.

No designated employee shall be prevented from making or participating in the making of any decision to the extent his or her participation is legally required for the decision to be made. The fact that the vote of a designated employee who is on a voting body is needed to break a tie does not make his or her participation legally required for purposes of this section.

(9.2) Section 9.2. Disqualification of State Officers and Employees.

In addition to the general disqualification provisions of section 9, no state administrative official shall make, participate in making, or use his or her official position to influence any governmental decision directly relating to any contract where the state administrative official knows or has reason to know that any party to the contract is a person with whom the state administrative official, or any member of his or her immediate family has, within 12 months prior to the time when the official action is to be taken:

(A) Engaged in a business transaction or transactions on terms not available to members of the public, regarding any investment or interest in real property; or

(B) Engaged in a business transaction or transactions on terms not available to members of the public regarding the rendering of goods or services totaling in value one

thousand dollars (\$1,000) or more.

(10) Section 10. Disclosure of Disqualifying Interest.

When a designated employee determines that he or she should not make a governmental decision because he or she has a disqualifying interest in it, the determination not to act may be accompanied by disclosure of the disqualifying interest.

(11) Section 11. Assistance of the Commission and Counsel.

Any designated employee who is unsure of his or her duties under this code may request assistance from the Fair Political Practices Commission pursuant to Government Code section 83114 and 2 Cal. Code Regs. Sections 18329 and 18329.5 or from the attorney for his or her agency, provided that nothing in this section requires the attorney for the agency to issue any formal or informal opinion.

(12) Section 12. Violations.

This code has the force and effect of law. Designated employees violating any provision of this code are subject to the administrative, criminal and civil sanctions provided in the Political Reform Act, Government Code sections 81000-91014. In addition, a decision in relation to which a violation of the disqualification provisions of this code or of Government Code section 87100 or 87450 has occurred may be set aside as void pursuant to Government Code section 91003.

1Designated employees who are required to file statements of economic interests under any other agency's conflict of interest code, or under article 2 for a different jurisdiction, may expand their statement of economic interests to cover reportable interests in both jurisdictions, and file copies of this expanded statement with both entities in lieu of filing separate and distinct statements, provided that each copy of such expanded statement filed in place of an original is signed and verified by the designated employee as if it were an original. See Government Code section 81004.

2See Government Code section 81010 and 2 Cal. Code of Regs. Section 18115 for the duties of filing officers and persons in agencies who make and retain copies of statements and forward the originals to the filing officer.

3For the purpose of disclosure only (not disqualification), an interest in real property does not include the principal residence of the filer.

4Investments and interests in real property which have a fair market value of less than \$2,000 are not investments and interests in real property within the meaning of the Political Reform Act. However, investments or interests in real property of an individual include those held by

the individual's spouse and dependent children as well as a pro rata share of any investment or interest in real property of any business entity or trust in which the individual, spouse and dependent children own, in the aggregate, a direct, indirect or beneficial interest of 10 percent or greater.

5A designated employee's income includes his or her community property interest in the income of his or her spouse but does not include salary or reimbursement for expenses received from a state, local or federal government agency.

6 Income of a business entity is reportable if the direct, indirect or beneficial interest of the filer and the filer's spouse in the business entity aggregates a 10 percent or greater interest. In addition, the disclosure of persons who are clients or customers of a business entity is required only if the clients or customers are within one of the disclosure categories of the filer.

Note: Authority cited: Section 83112, Government Code. Reference: Sections 87103(e), 87300-87302, 89501, 89502 and 89503, Government Code.

HISTORY

1. New section filed 4-2-80 as an emergency; effective upon filing (Register 80, No. 14). Certificate of Compliance included.
2. Editorial correction (Register 80, No. 29).
3. Amendment of subsection (b) filed 1-9-81; effective thirtieth day thereafter (Register 81, No.2).
4. Amendment of subsection (b) (7) (B) 1. filed 1-26-83; effective thirtieth day thereafter (Register 83, No. 5).
5. Amendment of subsection (b)(7)(A) filed 11-10-83; effective thirtieth day thereafter (Register 83, No. 46).
6. Amendment filed 4-13-87; operative 5-13-87 (Register 87, No. 16).
7. Amendment of subsection (b) filed 10-21-88; operative 11-20-88 (Register 88, No. 46).
8. Amendment of subsections (b)(8)(A) and (b)(8)(B) and numerous editorial changes filed 8-28-90; operative 9-27-90 (Reg. 90, No. 42).
9. Amendment of subsections (b)(3), (b)(8) and renumbering of following subsections and amendment of Note filed 8-7-92; operative 9-7-92 (Register 92, No. 32).
10. Amendment of subsection (b)(5.5) and new subsections (b)(5.5)(A)-(A)(2) filed 2-4-93; operative 2-4-93 (Register 93, No. 6).
11. Change without regulatory effect adopting Conflict of Interest Code for California Mental Health Planning Council filed 11-22-93 pursuant to title1, section 100, California Code of

- Regulations (Register 93, No. 48). Approved by Fair Political Practices Commission 9-21-93.
12. Change without regulatory effect redesignating Conflict of Interest Code for California Mental Health Planning Council as chapter 62, section 55100 filed 1-4-94 pursuant to title 1, section 100, California Code of Regulations (Register 94, No. 1).
 13. Editorial correction adding History 11 and 12 and deleting duplicate section number (Register 94, No. 17).
 14. Amendment of subsection (b)(8), designation of subsection (b)(8)(A), new subsection (b)(8)(B), and amendment of subsections (b)(8.1)-(b)(8.1)(B), (b)(9)(E) and Note filed 3-14-95; operative 3-14-95 pursuant to Government Code section 11343.4(d) (Register 95, No. 11).
 15. Editorial correction inserting inadvertently omitted language in footnote 4 (Register 96, No. 13).
 16. Amendment of subsections (b)(8)(A)-(B) and (b)(8.1)(A), repealer of subsection (b)(8.1)(B), and amendment of subsection (b)(12) filed 10-23-96; operative 10-23-96 pursuant to Government Code section 11343.4(d) (Register 96, No. 43).
 17. Amendment of subsections (b)(8.1) and (9)(E) filed 4-9-97; operative 4-9-97 pursuant to Government Code section 11343.4(d) (Register 97, No. 15).
 18. Amendment of subsections (b)(7)(B)5., new subsections (b)(8.2)-(b)(8.4)(C) and amendment of Note filed 8-24-98; operative 8-24-98 pursuant to Government Code section 11343.4(d) (Register 98, No. 35).
 19. Editorial correction of subsection (a) (Register 98, No. 47).
 20. Amendment of subsections (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 5-11-99; operative 5-11-99 pursuant to Government Code section 11343.4(d) (Register 99, No. 20).
 21. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 12-6-2000; operative 1-1-2001 pursuant to the 1974 version of Government Code section 11380.2 and Title 2, California Code of Regulations, section 18312(d) and (e) (Register 2000, No. 49).
 22. Amendment of subsections (b)(3) and (b)(10) filed 1-10-2001; operative 2-1-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2001, No. 2).
 23. Amendment of subsections (b)(7)(A)4., (b)(7)(B)1.-2., (b)(8.2)(E)3., (b)(9)(A)-(C) and footnote 4 filed 2-13-2001. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to

1974

Administrative Procedure Act rulemaking requirements) (Register 2001, No. 7).

24. Amendment of subsections (b)(8.1)-(b)(8.1)(A) filed 1-16-2003; operative 1-1-2003. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2003, No. 3).

25. Editorial correction of History24 (Register 2003, No. 12).

26. Editorial correction removing extraneous phrase in subsection (b)(9.5)(B) (Register 2004, No. 33).

27. Amendment of subsections (b)(2)-(3), (b)(3)(C), (b)(6)(C), (b)(8.1)-(b)(8.1)(A), (b)(9)(E) and (b)(11)-(12) filed 1-4-2005; operative 1-1-2005 pursuant to Government Code section 11343.4 (Register 2005, No. 1).

28. Amendment of subsection (b)(7)(A)4. filed 10-11-2005; operative 11-10-2005 (Register 2005, No. 41).

29. Amendment of subsections (a), (b)(1), (b)(3), (b)(8.1), (b)(8.1)(A) and (b)(9)(E) filed 12-18-2006; operative 1-1-2007. Submitted to OAL pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements) (Register 2006, No. 51).

30. Amendment of subsections (b)(8.1)-(b)(8.1)(A) and (b)(9)(E) filed 10-31-2008; operative 11-30-2008. Submitted to OAL for filing pursuant to *Fair Political Practices Commission v. Office of Administrative Law*, 3 Civil C010924, California Court of Appeal, Third Appellate District, nonpublished decision, April 27, 1992 (FPPC regulations only subject to 1974 Administrative Procedure Act rulemaking requirements and not subject to procedural or substantive review by OAL) (Register 2008, No. 44).

Exhibit A

DISCLOSURE CATEGORIES

Category 1:

- a. Interest in real property located within the City and County of Sacramento
- b. All income, loans and gifts, investments, positions and ownership interests in any business located in or doing business in the City or County of Sacramento and/or doing business with any entity administered by the Sacramento Housing and Redevelopment Agency
- c. All sources of income, loans and gifts from individuals residing in the City or County of Sacramento, doing business in the City or County of Sacramento and/or doing business with any entity administered by the Sacramento Housing and Redevelopment Agency

Category 2:

- a. Interest in real property located within the City and County of Sacramento
- b. Income, loans and gifts, investments, positions and ownership interest in any business with any entity administered by the Sacramento Housing and Redevelopment Agency and/or doing business which relates to the types of activities carried on by these entities (e.g., real property construction and management, material and supplies for real property maintenance and construction, general office supplies and services, consulting and services relating to all property development and management businesses located in or near Redevelopment Project Areas, Community Development Target Areas or Agency-owned housing developments)
- c. All sources of income, loans and gifts from individuals residing in the City or County of Sacramento, doing business in the City or County of Sacramento and/or doing business with any entity administered by the Sacramento Housing and Redevelopment Agency

Category 3:

- a. Interest in any real property improved for residential purposes or zoned for residential use located within the City or County of Sacramento
- b. Income, loans and gifts, investments, positions and ownership interest in any business with any entity administered by the Sacramento Housing and Redevelopment Agency and/or doing business which relates to the types of activities carried on by these entities (e.g., real property construction and management, material and supplies for real property maintenance and construction, general office supplies and services, consulting and services relating to all property development and management businesses located in or near Redevelopment Project Areas, Community Development Target Areas or Agency-owned housing developments)
- c. All sources of income, loans and gifts from individuals residing in the City or County of Sacramento, doing business in the City or County of Sacramento and/or doing business with any entity administered by the Sacramento Housing and Redevelopment Agency

Category 4:

- a. Income, loans and gifts, investments, positions and ownership interest in any business with any entity administered by the Sacramento Housing and Redevelopment Agency and/or doing business which relates to the types of activities carried on by these entities (e.g., real property construction and management, material and supplies for real property maintenance and construction, general office supplies and services, consulting and services relating to all property development and management businesses located in or near Redevelopment Project Areas, Community Development Target Areas or Agency-owned housing developments)
- b. All sources of income, loans and gifts from individuals residing in the City of County of Sacramento, doing business in the City or County of Sacramento and/or doing business with any entity administered by the Sacramento Housing and Redevelopment Agency

Exhibit B – Designated Employee List

CLASSIFICATION		REVISIONS
AGENCY CLERK	1	
AGENCY COUNSEL	1	
ASSISTANT AGENCY CLERK	1	
ASSISTANT DIRECTOR OF HOUSING – HOUSING CHOICE VOUCHER	1	
ASSISTANT DIRECTOR OF HOUSING – PUBLIC HOUSING	1	
ASSISTANT DIRECTOR OF HOUSING & COMMUNITY DEVELOPMENT	1	
ASSISTANT DIRECTOR OF REAL ESTATE & CONSTRUCTION SERVICES	1	
ASSISTANT SITE MANAGER	3	
BUYER	4	
COMPLIANCE ANALYST	1	REPLACE WITH COMPLIANCE/ PROCUREMENT ANALYST - (NEW TITLE)
CONSTRUCTION TECHNICIAN	3	
DEPUTY EXECUTIVE DIRECTOR	1	
DESIGN & CONSTRUCTION SERVICES MANAGER	1	
DIRECTOR OF ADMINISTRATION	1	
DIRECTOR OF HOUSING AND COMMUNITY DEVELOPMENT	1	
DIRECTOR OF HOUSING AUTHORITY		
EXECUTIVE DIRECTOR	1	
ENVIRONMENTAL ANALYST	1	
FINANCE DIRECTOR	1	
FINANCE MANAGER	1	
GENERAL COUNSEL	1	
HOMEOWNERSHIP SERVICES SUPERVISOR	3	
HOUSING ASSISTANT - HCV	3	
HOUSING AUTHORITY ANALYST - HCV	3	
HOUSING AUTHORITY ANALYST - HSG	3	
HOUSING AUTHORITY MANAGER - HCV	1	
HOUSING AUTHORITY MANAGER - HSG	1	
HOUSING AUTHORITY SPECIALIST - HCV	3	REPLACE WITH HOUSING PROGRAM SPECIALIST-(NEW TITLE)
HOUSING AUTHORITY SPECIALIST - HSG	3	REPLACE WITH HOUSING PROGRAM SPECIALIST - (NEW TITLE)
HOUSING AUTHORITY SUPERVISOR - HCV	3	
HOUSING AUTHORITY SUPERVISOR - HSG	3	

HOUSING AUTHORITY ANALYST - HCV	3	
HOUSING AUTHORITY ANALYST - HSG	3	
HOUSING FINANCE ANALYST - RANGE 1	2	
HOUSING FINANCE ANALYST - RANGE 2	2	
HOUSING FINANCE ANALYST - RANGE 3	2	
HOUSING PROGRAM TECHNICIAN I	3	NEW CLASSIFICATION
HOUSING PROGRAM TECHNICIAN II	3	NEW CLASSIFICATION
HUMAN RESOURCES MANAGER	1	
IMTS MANAGER	1	
IT NETWORK/MIDRANGE SPECIALIST	4	
MANAGEMENT ANALYST	1	
PRINCIPAL CONSTRUCTION ARCHITECT	2	
PRINCIPAL CONSTRUCTION TECHNICIAN	2	
PRINCIPAL HOUSING AUTHORITY ANALYST - HCV	3	
PRINCIPAL HOUSING AUTHORITY ANALYST - HSG	3	
PRINCIPAL PROCUREMENT SERVICES ANALYST	1	
PRINCIPAL REGULATORY COMPLIANCE ANALYST	2	
PROCUREMENT SERVICES SUPERVISOR	2	
PROGRAM MANAGER, COMMUNITY/SOCIAL SERVICES	1	
PROGRAM MANAGER-PORTFOLIO MANAGEMENT	1	
PROJECT MANAGER	1	
PUBLIC INFORMATION OFFICER	1	
REAL ESTATE MANAGER	1	
REAL ESTATE MANAGER LEVEL 2	1	
REAL ESTATE SPECIALIST	3	
REDEVELOPMENT ANALYST RANGE 1	3	
REDEVELOPMENT ANALYST RANGE 2	3	
REDEVELOPMENT ANALYST RANGE 3	3	
REDEVELOPMENT MANAGER	1	
REDEVELOPMENT PLANNER - RANGE 1	2	
REDEVELOPMENT PLANNER - RANGE 2	2	
REDEVELOPMENT PLANNER - RANGE 3	2	
REGULATORY COMPLIANCE	2	

ANALYST		
RISK SERVICES MANAGER	1	
SITE MANAGER	3	
HOUSING AND REDEVELOPMENT COMMISSION	1	
LOAN COMMITTEE MEMBERS	1	
CONSULTANTS	1	
REDEVELOPMENT ADVISORY COMMITTEE MEMBERS	1	DELETE THIS CLASSIFICATION

Sacramento Housing and Redevelopment Agency

POLICY/PROCEDURE INSTRUCTION

TO: All SHRA Staff

FROM: La Shelle Dozier, Executive Director

POLICY SUBJECT: SHRA Code of Ethics Policy - Acting Ethically and Responsibly

EFFECTIVE: July 15, 2014

Scope and Purpose:

Scope - This policy applies to all employees of the Sacramento Housing and Redevelopment SHRA (SHRA).

Purpose - The purpose of this Policy is intended to help you understand SHRA's expectations for ethical and responsible behavior and the legal requirements to do so.

Policy: As a public agency, SHRA is committed to acting in the best interest of the communities and clients whom we serve. We have the same expectation of our employees.

SHRA's Conflict of Interest Code

Certain employees are subject to SHRA's "Conflict of Interest Code" (the "Code"). The Code requires employees to avoid conflicts of interest—generally, situations in which the employee's economic interests are or may be adverse to SHRA's. In addition, employees subject to the Code are required to disclose certain economic interests to SHRA. If you are required to comply with the Code, you will be notified by the Agency Clerk.

The obligations established in this policy are in addition to any obligations established by the Conflict of Interest Code. However, if you ever feel this policy and the Code are in conflict, please discuss the matter with your supervisor.

Our Ethical Values

As an organization, we value:

- **Honesty and personal integrity**, including truthfulness in our dealings with SHRA, our coworkers, and the public.
- **Respect for others**, meaning acting professionally and courteously toward others, and following all SHRA rules regarding appropriate behavior and conduct toward others.
- **Legal compliance**, which includes the responsibility to know and follow the laws, regulations, and ordinances that apply to SHRA, to request assistance when we are

unsure about the proper course of conduct, and to notify SHRA of potentially illegal or unethical conduct.

- **Protection of public resources**, which requires us not to misuse SHRA resources or time for personal or other reasons.

SHRA's Expectations of Employees

SHRA expects you to exhibit the values described above in your work and workplace behavior, to ask for assistance when needed, and to notify SHRA when you believe someone may have violated this policy.

Here are some examples of conduct that violates this policy:

- Accepting a bribe or favor in exchange for an SHRA benefit
- Not meeting professional commitments (for example, to return phone calls to clients or to arrive to work as scheduled)
- Submitting false time records
- Improperly disclosing client information without a business reason to do so
- Using SHRA equipment or time for a personal business or for the business of another employer
- Renting or leasing property you own or manage to SHRA or an SHRA client
- Having any financial interest (direct or indirect) in an entity doing business with SHRA
- Managing the case file of a family member or friend
- Accessing your own or a family member or friends case file
- Holding employment or serving on the board of an organization funded wholly or in part by the SHRA, without disclosing to the SHRA in advance
- Knowingly violating any law, regulation, or ordinance

Disclosing Information to the SHRA

You must disclose any circumstances that could create an actual or perceived ethical breach to SHRA in advance, by immediately notifying your supervisor. They will then determine what appropriate steps to take, if any, to address the situation.

Here are some common circumstances in which you are required to disclose information to SHRA:

- If you, a family member (spouse, registered domestic partner, child, parent, sibling, uncle, aunt, first cousin, nephew, or niece, including in-laws, step-relations, and half-relations (e.g., parents-in-law, stepsons or stepdaughters, or half-sisters or half-brothers)) or friends are participating in an SHRA program
- If you or a family member own, manage, or have a financial interest in property and a potential tenant is a participant in one of SHRA programs
- If you are assigned to a property or caseload which contains a family member or friend.

- If you work for another employer, and your obligations to that employer could conflict with your obligations to SHRA
- If you have any financial interest in any entity doing business with SHRA
- If a family member works for or applies to work for SHRA
- If you purchase or obtain an interest in real property and any of the tenants residing at the property are clients of SHRA
- If you work for or serve on the board of an entity funded in whole or in part by SHRA

If you are subject to SHRA's "Conflict of Interest Code," you may be subject to additional disclosure requirements. The requirements in this policy are in addition to any disclosure requirements under the Code.

Treating Client Information Confidentially

Depending on the area in which you work, you may have access to private, personal information about SHRA clients or applicants, such as their family income, social security number, criminal and rental history, employment status, and disability status. Part of your ethical obligation requires you to treat that information confidentially, and not to disclose it to others unless there is a business reason to do so.

The SHRA requires you to take particular measures to protect the confidentiality of client information transferred electronically. The Agency's Technology Usage Policy and Data Security Agreements are in place to ensure that technology is used in a professional and responsible manner. Agency departments, such as HCV, also use data security and confidentiality acknowledgement agreements that are specific to the requirements and restrictions of their programs. The Technology Usage Policy is available on the Agency Intranet. Some examples of the restrictions are:

- The use of "blind" copies ("bcc")
- Employees shall not share any password to access any SHRA system or computer with any other individuals not specifically authorized to receive it.
- Employees shall not leave their computers unattended when logged on to any SHRA computer unless you have a password-protected screen saver.
- The transfer any client information to service providers or other agencies authorized to receive such information without a password protected/encrypted email message is prohibited.

Accessing Client Information

If needed to do your job, SHRA provides you access to files and data about clients participating in SHRA programs. As stated above, if you, or your family member, is participating in any SHRA programs, you must disclose it to the SHRA. Doing so enables SHRA to prevent actual or perceived conflicts of interest or other ethical breaches.

However, in addition, you are not permitted to access any SHRA files or data about you, or your family members, or a friend . Nor may you participate in any way in the management of your or a family member or a friend's case file. You may only access files and data about clients on your caseload, and you must immediately notify your supervisor if someone assigned to your caseload is a family member or friend.

If you are participating in either of SHRA programs, you must follow regular channels to meet with your caseworker during his or her regular work hours. You may not meet with your caseworker to discuss your case when you are scheduled to be performing work for SHRA or when your caseworker is not scheduled to be performing work for SHRA.

Renting or Leasing Property to Clients

If you own or manage property in Sacramento County, you may not rent to clients participating in the Housing Choice Voucher Program.

Outside Employment

SHRA generally does not seek to regulate how employees spend their time outside of work. If you choose to work for another employer while working for SHRA, however, you must continue to uphold the ethical obligations described in this policy. It is not ethical, for example, to use SHRA time or resources (phones, fax machines, email, etc.) to conduct business for another employer. Nor is it ethical to use confidential SHRA information for the benefit of another employer. You must have approval from SHRA, in advance, before you commence outside employment.

Working with Family Members

SHRA's Nepotism Policy is outlined in the Agency Personnel Rules which are available on the Agency Intranet. Please notify SHRA of any family members working for SHRA or of any circumstances that could result in a violation of this provision (e.g., if a family member applies for employment with SHRA, or you become related to another SHRA employee by marriage).

Complying With Other SHRA Policies

You may be required to comply with other SHRA policies and procedures that relate to this policy and your obligation to act ethically. If at any time you believe there is a conflict between this policy and any other SHRA policy or practice, please immediately bring the matter to the attention of your supervisor or Human Resources.

When You Have Questions or Complaints

SHRA obviously cannot anticipate every potential situation that may require you to make an ethical and responsible decision. Therefore, if you have any questions, you should direct them to your supervisor.

Additionally, if you observe others engaging in conduct that you believe violates this policy, we want you to share the information with us so that we can appropriately address it. SHRA will investigate all complaints, commensurate with the circumstances. Please report any perceived violations of this policy to your supervisor.

SHRA prohibits retaliation for making a complaint under this policy, or in participating in the investigation of a complaint. If you believe someone is violating this policy against retaliation, please immediately report it to your supervisor.

Procedure:

Staff shall:

Acknowledge receipt of the policy and follow the policy as outlined above.

Process:

Department Heads/Supervisors must:

1. Ensure that all staff receive and acknowledge receipt of the policy annually.
2. Assist with any questions as needed or forward to a higher level supervisor or Human Resources as appropriate.

Non-compliance:

Failure to comply with this Policy may result in disciplinary action up to and including termination.

Item # 6 and Item #7

Attachment – 2013 Comprehensive Annual Financial Report (CAFR) will be transmitted on Monday, June 16th

#6



June 12, 2014

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Sacramento Housing and Redevelopment Agency (SHRA) Comprehensive Annual
Financial Report (CAFR)

SUMMARY

The attached report is submitted to you for review prior to consideration by the City of
Sacramento.

RECOMMENDATION

Receive and File.

Respectfully submitted,

A handwritten signature in blue ink, which appears to read "LaShelle Dozier", is written over the typed name and title.

LA SHELLE DOZIER
Executive Director

Attachment



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

**Consent
July 15, 2014**

**Honorable Mayor and Members of the City Council
Chair and Members of the Housing Authority Board**

**Title: Sacramento Housing and Redevelopment Agency Comprehensive Annual
Financial Report For The Year Ended December 31, 2013**

Location/Council District: Citywide

Issue: The 2013 Comprehensive Annual Financial Report (CAFR) has been prepared to present SHRA's financial condition and the results of its activities for the fiscal year ended December 31, 2013. An independent public accounting firm has audited the CAFR financial statements.

Recommendation: Receive and File

Contact: Don Cavier, Finance Director, 440-1325; Karen Lukes, Audit Management Analyst, 449-6207

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency (SHRA)

Description/Analysis

Issue: The audit firm of Macias Gini & O'Connell LLP has audited the basic financial statements of the Sacramento Housing and Redevelopment Agency (SHRA) and issued its unqualified (clean) opinion that the basic financial statements for the year ending December 31, 2013, are fairly presented in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. The CAFR is presented in a standard format prescribed by the Government Finance Officers Association (GFOA).

The CAFR is organized into three major sections. First is the **Introductory Section** with a transmittal letter summarizing economic conditions, budget initiatives, etc. Next is the **Financial Section** which is comprised of the Management Discussion and Analysis (MD&A), which provides a narrative

SHRA Comprehensive Annual Financial Report (CAFR)

overview of the financial statements and compares changes from year to year. The basic financial statements follow the MD&A and report the financial position and results of operations of SHRA as a whole and the financial performance of SHRA's governmental funds, proprietary funds and component units. Footnotes to the financial statements are included to provide additional information. Lastly, the **Statistical Section** provides information on selected financial, demographic, and operating trend information.

The audit includes the following entities:

- Sacramento Housing and Redevelopment Agency
- Housing Authority of the City of Sacramento
- Housing Authority of the County of Sacramento
- Norwood Avenue Housing Corporation (NAHC)
 - Phoenix Park I, L.P.
 - Phoenix Park II, L.P.
- Sacramento Housing Authority Asset Repositioning Program, Inc. (SHARP)
 - Washington Plaza, L.P.
- Sacramento Housing Development Corporation
 - Riverview Plaza Associates
- Shasta Hotel Corporation
 - Shasta Hotel Investors Partnership

Policy Considerations: There are no policy implications as a result of this informational report.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action is exempt from environmental review as an administrative activity and is not a project under the California Environmental Quality Act (CEQA) per the Guidelines Section 15378(b).

Sustainability Considerations: N/A

Other: The proposed action is an exempt activity pursuant to 24 CFR 58.34(a)(2) & (3) and further environmental review is not required under the National Environmental Policy Act (NEPA).

Commission Action: At its meeting of June 18, 2014, the Sacramento Housing and Redevelopment Commission received the attached report. No specific action was required.

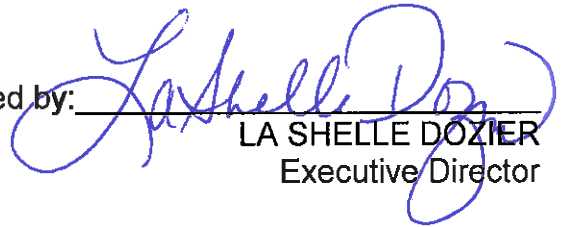
SHRA Comprehensive Annual Financial Report (CAFR)

Rationale for Recommendation: This item is for information only and no action is required.

Financial Considerations: This is an informational report only.

M/WBE and Section 3 Requirements: The items discussed in this report are informational only and therefore, there are no M/WBE or Section 3 requirements.

Respectfully Submitted by:



LA SHELLE DOZIER
Executive Director

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June 12, 2014

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Sacramento Housing and Redevelopment Agency (SHRA) Comprehensive Annual
Financial Report (CAFR)

SUMMARY

The attached report is submitted to you for review prior to consideration by the County
of Sacramento.

RECOMMENDATION

Receive and File.

Respectfully submitted,

A handwritten signature in blue ink, which appears to read "LaShelle Dozier", is written over the typed name and title.

LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
July 15, 2014

To: Board of Supervisors of the County of Sacramento
Housing Authority of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Sacramento Housing and Redevelopment Agency Comprehensive Annual
Financial Report for the Year Ended December 31, 2013

Supervisorial
District: Countywide

Contact: Don Cavier, Director of Finance, 440-1325; Karen Lukes, Audit Management
Analyst, 449-6207

Overview

The 2013 Comprehensive Annual Financial Report (CAFR) has been prepared to present SHRA's financial condition and the results of its activities for the fiscal year ended December 31, 2013. An independent public accounting firm has audited the CAFR financial statements.

Recommendations

This is an informational report only, receive and file.

Measures/Evaluation

The audit firm of Macias Gini & O'Connell LLP has audited the basic financial statements of the Sacramento Housing and Redevelopment Agency (SHRA) and issued its unqualified (clean) opinion that the basic financial statements for the year ending December 31, 2013, are fairly presented in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. The CAFR is presented in a standard format prescribed by the Government Finance Officers Association (GFOA).

Fiscal Impact

This report reflects the financial results of the Agency at December 31, 2013. The report is for informational purposes only.

BACKGROUND

The 2013 Comprehensive Annual Financial Report (CAFR) has been prepared to present SHRA's financial condition and the results of its activities for the fiscal year ended December 31, 2013. An independent public accounting firm has audited the CAFR financial statements.

DISCUSSION

The audit firm of Macias Gini & O'Connell LLP has audited the basic financial statements of the Sacramento Housing and Redevelopment Agency (SHRA) and issued its unqualified (clean) opinion that the basic financial statements for the year ending December 31, 2013, are fairly presented in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. The CAFR is presented in a standard format prescribed by the Government Finance Officers Association (GFOA).

The CAFR is organized into three major sections. First is the Introductory Section with a transmittal letter summarizing economic conditions, budget initiatives, etc. Next is the Financial Section which is comprised of the Management Discussion and Analysis (MD&A), which provides a narrative overview of the financial statements and compares changes from year to year. The basic financial statements follow the MD&A and report the financial position and results of operations of SHRA as a whole and the financial performance of SHRA's governmental funds, proprietary funds and component units. Footnotes to the financial statements are included to provide additional information. Lastly, the Statistical Section provides information on selected financial, demographic, and operating trend information.

The audit includes the following entities:

- Sacramento Housing and Redevelopment Agency
- Housing Authority of the City of Sacramento
- Housing Authority of the County of Sacramento
- Norwood Avenue Housing Corporation (NAHC)
 - Phoenix Park I, L.P.
 - Phoenix Park II, L.P.
- Sacramento Housing Authority Asset Repositioning Program, Inc. (SHARP)
 - Washington Plaza, L.P.
- Sacramento Housing Development Corporation
 - Riverview Plaza Associates
- Shasta Hotel Corporation
 - Shasta Hotel Investors Partnership

COMMISSION ACTION

This item was shared with the Sacramento Housing and Redevelopment Commission at its June 18, 2014 meeting.

MEASURES/EVALUATIONS

The audit firm of Macias Gini & O’Connell LLP has audited the basic financial statements of the Sacramento Housing and Redevelopment Agency (SHRA) and issued its unqualified (clean) opinion that the basic financial statements for the year ending December 31, 2013, are fairly presented in accordance with Generally Accepted Accounting Principles (GAAP) in the United States of America. The CAFR is presented in a standard format prescribed by the Government Finance Officers Association (GFOA).

FINANCIAL ANALYSIS

This is an informational report only.

POLICY CONSIDERATIONS

There are no policy implications as a result of this informational report.

ENVIRONMENTAL REVIEW

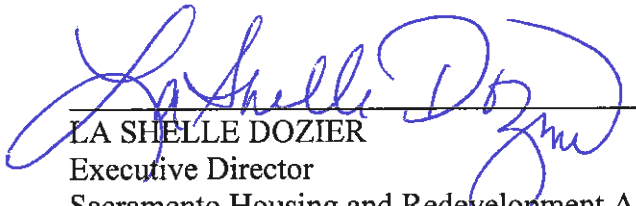
The proposed action is an exempt activity pursuant to 24 CFR 58.34(a)(2) & (3) and further environmental review is not required under the National Environmental Policy Act (NEPA). The proposed action is exempt from environmental review as an administrative activity and it is not a project under the California Environmental Quality Act (CEQA) per the CEQA Guidelines Section 15378(b).

M/WBE AND SECTION 3 REQUIREMENTS

The items discussed in this report are informational only and therefore, there are no M/WBE or Section 3 requirements.

Respectfully submitted,

APPROVED



LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

BRADLEY J. HUDSON
County Executive

Attachments:

ATT I - 2013 Comprehensive Annual Financial Report (CAFR)



#8

June 13, 2014

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT: Approval of Tax-Exempt Bonds for Sierra Vista Apartments

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



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

Consent
June 24, 2014

Honorable Chair and Members of the Housing Authority Board

Title: Approval of Tax-Exempt Bonds for Sierra Vista Apartments

Location/Council District: 1107 23rd Street, Council District 4

Issue: This report recommends the issuance of \$13,500,000 of tax-exempt mortgage revenue bonds for the 78 unit Sierra Vista Apartments project.

Recommendation: Adopt 1) a **Housing Authority Resolution**; a) indicating the intention of the Housing Authority of the City of Sacramento to issue up to \$13,500,000 in tax-exempt mortgage revenue bonds to provide construction and permanent financing for the Sierra Vista Apartments; b) authorizing an application to the California Debt Limit Allocation Committee (CDLAC) for authority to issue the bonds; c) authorizing the Executive Director or her designee to execute all necessary documents associated with the transaction.

Contact: Tyrone Williams, Director of Development, 440-1316
Christine Weichert, Assistant Director, Development Finance, 440-1353;

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: In 2007 the Housing Authority of the City of Sacramento (Housing Authority) adopted a Repositioning Strategy as a response to strategic reductions in the funding sources for public housing capital improvements and operations. As a result, a joint venture between BRIDGE Housing Corporation (BRIDGE) and the Sacramento Housing Authority Repositioning Program (SHARP) collectively the (Development Team) was formed to facilitate the attraction of private debt and equity necessary to fund the improvements required in a number of downtown high-rise buildings including Sierra Vista Apartments (Project).

On June 10, 2014, the City of Sacramento (City) authorized the Sacramento Housing and Redevelopment Agency (Agency) to provide a \$2,400,000 loan commitment to the Project utilizing HOME and CDBG Funds. Additionally, \$850,000 of CDBG Single Family Housing Funds and Economic Development

Revolving Loan Funds will be presented for approval at a public hearing scheduled for July 15, 2014. In July of 2014, the Development Team will submit a competitive four percent Low Income Housing Tax Credit (LIHTC) application to the California Tax Credit Allocation Committee (CTCAC), and an application for an allocation of tax-exempt Mortgage Revenue bonds from the California Debt Limit Allocation Committee (CDLAC). In order for the Development Team to submit the CDLAC application, the Housing Authority must adopt an inducement resolution authorizing the bond issuance. Additionally, the City must hold a Tax Equity Financial Responsibility Act public hearing (TEFRA). The Agency will return to the City on July 15, 2014 to hold the TEFRA for the Project.

Sierra Vista Apartments project is located in midtown Sacramento at 1107 23rd Street. It is a 78-unit, nine-story, reinforced concrete structure constructed in 1971. Although structurally sound, the forty-four year old building needs significant upgrades to preserve the building as housing for extremely low-income seniors. A vicinity map is included as Attachment 1.

The physical needs assessment for the property identifies the need for approximately \$9.7 million in construction "hard costs." Work to be done includes correcting life-safety concerns, seismic upgrades, remediating environmental issues, upgrading and waterproofing the building's exterior, replacing windows, upgrading mechanical and electrical systems, making energy efficiency improvements, upgrading unit interiors, and resolving code compliance issues. In addition, the ground floor entry and common areas will be significantly altered and increased in size to improve security, function and usefulness to tenants. A proposed architectural illustration is included as Attachment 2.

The Development Team is a partnership between SHARP and BRIDGE, an experienced non-profit affordable housing developer based in San Francisco. BRIDGE was selected through a competitive RFQ in 2012 and will remain in the partnership throughout construction. Upon completion of the work, BRIDGE will exit the partnership, leaving SHARP to continue in an ownership role. The Housing Authority will continue to own the underlying land, and it is anticipated that the Housing Authority will continue to provide property management at Sierra Vista. In addition, Housing with Heart, Inc., will provide a minimum of 15 hours of resident services each week.

The property will continue to be occupied during the planned 11-month rehabilitation period although three floors of tenants will be temporarily relocated to off-site locations on a rotating basis until work is complete. Vacating full floors will expedite the remediation and rehabilitation work. After approximately two months of temporary relocation, tenants will return to their renovated units.

Project funding sources will include more than \$8 million of low-income housing tax credit equity, about \$4 million in mortgage revenue bond proceeds, \$750,000 in Affordable Housing Program (AHP) funds, a \$3.25 million Agency loan (\$2.4 million already allocated HOME and CDBG funds, plus an additional \$850,000 in CDBG Single Family Housing and Economic Development Revolving Loan Funds to be presented for City Council approval at a public hearing on July 15, 2014), a \$6.4 million Housing Authority seller carryback loan for the building

acquisition and a \$392,000 seller financed ground lease. Since the property will continue to operate during renovation, more than \$460,000 of expected operating income will contribute to Project funding as well.

Units will be regulated at 30, 40 and 50 percent of Area Median Income (AMI). In connection with its loan and the issuance of bonds, the Agency will impose an Agency regulatory agreement and bond regulatory agreement to maintain use of the property as affordable senior housing. However, the property also has an ongoing Housing Assistance Payments (HAP) contract from HUD. This contract will ensure that no tenant pays more than 30 percent of their income for housing, with HUD paying the difference. Since all potential residents on the waiting list for such vouchers are extremely low income (30 percent of AMI or below), actual rents charged to tenants at Sierra Vista will be affordable at or below 30 percent of AMI.

Further background on the project, developer and the property is included as Attachment 3. A project summary, including a proposed sources and uses of funds, is included as Attachment 4. A project cash flow pro-forma is included as Attachment 5, and a schedule of maximum rents is included as Attachment 6.

Policy Considerations: The recommended actions are consistent with the strategy adopted in the Housing Authority's 2007 Repositioning Strategy to attract non-traditional sources of equity and debt to preserve affordable housing. The actions are also generally consistent with approved Agency Multifamily Lending and Mortgage Revenue Bond Policies. The loan term will be 55 years. Regulatory restrictions on the property will be specified in a bond regulatory agreement with a 55 year term and HOME regulatory agreement for 15 years. Compliance with the regulatory agreements will be monitored by the Agency on a regular basis throughout their terms.

Economic Impacts: This residential rehabilitation project is expected to create approximately 110 total jobs (62 direct jobs and 48 jobs through indirect and induced activities) and result in approximately \$15.3 million in total economic output (\$9.4 million direct output and another \$5.9 million of output through indirect and induced activities).

The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical \$1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action is categorically exempt under California Environmental Quality Act (CEQA) Guidelines Section 15301 which exempts actions on existing facilities, including rehabilitation and financing, where the use remains unchanged.

National Environmental Policy Act (NEPA): The proposed action is categorically excluded under the National Environmental Policy Act (NEPA) pursuant to 24 CFR Section 58.35(a)(3)(ii) because the project consists of the rehabilitation of a multifamily residential complex in which the unit density will not be changed by more than 20 percent and the estimated cost of rehabilitation is less than 75 percent of the cost of replacement after rehabilitation.

Sustainability Considerations: The renovation of Sierra Vista Apartments is consistent with City Sustainability Master Plan goal number one (Energy Independence) by improving energy efficiency and a consequent reduction in fossil fuel use, as well as the reduction of peak electrical demand through installation of photovoltaic generating equipment. The Project is consistent with goal number five (Public Health and Nutrition) in that it will rehabilitate an inefficient, aged building and contribute to improvement of the midtown neighborhood.

Commission Action: It is anticipated that, at its meeting on June 18, 2014, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Council in the event this does not occur.

Rationale for Recommendation: The actions recommended in this report enable SHRA and Housing Authority to continue to preserve existing affordable housing units and to provide a range of affordable housing opportunities in the City.

Financial Considerations: The proposed bond issuance will not be an obligation of the City, the Housing Authority, or the Sacramento Housing and Redevelopment Agency. The bonds will be the obligation solely of the project's owner, who will bear all costs associated with the issuance of the bonds. The Agency will receive a one-time issuance fee of 0.25 percent (25 basis points) of the bond issuance amount, which is payable at bond closing. The Agency will also collect an annual payment of 0.15 percent (15 basis points) of the total bond issuance amount for monitoring of the regulatory restrictions and administration of the bonds. The law firm of Orrick, Herrington and Sutcliffe LLP, is acting as bond counsel for the Housing Authority.

An Agency loan of \$2.4 million comprised of up to \$1.4 million of federal HOME funds, \$800,000 of City CDBG funds, and \$200,000 Housing Authority Low Mod funds was approved on June 10, 2014. The CDBG funds are part of a previously approved allocation for Affordable Housing Rehabilitation and are now being specifically identified for use in this project. Funds to be presented for City Council approval at a public hearing on July 15, 2014 will include an additional \$850,000 in CDBG Single Family Housing and Economic Development Revolving Loan funds.

M/WBE and Section 3 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. Section 3 requirements will be applied to the extent they may be applicable.


Respectfully Submitted by: 
LA SHELLE DOZIER
Executive Director

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Sierra Vista Apartments



Preliminary Conceptual Rendering

Sierra Vista Senior Apartments Background Information

The Development Team, a partnership between BRIDGE Housing Corporation (BRIDGE) and the Sacramento Housing Authority Repositioning Program (SHARP), proposes to rehabilitate the Sierra Vista Apartments (Project) at 1107 23rd Street in Sacramento. This collaboration is a result of an asset repositioning strategy by the Housing Authority of the City of Sacramento (Housing Authority), which is intended to address the limited funding available to rehabilitate aging public housing units.

On June 10, 2014 the City of Sacramento authorized the Agency to provide a \$2.4 million dollar loan to the Project. In anticipation of the Development Team submitting applications for funding to the California Tax Credit Allocation Committee (CTCAC) and the California Debt Limit Allocation Committee (CDLAC) in July of 2014, it is necessary for the Housing Authority of the City of Sacramento (Housing Authority) to obtain authorization to issue bonds for the project. The Agency will return to City Council in July to hold the federally required Tax Equity and Financial Responsibility Act hearing.

Project Description: Sierra Vista is a 78-unit, nine-story, reinforced concrete structure constructed in 1971. A vicinity map and architectural renderings are provided as Attachments 1 and 2. Although structurally sound, the forty-three year old building needs significant upgrades to preserve it as housing for very low-income seniors. The approximately \$9.7 million rehabilitation costs proposed for the project will include correcting life-safety concerns, seismic upgrades, remediating environmental issues, upgrading and waterproofing the building's exterior, replacing windows, upgrading mechanical and electrical systems, making energy efficiency improvements, upgrading unit interiors, and resolving code compliance issues. In addition, the ground floor entry and common areas will be significantly altered and increased in size to improve security, function and usefulness to tenants. The proposed rehabilitation conforms to the Agency's required 15 years of useful life for all major building systems.

Developer: BRIDGE Housing Corporation is a non-profit developer based in San Francisco, California. They have won numerous awards for design, finance, environmental sustainability, and multifamily affordable communities, and have participated in the development of over 14,000 housing units. BRIDGE was established in 1983 and their projects display the same quality of construction as market-rate housing. BRIDGE strives to create sustainable living environments that enhance and uplift the neighborhoods around them and to prevent people from being priced out of their own communities. BRIDGE recently completed the Foothill Farms Senior Housing project in Sacramento County.

SHARP is a non-profit public benefit corporation created by the Housing Authority in 2009, to implement the Repositioning Strategy Guiding Principles adopted by the Housing Authority in 2007. Its activities include acquiring, providing, developing, financing, rehabilitating, owning and operating affordable housing, for the purpose of repositioning aging Housing Authority assets to maintain and preserve their affordable

units. It is currently partnering with BRIDGE to rehabilitate three Housing Authority properties, including Washington Plaza and Sutterview Apartments.

Property Management: The property is proposed to be managed by the Housing Authority. Housing Authority staff currently manages the units at Washington Plaza, along with 3,300 other housing units throughout the City and County of Sacramento.

Resident Services: Resident services at Sierra Vista will be provided by Housing with HEART, an affiliate of Jamboree Housing Corporation. Housing with HEART will provide 15 hours of services to the residents per week, including health and wellness and life building services. Housing with HEART provides services at several properties in the City and County of Sacramento, including the Hotel Berry.

Security: Developer will be required to provide a security camera system and lighting adequate to properly illuminate all common spaces.

Project Financing: Funding for the project includes a mortgage revenue bond and Low-Income Housing Tax Credits (LIHTC), an Affordable Housing Program grant from the Federal Home Loan Bank, a seller carryback loan for the building from the Housing Authority, an Agency gap financing loan, and income from operations during the construction period.

The property also has an ongoing Housing Assistance Payments (HAP) contract from the US Department of Housing and Urban Development (HUD), which will provide a source of ongoing income to supplement rents paid by tenants. Pursuant to the HAP contract, each unit will have a Housing Choice Voucher associated with it. Tenants will pay no more than 30 percent of their income in rent each month, and the HUD voucher will pay the difference between the tenant's payment and a market rent calculated by HUD.

These funding sources together will require that all of the units in the property, excluding one manager's unit, be affordable to households earning less than 50 percent of Area Median Income (AMI). In addition, all of the potential tenants on the Housing Choice Voucher waiting list are extremely low income, so actual rents charged to tenants will be below 30 percent of AMI.

Bond Financing: As a public entity, the Housing Authority can issue tax-exempt bonds, the proceeds of which can provide acquisition, construction, and permanent financing for multi-family housing projects. Interest paid on the bonds is exempt from federal and state income tax, so bondholders will accept a below-market yield from the bonds. These savings are, in turn, passed on to the project owner in the form of a below-market rate loan, with interest rates approximately one to two percent below prevailing market rates.

The bonds for the project are intended to be privately-placed. The Agency will report back to the Housing Authority on the placement and the actual bond amounts with the request for final approval of the bond documents. The law firm of Orrick, Herrington and Sutcliffe LLP, will serve as bond counsel to the Housing Authority.

State and Local Approval Process: The Housing Authority must apply for (and receive) authorization from the California Debt Limit Allocation Committee (CDLAC) prior to issuing tax-exempt mortgage revenue bonds. The “volume cap” is limited and is allocated by CDLAC through a competitive state-wide process.

Project Inducement: CDLAC requires that an “inducement” resolution be adopted by the entity proposing to issue the bonds. Inducement at this time will also allow the developer to be reimbursed from bond issue proceeds for acquisition expenses that have already been incurred and will be incurred in the future. Staff recommends that the Housing Authority adopt a resolution to indicate its intent to issue bonds to finance the construction and permanent financing of the project. Adoption of the resolution will not bind the Housing Authority to issue bonds until and unless all other necessary actions are taken in accordance with all applicable laws.

Low-Income Set-Aside Requirements: As a condition of receiving tax credits and the benefits of tax-exempt bond financing, federal law requires the apartments be set-aside for targeted income groups. The Agency’s gap financing will also restrict rents at the property. Regulatory restrictions on the units will last for up to 55 years. The following chart summarizes the combined proposed affordability restrictions:

Funding	% of Units	Affordability Restrictions	No. Units	Regulatory Requirements
Tax-Exempt Bonds, Tax Credits (LIHTC), Agency Loan	99%	(50% AMI) LI (40% AMI) VLI (30% AMI) ELI	53 16 8	55 years 55 years
Unrestricted	1%	Unrestricted	1	None
Total	100%		78	

Maximum rent and income limits using Federal rents can be found in Attachment 6. The project’s affordability restrictions will be specified in regulatory agreements with the Developer.

**Sierra Vista Apartments
Project Summary**

Address	1107 23rd Street, Sacramento 95814		
Number of Units	78		
Year Built	1971		
Acreage	0.45 (50,605 sq. ft.)		
Affordability	77 units (99%) at or below 30%, 40% and 50% of Area Median Income (AMI) * and 1 Manager's Unit		
Unit Mix and Rents	ELI (30% AMI) *	VLI (40% AMI) *	LI (50% AMI) *
1 Bedroom / 1 Bath Unrestricted	8	16	53
			1
Square Footage	<u>Unit Size (sq.ft.)</u>	<u>Total</u>	
1 Bedroom / 1 Bath	408	31,824 sq.ft.	
Ground Floor Community Area		15,115 sq.ft.	
New Construction		800 sq.ft.	
Total		47,739 sq.ft.	
Resident Facilities	Community room with kitchen, laundry, outdoor patio seating area		
Permanent Sources	<u>Total</u>	<u>Per Unit</u>	<u>Per Square Foot</u>
Mortgage Revenue Bond	3,936,000	50,462	82
Tax Credit Equity	8,214,799	105,318	172
Seller Carry back Loan	6,400,000	82,051	134
Ground Lease @ FMV	392,000	5,026	8
Construction Period Income	467,315	5,991	10
AHP Loan	775,000	9,936	16
Agency HOME Loan Commitment	1,400,000	17,949	29
Agency CDBG Loan Commitment	800,000	10,256	17
Agency Low/Mod Fund Loan Commitment	200,000	2,564	4
Future Agency CDBG Loan Commitment	850,000	10,897	18
TOTAL SOURCES	\$ 23,435,114	\$ 300,450	\$ 490.90
Permanent Uses			
Acquisition	6,792,000	87,077	142
Construction Costs	9,710,316	124,491	203
Permits	65,000	833	1
Architecture , Engineering, Survey	450,000	5,769	9
Hard Cost Contingency	886,032	11,359	19
Soft Cost Contingency	88,000	1,128	2
Financing Cost	650,010	8,333	14
Reserves	563,723	7,227	12
Legal Fees	240,298	3,081	5
Relocation - Temporary	655,000	8,397	14
Developer Fee	2,500,000	32,051	52
Third Party Fees, Marketing, Other	834,735	10,702	17
TOTAL USES	\$ 23,435,114	\$ 300,450	\$ 490.90
Management / Operations			
Proposed Developer:	SHARP, Inc. and BRIDGE Housing Corporation		
Property Management Company:	Housing Authority of the City of Sacramento		
Operations Budget:	\$311,261	\$3,991	
Property Management	\$41,200	\$528	
Resident Services:	\$24,720	\$317	
Replacement Reserves:	\$23,400	\$300	

* HAP contract ensures all tenants will be extremely low income (30 percent or less of AMI).

Sierra Vista Cash Flow

Unit Type	Number	Square Feet	Total Sq Feet	2016		2017		2018		2019		2020		2025		2030		2035		2040		2045	
				rate	annual increase	Year 1	Year 2	Year 3	Year 4	Year 5	Year 10	Year 15	Year 20	Year 25	Year 30								
1 BD / 1BA @ 30% AMI	8	455	3,640	\$ 386	\$ 66	\$ 320	\$ 0.70	\$ 2,560	\$ 30,720	\$ 477	\$ 3,816	\$ 45,792											
1 BD / 1BA @ 40% AMI	16	455	7,280	\$ 515	\$ 66	\$ 449	\$ 0.99	\$ 7,184	\$ 86,208	\$ 348	\$ 5,568	\$ 66,816											
1 BD / 1BA @ 50% AMI	53	455	24,115	\$ 644	\$ 66	\$ 578	\$ 1.27	\$ 30,634	\$ 367,608	\$ 219	\$ 11,607	\$ 139,284											
Manager's Unit	1	455	455	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -											
Total / Average for Restricted Units	78	455	35,490	\$ 590	\$ 66	\$ 524	\$ 1.14	\$ 40,378	\$ 484,536	\$ 273	\$ 20,991	\$ 251,892											
Income																							
Potential Gross Income				\$735,264	\$748,730	\$762,446	\$776,417	\$790,649	\$865,887	\$948,410	\$1,038,936	\$1,138,251	\$1,247,221										
Excess HAP Income				311,261	320,599	330,217	340,123	350,327	406,125	470,810	545,798	632,729	733,507										
Other Income				41,200	42,438	43,709	45,020	46,371	53,757	62,319	72,244	83,751	97,090										
Less Vacancy - TCAC rents				24,720	25,462	26,225	27,012	27,823	32,254	37,391	43,347	50,251	58,254										
Less Vacancy - Sec 8 PBS increment rent				5,000	5,100	5,202	5,306	5,412	6,597	7,284	8,042	8,879	9,721										
Effective Gross Income				23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400	23,400										
Operating Expenses				405,581	416,996	428,753	440,862	453,333	521,511	600,517	692,073	798,173	921,131										
Property Management				3,991	3,991	3,991	3,991	3,991	3,991	3,991	3,991	3,991	3,991										
Resident Services				528	528	528	528	528	528	528	528	528	528										
Taxes & Assessments				317	317	317	317	317	317	317	317	317	317										
Replacement Reserves				64	64	64	64	64	64	64	64	64	64										
Total Expenses				5,059	5,059	5,059	5,059	5,059	5,059	5,059	5,059	5,059	5,059										
Net Operating Income				\$329,884	\$331,733	\$333,693	\$335,555	\$337,316	\$344,376	\$347,893	\$346,863	\$340,078	\$326,090										
Debt Service																							
Senior Loan				126,822	253,644	253,644	253,644	253,644	253,644	253,644	253,644	253,644	253,644										
Housing Authority Monitoring Fee				18,872	18,872	18,872	18,872	18,872	18,872	18,872	18,872	18,872	18,872										
Debt Service Subtotal				145,693	272,515	272,515	272,515	272,515	272,515	272,515	272,515	272,515	272,515										
Priority Distributions																							
Asset Management Fee (AMF)				5,000	5,150	5,305	5,464	5,628	6,524	7,563	8,768	10,164	11,783										
Partnership Management Fee (PMF)				20,000	20,600	21,218	21,855	22,510	26,095	30,252	35,070	40,656	47,131										
Priority Distributions Subtotal				25,000	25,750	26,523	27,318	28,138	32,619	37,815	43,838	50,820	58,914										
Net Cash after Priority Distributions				158,990	33,468	34,655	35,722	36,664	39,241	37,563	30,510	16,743	(5,339)										
Housing Authority Seller Carryback Loan																							
Principal Balance				6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000	6,400,000										
Interest for Period				202,240	215,022	216,792	222,585	228,524	260,710	298,008	342,027	394,845	459,122										
Accumulated Interest				404,480	460,511	643,835	831,765	1,024,567	2,071,995	3,290,340	4,733,260	6,469,845	8,598,468										
Payment				158,990	33,468	34,655	35,722	36,664	39,241	37,563	30,510	16,743	(5,339)										
Balance				6,645,490	6,827,043	7,009,180	7,196,043	7,387,903	8,432,764	9,652,777	11,102,750	12,853,103	14,993,807										
SHRA loan																							
Principal Balance				3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000										
Payment				0	0	0	0	0	0	0	0	0	0										
Balance				3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000	3,250,000										
Ground Rent																							
Fair Market Value Ground Rent				392,000	392,000	392,000	392,000	392,000	392,000	392,000	392,000	392,000	392,000										
Interest for Period				13,990	14,432	14,888	15,356	15,836	17,394	18,973	20,573	22,194	23,836										
Accumulated Interest				64,713	79,145	94,033	109,389	125,225	141,619	158,492	175,865	193,739	212,115										
Payment				0	0	0	0	0	0	0	0	0	0										
Balance				456,713	471,145	486,033	501,345	517,081	533,234	549,805	566,739	584,033	601,680										
Combined Debt Coverage Ratio				1.17	1.18	1.19	1.23	1.26	1.26	1.26	1.26	1.26	1.26										

MAXIMUM HOME AND CDBG RENT AND INCOME LEVELS 2014
Rents @ 50%, 40% and 30% of Area Median Income

Maximum Income Limits:

Family Size	Max Income		
	50% AMI	40% AMI	30% AMI
1 person	\$24,050	\$19,240	\$14,430
2 person	\$27,500	\$22,000	\$16,500

Maximum Rent Limits:

Unit Size	Gross Rent		
	50% AMI	40% AMI	30% AMI
1 Bedroom	\$644.00	\$515.00	\$386.00

** Rent listed is the maximum gross rent under tax credit guidelines. However, the project's Housing Assistance Payments (HAP) contract will allow tenants to pay no more than 30% of their income, with HUD paying the difference between the tenant payment and market rent. Further, all potential tenants currently on a waiting list for such units are below 30% AMI. As such, tenant rent payments will be at or below 30% AMI (less than \$387).*

RESOLUTION NO. 2014 –

Adopted by the Housing Authority of the City of Sacramento

on date of

**RESOLUTION DECLARING INTENTION TO
REIMBURSE EXPENDITURES FROM THE PROCEEDS OF
TAX-EXEMPT OBLIGATIONS AND DIRECTING CERTAIN ACTIONS**

BACKGROUND

- A. The Housing Authority of the City of Sacramento (the “Issuer”) intends to execute and deliver tax-exempt obligations in a principal amount not to exceed \$13,500,000 (the “Obligations”) for the purpose of making a loan to Sierra Vista Housing Associates L.P., a California limited partnership, or a limited partnership or a limited liability company related to or formed by BRIDGE Housing Corporation and the Sacramento Housing Authority Repositioning Program, Inc. (collectively, the “Developer”), the proceeds of which shall be used by the Developer to finance the acquisition, rehabilitation and development of a 78-unit multifamily housing facility commonly known as Sierra Vista Apartments located at 1107 23rd Street in the City of Sacramento, California (the “Project”);
- B. United States Income Tax Regulations section 1.103-18 provides generally that proceeds of tax-exempt debt are not deemed to be expended when such proceeds are used for reimbursement of expenditures made prior to the date of execution and delivery of such debt unless certain procedures are followed, among which is a requirement that (with certain exceptions), prior to the payment of any such expenditure, the issuer must declare an intention to reimburse such expenditure; and
- C. It is in the public interest and for the public benefit that the Authority declare its official intent to reimburse the expenditures referenced herein;

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

- Section 1. The Authority intends to execute and deliver the Obligations for the purpose of paying the costs of financing the acquisition, rehabilitation and development of the Project.
- Section 2. The Authority hereby declares that it reasonably expects that a portion of the proceeds of the Obligations will be used for reimbursement of expenditures for the acquisition, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations.

- Section 3. The maximum amount of proceeds of the Obligations to be used for reimbursement of expenditures for the acquisition, rehabilitation and development of the Project that are paid before the date of initial execution and delivery of the Obligations is not to exceed \$13,500,000.
- Section 4. The foregoing declaration is consistent with the budgetary and financial circumstances of the Authority in that there are no funds (other than proceeds of the Obligations) that are reasonably expected to be (i) reserved, (ii) allocated or (iii) otherwise set aside, on a long-term basis, by or on behalf of the Authority, or any public entity controlled by the Authority, for the expenditures for the acquisition and rehabilitation of the Project that are expected to be reimbursed from the proceeds of the Obligations.
- Section 5. The Developer shall be responsible for the payment of all present and future costs in connection with the execution and delivery of the Obligations, including, but not limited to, any fees and expenses incurred by the Authority in anticipation of the execution and delivery of the Obligations, the cost of printing any official statement, rating agency costs, bond counsel fees and expenses, underwriting discount and costs, trustee fees and expense, and the costs of printing the Obligations. The payment of the principal, redemption premium, if any, and purchase price of and interest on the Obligations shall be solely the responsibility of the Developer. The Obligations shall not constitute a debt or obligation of the Authority.
- Section 6. The appropriate officers or staff of the Authority are hereby authorized, for and in the name of and on behalf of the Authority, to make an application to the California Debt Limit Allocation Committee for an allocation of private activity bonds for the financing of the Project.
- Section 7. The adoption of this Resolution shall not obligate (i) the Authority to provide financing to the Developer for the acquisition, rehabilitation and development of the Project or to execute and deliver the Obligations for purposes of such financing; or (ii) the Authority, or any department of the Authority or the City of Sacramento to approve any application or request for, or take any other action in connection with, any environmental, General Plan, zoning or any other permit or other action necessary for the acquisition, rehabilitation, development or operation of the Project.
- Section 8. This resolution shall take effect immediately upon its adoption.