NOTICE OF REGULAR MEETING
Sacramento Housing and Redevelopment Commission
Wednesday, August 16, 2017 – 6:00 pm
801 12th Street, 2nd Floor Commission Room, Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS
While the Commission welcomes and encourages participation in the Commission meetings, please limit your comments to three minutes, so that everyone may be heard. If you wish to speak under Citizens Comments or on a posted agenda item, please fill out a speaker card and present it to the Agency Clerk. SHRA provides opportunities for the public to address the Commission at this time in order to listen to opinions regarding non-agendized matters within the subject matter jurisdiction of SHRA. Consistent with the Brown Act, the public comment periods on the agenda are not intended to be "question and answer" periods or conversations with Commission members. Members of the public with questions are encouraged to contact staff before or after the meeting. Commission attendees are requested to silence any electronic devices that they have in their possession during the meeting.

APPROVAL OF MINUTES - August 2, 2017

PUBLIC HEARINGS

1. Approval of Disposition and Development Agreements (DDA) and Related Loan Agreements for the Housing Authority Vacant Lots

2. 2017 Action Plan Amendment, Neighborhood Stabilization Program Closeout, Demolition and Disposition of 3740 9th Avenue

PRESENTATIONS

3. Comprehensive Annual Financial Report (CAFR) for the Sacramento Housing and Redevelopment Agency - City Report


5. Housing Choice Voucher (HCV) Program Efficiencies: Resident Portal

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

REPORTS: Copies of documents relating to agenda items are available for review in the Agency Clerk’s office located at 801 12th Street, Sacramento CA 95814. Agendas and reports are also posted online at www.shra.org. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Agency Clerk’s office during normal business hours and will also be available at the meeting.

AMERICANS WITH DISABILITIES ACT: 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)
Meetings of August 2, 2017
Meeting noticed on July 31, 2017

ROLL CALL
The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Chair Cathy Creswell

MEMBERS PRESENT: Alcalay, Creswell, Griffin, Johnson, Macedo, Morgan, Painter, Raab, Simas, Staajabu

MEMBERS ABSENT: None (one vacancy)

STAFF PRESENT: La Shelle Dozier, David Levin, James Shields, Tyrone Williams, Angela Jones, Vickie Smith, Karen Wallace, Bern Wilkhammer, Sarah Thomas, LaTanna Jones, Michael Taylor, Celia Yniguez

APPROVAL OF AGENDA - The Comprehensive Annual Financial Report presentation was moved to August 16th. The Twin Rivers Relocation Plan item was moved up to the second item on the agenda.

CITIZENS COMMENTS – NONE

APPROVAL OF MINUTES - July 19, 2017 – minutes were approved unanimously as submitted.

PUBLIC HEARINGS

1. Approval of the Rio Linda Superblock Remediation Project

Celia Yniguez presented the item.

Commissioner Morgan motioned to approve the staff recommendation in the report. Commissioner Raab seconded the motion. The votes were as follows:

AYES: Alcalay, Creswell, Griffin, Johnson, Macedo, Morgan, Painter, Raab, Simas, Staajabu

NOES: None

ABSENT: None
DISCUSSION/BUSINESS ITEMS

2. Authorization to Lease Commercial Space at the Sacramento Housing and Redevelopment Agency (SHRA) 801 12th Street Building - City report

3. Authorization to Lease Commercial Space at the Sacramento Housing and Redevelopment Agency (SHRA) 801 12th Street Building - County report

Michael Taylor presented items 2 and 3 together.

Commissioner Griffin motioned to approve the staff recommendation in the reports listed above. Commissioner Morgan seconded the motion. The votes were as follows:

AYES: Alcalay, Creswell, Griffin, Johnson, Macedo, Morgan, Painter, Raab, Simas, Staajabu

NOES: None

ABSENT: None

4. Award Of Project Based Vouchers To House Homeless Families And Individuals - County report

5. Award Of Project Based Vouchers To House Homeless Families And Individuals - City report

Chair Creswell and Commissioner Raab recused themselves from the item.

Sarah Thomas presented items 4 and 5 together.

Commissioner Griffin motioned to approve the staff recommendation in the reports listed above. Commissioner Morgan seconded the motion. The votes were as follows:

AYES: Alcalay, Griffin, Johnson, Macedo, Morgan, Painter, Simas, Staajabu

NOES: None

ABSENT: None

ABSTAIN: Creswell, Raab
6. **Twin Rivers Relocation Plan**

LaTanna Jones presented the item.

Commissioner Griffin motioned to approve the staff recommendation in the reports listed above. Commissioner Morgan seconded the motion. The votes were as follows:

**AYES:** Alcalay, Creswell, Griffin, Johnson, Macedo, Morgan, Painter, Raab, Simas, Staajabu

**NOES:** None

**ABSENT:** None

**PRESENTATIONS**

7. **Comprehensive Annual Financial Report (CAFR) for the Sacramento Housing and Redevelopment Agency** - continued to August 16th.

**EXECUTIVE DIRECTOR REPORT**

La Shelle Dozier reviewed the following:
- Next meeting is August 16th
- Events calendar – Sacramento Promise Zone and Samuel Merritt University Community Nurse Corps Research Presentation and Celebration Friday August 4th, 1:30pm

**COMMISSION CHAIR REPORT**

Chair Creswell announced that Commissioner Rios had resigned from the Commission.

**ITEMS AND QUESTIONS OF COMMISSION MEMBERS**

Commissioner Alcalay thanked staff for their work on the Twin Rivers project.

**ADJOURNMENT**

As there was no further business to be conducted, Chair Creswell adjourned the meeting at 7:50 pm.

_________________________  Clerk
Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of Disposition and Development Agreement and Related loan Agreements for Housing Authority Vacant Lots

SUMMARY

The attached informational report is presented for your review prior to review by the City of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendation outlined in the attached report.

Respectfully submitted,

LaShelle Dozier
Executive Director

Attachment

801 12th Street, Sacramento, CA 95814
Chair and Members of the Housing Authority Board

Title: Approval of Disposition and Development Agreements (DDA) and Related Loan Agreements for the Housing Authority Vacant Lots

Location/Council District: Del Paso Heights (District 2) and Oak Park (District 5)

Recommendation: Pass a Housing Authority Resolution: a) approving the findings, including environmental findings regarding this action, upon duly considering all evidence presented, b) finding that the sale of Housing Authority of the City of Sacramento (Housing Authority) properties to Del Paso Homes, Inc. (Developer) for construction and sale of new single-family homes is consistent with the Implementation Plans for the former Del Paso Heights and Oak Park Redevelopment Areas and will assist in the elimination of blight and increase the supply of affordable housing, c) finding that these properties are not required as public housing in the foreseeable future plans, d) authorizing the Executive Director to enter into and execute the DDAs, seller carry-back loans, Conditional Grant Agreements, and all other documents and agreements as approved to form by Sacramento Housing and Redevelopment Agency (SHRA) counsel as well as to perform all other actions necessary to ensure proper payment of the Housing Authority funds, e) finding that the consideration for the transfer of properties by the Housing Authority to Developer are Developer’s obligations under the DDA and seller carry-back loans based on the $646,000 fair-market value of the property, f) finding that an economically feasible method of alternative financing is not available, and g) authorizing the Executive Director or designee to subordinate the Housing Authority loans to the senior construction loan

Contact: Christine Weichert, Assistant Director, Development Finance, (916) 440-1353; Tyrone Roderick Williams, Director of Development, (916) 440-1316, Sacramento Housing and Redevelopment Agency

Presenters: Jackie Martinez Juarez, Community Development Analyst, Sacramento Housing and Redevelopment Agency

Department: Sacramento Housing and Redevelopment Agency
Disposition and Development Agreements for Housing Authority Vacant Lots

Description/Analysis

Issue Detail: The Vacant Lot Disposition Strategy, approved by Housing Authority Resolution 2016-0022 on October 25, 2016, authorized the sale of underutilized vacant land to develop affordable housing. Attachment 2 to this report includes background information about the Vacant Lot Disposition Strategy. The Vacant Lot Disposition Strategy included issuing Request for Proposals (RFP) for development on lots ready for development. One of the initial RFPs, issued in December of 2016, included 14 vacant residential lots owned by the Housing Authority located in the Oak Park (10 vacant lots) and Del Paso Heights (four vacant lots) neighborhoods. Attachments 3, 4, and 5 provide details about the specific locations of these lots. Three developers responded to the RFP and, on March 6, 2017, Del Paso Homes, Inc. (Developer) was recommended by a selection committee with the goal of increasing the supply of affordable housing and eliminating blight caused by the irregular and vacant lots in these neighborhoods. This report recommends actions to complete the disposition of the 14 vacant lots to the Developer for the construction of new single-family homes, to be sold at no more than 110% of area median income (AMI) with affordability regulated for a period of 45 years. Depending on the lot size, the construction of the single-family homes will vary between two bedrooms (952 square feet), three bedrooms (1,422 square feet), and four bedrooms (1,896 square feet). The estimated sales price of the homes at 110% AMI varies between $314,639 for a two bedroom to $371,984 for a four bedroom.

Twelve of the lots will be sold to the Developer at the market value of $646,000. Development of these lots will be financed with seller carry-back loans based on the value of each lot. Per the terms of the DDA, the loans will carry a four percent interest rate. The remaining two lots, which are located in the Oak Park neighborhood, were purchased with tax-exempt bond funds and will be conveyed to the developer per the terms of a separate DDA in accordance with the bond and IRS regulations at no cost.

In Phase 1, the four Del Paso Heights lots will be transferred from the Housing Authority to Developer to construct four affordable for-sale homes. Phase 2 includes the transfer of the remaining ten lots in Oak Park. Construction on the subsequent phase of homes will not begin until all the for-sale homes of the previous phase have been built and at least 75 percent of the homes have been sold. Each phase of homes is estimated to be constructed in six to nine months. The total Project is anticipated to be completed in approximately two to three years.

Development Team
John Griffin, President of Del Paso Homes, Inc. has been in the home-building industry for more than 30 years and has directly supervised the construction of more than 4,000 homes. Since moving to Sacramento in 2000, he has developed four projects totaling over 400 homes, and purchased and entitled an additional 595 lots. To date, Mr. Griffin has constructed 81 new homes in Del Paso Nuevo and is currently constructing Del Paso Nuevo Unit 6 in the planned community. Mr. Griffin has served as Chair of the North State Building Industry Association Board and continues to be an active member of the organization.
Del Paso Homes, Inc. will engage partners with the expertise in administering a local hiring program that includes, but is not limited to the following: identifying contractors’ needs, recruiting applicants, matching applicants to employment opportunities, following-up with contractors and applicants, providing retention and replacement services to applicants/employees, and conducting evaluations and reporting of the local hiring program. Selection of a partner is subject to review and written approval by SHRA.

The Developer discussed the home designs at the South Oak Park Community Association meeting on July 19, 2017. An additional meeting will be scheduled at the Oak Park Neighborhood Association. The Developer will engage with local partners to discuss the home designs, homeownership, and local employment opportunities in the area with community residents. Plans are underway to hold similar meetings in the Del Paso Heights neighborhood. These meetings will take place before building permits are submitted.

**Policy Considerations:** The recommended actions are consistent with objectives outlined in the City’s Housing Element that encourage infill development, enhancing and preserving existing neighborhoods, and expanding affordable housing opportunities. The recommended actions are also consistent with goals outlined in the Implementation Plans for the former Del Paso Heights and Oak Park Redevelopment Areas.

**Economic Impacts:** This residential new construction project is expected to create approximately 21 total jobs (12 direct jobs and 9 jobs through indirect and induced activities) and result in approximately $1,800,000 in total economic output ($1,106,204 direct output and another $693,796 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 recommended actions have been reviewed pursuant to the CEQA requirements under Title 14 of the California Code of Regulations (CCR) and the actions have been determined to be exempt per CEQA Guidelines §15312, §15332, and §15061(b)(3).

National Environmental Policy Act (NEPA): There are no federal actions, therefore, NEPA does not apply.
Sustainability Considerations: The recommended project will provide housing choices with transportation options near jobs, thereby reducing long commutes and working toward development of a balanced and healthy City. The Project is considered to be infill development and has been reviewed for consistency with the goals, strategies and policies of the 2035 General Plan. If approved, the Project will advance strategies and policies that will directly or indirectly conserve energy resources, in part, from the 2035 General Plan, Housing Element – Strategies and Policies for Conserving Energy Resources, Climate Action Plan – State Energy Efficiency Requirements for New Construction, subsection 7.2: Title 24, Chapter 13 of the California Code of Regulations (CCR) contains California’s building standards for energy efficiency. New home construction will conform to current building codes incorporating improved energy efficiency and enhanced green building standards meeting California standards. The goal is to create a neighborhood of quality affordable and energy efficient homes. All of the lots are located in the Sacramento Promise Zone.

Commission Action: At its meeting on August, 16, 2017, the Sacramento Housing and Redevelopment Commission (Commission) considered the staff recommendation for this project. The votes were as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

Rationale for Recommendation: The Developer is purchasing 12 vacant parcels of land in Del Paso Heights and Oak Park from the Housing Authority. The remaining two Oak Park lots were purchased with tax-exempt bond funds and will be transferred to the Developer in accordance with bond and IRS regulations. Using Developer equity and private financing, the Developer will complete the phased construction of for-sale homes. Construction of these homes is consistent with SHRA’s goal of developing sustainable, mixed-income homeownership opportunities.

Financial Considerations: The Developer will finance the purchases through a series of seller carry-back loans totaling $646,000 on twelve of the fourteen lots from the Housing Authority. Each loan will carry a four percent simple interest rate. The loans will be repaid incrementally from net proceeds upon the sale of each newly constructed home. The remaining two lots will be transferred at no cost to the Developer through a Conditional Grant Agreement from the Housing Authority. No additional public financing will be required.
Disposition and Development Agreements for Housing Authority Vacant Lots

September 5, 2017

LBE - M/WBE and Section 3 requirements: The activities recommended in this report do not involve new federal funding; as such, there are no M/WBE or Section 3 requirements. However, the Developer will instruct its general contractor and subcontractors to employ low-income area residents to the greatest extent feasible. This will include both direct outreach and the use of programs that incorporate referral and training sources, including but are not limited to, the North State Building Industry Foundation. Monthly local hire reporting will be required.

Respectfully Submitted by:

LA SHELLE DOZIER
Executive Director

Attachments
01-Description/Analysis and Background
02-Background Information Vacant Lot Disposition Strategy
03-Del Paso Heights Vacant Lots Map
04-North of Broadway Oak Park Vacant Lots Map
05-South of Broadway Oak Park Vacant Lots Map
06-Rendering and Floor Plans
07-Project Summary
08-Housing Authority Resolution
09-Exhibit A DDA (12 Vacant Lots)
10-Exhibit B Loan Agreement (12 Vacant Lots)
11-Exhibit C DDA (2 Vacant Lots)
12-Exhibit D Conditional Grant Agreement (2 Vacant Lots)
Background Information
Vacant Lot Disposition Strategy

The Vacant Lot Disposition Strategy (Strategy) utilizes a comprehensive approach to sell underutilized vacant lots and develop affordable housing on lots owned by the Housing Authorities of the City and County of Sacramento and the Sacramento Housing and Redevelopment Agency. The 61 vacant lots addressed in the Strategy were acquired: a) by the former Redevelopment Agencies to provide site assembly for affordable housing developments and/or the elimination of physical and social blight in former Redevelopment Areas; b) by the Housing Authorities for use as public housing or potential development sites; or c) by the Agency through the Neighborhood Stabilization Program. The Strategy, approved in October 2016, is organized into three categories which include: 1) Immediate Sale; 2) Affordable Housing Opportunity Sites; and 3) Future Opportunity Sites. The fourteen vacant lots discussed in this report are included in the Affordable Housing Opportunity Sites category. A summary and a status update for each category is outlined below.

Immediate Sale: Seven properties (five City properties and two County properties) zoned residential and mixed-use with minimal obstacles to disposition for immediate sale. To date, four properties have been sold at Fair Market Value: Elkhorn Blvd (County), 210 Nimitz Street (City), 2936 38th Street (City), and 2942 38th Street (City). Once a HUD Declaration of Trust is removed, 5646 Odea Dr. (County) and 716 Acacia Ave. (City) will be listed for sale.

Affordable Housing Opportunity Sites: In this category, there are five large residential development sites (three in the City, one in the County, and one combined City and County) along with 14 single family lots in the City. A Request for Proposals was issued for the 4501 9th Avenue on December 9, 2016. No proposals were submitted. It is anticipated a multiple property RFP will be released in the near future.

Future Opportunity Sites: 23 lots (20 City and three County) require environmental remediation, title issue clearance, or HUD disposition approval prior to sale. Upon resolution of the issues, nine of these properties (which are scattered sites) will be sold at fair market value utilizing a real estate broker or made available through a Request for Proposals (RFP). Staff initiated HUD disposition requests and is pursuing the limited local and federal funding opportunities for site remediation for the Rio Linda Boulevard Site.
Floor Plan #1: 2 bedrooms - 952 SF

- Bedroom 2: A: 112.46 sq ft, H: 9'-0"
- Master Bedroom: A: 122.11 sq ft, H: 9'-0"
- Bath 2: A: 46.96 sq ft, H: 9'-0"
- W.C.: A: 21.29 sq ft, H: 9'-0"
- M. Bath: A: 58.3 sq ft, H: 9'-0"
- Kitchen: A: 113.96 sq ft, H: 9'-0"
- Service: A: 30.96 sq ft, H: 9'-0"
- Dining: A: 109.07 sq ft, H: 9'-0"
- Foyer: A: 36.89 sq ft, H: 9'-0"
- Porch: A: 15.34 sq ft, H: 9'-0"
- Garage: A: 231.11 sq ft, H: 9'-0"
# 14 Vacant Lots - Scattered Sites
## Del Paso Heights and Oak Park
### Project Financial Summary
#### Build Phase 1 of 2

<table>
<thead>
<tr>
<th>Number of Homes</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>(4 For-Sale Homes)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Affordable Sales Price</th>
<th>4 Homes at or below 110% of Area Median Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Mix</td>
<td></td>
</tr>
<tr>
<td>Plan 1 - 2 Bedrooms</td>
<td>Square Feet: 952</td>
</tr>
<tr>
<td>Plan 2 - 3 Bedrooms</td>
<td>Square Feet: 1,422</td>
</tr>
<tr>
<td>Plan 3 - 4 Bedrooms</td>
<td>Square Feet: 1,896</td>
</tr>
<tr>
<td>Total</td>
<td>Square Feet: 5,222</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sources</th>
<th>Total</th>
<th>Per Sq.Ft.</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Loan</td>
<td>$486,000</td>
<td>$93.07</td>
<td>$121,500</td>
</tr>
<tr>
<td>SHRA Land Loan</td>
<td>$156,000</td>
<td>$29.87</td>
<td>$39,000</td>
</tr>
<tr>
<td>Developer Equity</td>
<td>$72,808</td>
<td>$13.94</td>
<td>$18,202</td>
</tr>
<tr>
<td><strong>Total Sources</strong></td>
<td>$714,808</td>
<td>$136.88</td>
<td>$178,702</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Uses</th>
<th>Total</th>
<th>Per Sq.Ft.</th>
<th>Per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Land</td>
<td>$156,000</td>
<td>$29.87</td>
<td>$39,000</td>
</tr>
<tr>
<td>Construction Costs</td>
<td>$451,808</td>
<td>$86.52</td>
<td>$112,952</td>
</tr>
<tr>
<td>Building, Planning, School Fees</td>
<td>$74,500</td>
<td>$14.27</td>
<td>$18,625</td>
</tr>
<tr>
<td>Architecture &amp; Engineering</td>
<td>$10,000</td>
<td>$1.91</td>
<td>$2,500</td>
</tr>
<tr>
<td>Construction Loan Fees &amp; Interest</td>
<td>$2,500</td>
<td>$0.48</td>
<td>$625</td>
</tr>
<tr>
<td>Marketing</td>
<td>$2,500</td>
<td>$0.48</td>
<td>$625</td>
</tr>
<tr>
<td>Site Supervision/Insurance/Equipment Rental</td>
<td>$17,500</td>
<td>$3.35</td>
<td>$4,375</td>
</tr>
<tr>
<td><strong>Total Uses</strong></td>
<td>$714,808</td>
<td>$136.88</td>
<td>$178,702</td>
</tr>
</tbody>
</table>

| Developer                  | Del Paso Homes, Inc. | John Griffin, President |
RESOLUTION NO. 2017 -

Adopted by the Housing Authority of the City of Sacramento

on date of

APPROVING THE SALE OF 14 HOUSING AUTHORITY VACANT LOTS TO DEL PASO HOMES, INC.; EXECUTION OF DISPOSITION AND DEVELOPMENT AGREEMENT AND RELATED DOCUMENTS AND AGREEMENTS; ENVIRONMENTAL, AND OTHER RELATED FINDINGS

BACKGROUND

A. On March 11, 2008, the former Redevelopment Agency and the Housing Authority of the City of Sacramento (Housing Authority) entered into a Disposition and Development Agreement (DDA) by Housing Authority of the City of Sacramento Resolution 2008-004 to convey title to 15 vacant parcels to the Housing Authority for subsequent development of for-sale single family homes available to qualified low- or moderate-income purchasers.

B. The Housing Authority purchased property to provide housing for low-income residents.

C. On October 25, 2016, the Vacant Lot Disposition Strategy was approved by Housing Authority of the City of Sacramento Resolution 2016-0022.

D. On behalf of the Housing Authority of the City of Sacramento, the Sacramento Housing and Redevelopment Agency (SHRA) issued a Request for Proposals (RFP) on December 9, 2016, for a Single-Family Home Developer to construct single family homes on 14 Housing Authority owned vacant residential lots within the Del Paso Heights and Oak Park neighborhoods (Project). On March 8, 2017, a development team led by Del Paso Homes, Inc. (Developer) was awarded the Project.

E. The Housing Authority and Developer desire to enter into two DDAs to convey the Property in phases to the Developer for the phased construction of 14 single-family homes. New homes are to be sold for no more than 110% of Area Median Income, as more specifically described in the DDAs. This will increase the community’s supply of affordable housing and is consistent with the former implementation plan housing production requirements for the Del Paso Heights and Oak Park Redevelopment Project Areas.

F. Property will be transferred to the Developer or a related entity in phases. Each phase will require separate seller carry-back loans payable to the Housing Authority. The total transfer price for 12 lots will be $646,000, the appraised fair market value of the Property with the covenants, conditions, restrictions required
by the DDA and Grant Deed, if necessary, less cost and expense to cleanup and remEDIATE in accordance with the requirement of all Environmental Laws, not to exceed the fair market value of the parcel as identified in the DDAs. The two remaining lots were purchased with tax exempt bond funds and will be transferred at no cost in accordance with the bond and Internal Revenue Service requirements. The Developer will use a combination of cash equity and private financing to complete the phased construction of these homes over a period of three years

G. Proper notice of this action has been given and a public hearing has been held in accordance with Health and Safety Code sections 34315.7.

H. The recommended actions have been reviewed pursuant to the California Environmental Quality Act (CEQA) requirements under Title 14 of the California Code of Regulations (CCR) and the actions have been determined to be exempt per CEQA Guidelines §15312, §15332, and §15061(b)(3). No federal funds are involved; therefore, the National Environmental Policy Act does not apply.

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

Section 1. All of the evidence having been duly considered, the facts, including the environmental findings, as stated in the Background above are found to be true and correct and are hereby adopted.

Section 2 The Housing Authority’s sale of the Property for construction and sale of new single-family homes is consistent with the former Implementation Plans for Del Paso Heights and Oak Park Redevelopment Areas and will assist in the elimination of blight and increase the community’s available supply of affordable housing for low- and moderate-income households.

Section 3. It is found that these properties are not required for the foreseeable needs of the Housing Authority, and its disposition of the lots for the construction of affordable housing is consistent with California Health and Safety Code section 34315.7 and the goals of the Housing Authority.

Section 4. The Executive Director, or her designee, is authorized to enter into and execute the DDAs, seller carry-back loans, Conditional Grant Agreement, and all other documents and agreements as approved to form by agency counsel, as well as perform other actions necessary to ensure proper repayment of the Housing Authority funds, including, without limitation, extensions, and restructuring of this financing in such as manner as is consistent with the Housing Authority’s adopted policies and with this resolution.
Section 5. The consideration for the Housing Authority's conveyance of the Property to Developer is found to be not less than the appraised fair market value at the use and with the covenants and conditions and costs of Developer's obligations under the DDA at the fair market value the Property of $646,000 in the form of separate seller carry-back loans corresponding the phased transfer of the as set forth in the DDA.

Section 6. The Housing Authority finds that an economically feasible alternative method of financing on substantially comparable terms and conditions, without subordination is not available. Therefore, the Executive Director, or her designee, is authorized to subordinate the Housing Authority loans to the senior construction loan.

Table of Contents:
Exhibit A DDA (12 Vacant Lots)
Exhibit B Loan Agreement (12 Vacant Lots)
Exhibit C DDA (2 Vacant Lots)
Exhibit D Conditional Grant Agreement (2 Vacant Lots)
July 14, 2017

Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2017 Action Plan Amendment, Neighborhood Stabilization Program Close out, Demolition and Disposition of 3740 9th Avenue

SUMMARY

The attached informational report is presented for your review prior to review by the City of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendation outlined in the attached report.

Respectfully submitted,

LA SHELLE DOZIER
Executive Director

Attachment

801 12th Street, Sacramento, CA 95814
Honorable Mayor and Members of the City Council

Title: 2017 Action Plan Amendment, Neighborhood Stabilization Program Closeout, Demolition and Disposition of 3740 9th Avenue

Location/Council District: Citywide, District 5

Recommendation: Adopt City Council Resolution authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to (a) amend the 2017 Action Plan and Previous Years’ Action Plans; (b) submit the amendment to the United States Department of Housing and Urban Development (HUD); (c) take actions necessary to demolish and abate the structure, remediate the site, and dispose of the property located at 3740 9th Avenue; (d) amend its budget as set forth in Exhibit A; (e) transfer and allocate Neighborhood Stabilization Program (NSP) funds to the Community Development Block Grant (CDBG) Program; and (f) close out NSP1 and NSP3 programs and amend the budget accordingly.

Contact: La Shelle Dozier, Executive Director, 440-1319; Geoffrey M. Ross, Assistant Director, Development & Federal Programs, 440-1357

Presenters: Geoffrey M. Ross, Assistant Director, Development & Federal Programs

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: On September 29, 2008, HUD released a special allocation of CDBG funds relating to foreclosure which were known as Neighborhood Stabilization Program (NSP) funds. Since that time, SHRA has successfully used two allocations of NSP funds (NSP1 received in 2010 and NSP3 received in 2011) to transform previously vacant and foreclosed properties into homeownership and rental housing. This report recommends actions to complete the last NSP project, which is the demolition and disposition of the property at 3740 9th Avenue, and requests authorization to close out the NSP programs.

3740 9th Avenue
The duplex located at 3740 9th Avenue is the final property acquired through the NSP Property Recycling Program (PRP) requiring action for disposition. Staff is requesting...
authorization to demolish, dispose, abate and remediate any environmental concerns for the duplex. It has been determined that the building is plagued with mold and asbestos, and there is lead in the soil around the building. Under the PRP program, Housing Authority (HA) units were transferred to SHRA to be rehabilitated and sold for homeownership. The HA purchased the property in 1984 and was leased until 2010. It was transferred into the PRP in 2013. The property was in marginal condition in 2010 and it continued to deteriorate to its existing condition. In 2013, it was evaluated for conversion to a single-family home. Because it is a vertical duplex and has a challenging internal configuration, it was determined to be cost prohibitive to reconfigure. Staff recommends abating and remediating soil contamination, demolishing the duplex, and selecting a developer to build a new single-family home at the site. Exhibit A outlines the funding allocations for this project.

NSP Closeout

As the last NSP project is the disposition of 3740 9th Avenue and no new acquisitions are planned, Staff recommends authorizing the close out of the NSP Program. Specific actions include the following: 1) allocating $90,000 NSP Program Income (PI) funds as detailed in this report and accompanying resolution to the 3740 9th Avenue project, 2) transferring the current remaining balance of NSP PI of $116,640 (PI) and future NSP PI to the CDBG program, and 3) closing out the NSP1 and NSP3 program.

In accordance with 24 CFR §570.489(e) and HUD Notice 81 FR 38730, NSP grantees are allowed to transfer NSP PI to the CDBG program since NSP Entitlement (EN) funds can only be expended following the obligation of PI. The proposed activities in this report will allow for the close out of the NSP1 and NSP3 programs by leveraging remaining NSP funds for actions designed to fulfill original NSP goals and objectives which include:

- Return vacant, foreclosed, or abandoned residential properties to occupancy as quickly as possible;
- Revitalize neighborhoods through the strategic redevelopment, rehabilitation and reuse of vacant properties; and
- Provide affordable homeownership and improved affordable rental opportunities to Sacramento families.

Notable accomplishments pertaining to the NSP Program include the investment of $13,264,829 in NSP1 grant funds and $3,762,329 in NSP3 grant funds into neighborhood revitalization activities with 170 properties being assisted. The specific activities compromising the entirety of the City’s NSP Program are summarized below.

<table>
<thead>
<tr>
<th>Private Developer Investment for Acquisition and Rehabilitation</th>
<th>$6.4 million</th>
</tr>
</thead>
<tbody>
<tr>
<td>Home Sales</td>
<td>$16 million</td>
</tr>
<tr>
<td>Single-family Homes Rehabilitated and Sold</td>
<td></td>
</tr>
<tr>
<td>- Vacant Properties Program</td>
<td>83 properties</td>
</tr>
<tr>
<td>- Property Recycling Program</td>
<td>51 properties</td>
</tr>
<tr>
<td>- Welcome Home Program</td>
<td>4 properties</td>
</tr>
<tr>
<td>Multi-Family Units Rehabilitated</td>
<td></td>
</tr>
</tbody>
</table>
2017 Action Plan Amendment, NSP Closeout, Demolition and Disposition of 3740 9th Avenue

<table>
<thead>
<tr>
<th>Project Description</th>
<th>Quantity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Recycling Program</td>
<td>21 units</td>
</tr>
<tr>
<td>Block Acquisition</td>
<td>5 units</td>
</tr>
<tr>
<td>Vacant Properties Sold or Pending</td>
<td></td>
</tr>
<tr>
<td>Disposition for garden/park use</td>
<td>3 properties</td>
</tr>
<tr>
<td>Opportunity Site</td>
<td>2 properties</td>
</tr>
<tr>
<td>Disposition for single-family home</td>
<td>1 property</td>
</tr>
</tbody>
</table>

**Policy Considerations:** The proposed activities are consistent with the adopted Consolidated Plan and include assisting low- and moderate-income persons and areas with the following: housing. The proposed activities meet the requirements of CDBG and the NSP goal of revitalizing neighborhoods through strategic redevelopment of foreclosed, abandoned, or vacant properties. Consistent with HUD regulations and SHRA policies, disposition of a NSP property is required to be brought forward as part of an Annual Action Plan or Mid-Year Action Plan.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** Environmental review for project implementation for the 9th Avenue Project is underway and no funds will be committed or spent prior to completion of environmental review and, if required, adoption of environmental findings. If required, environmental findings will be brought back for governing board approval.

Soliciting bids is not considered a project pursuant to California Environmental Quality Act (CEQA) Guidelines under 14 California Code of Regulations (CCR) §15378, and is exempt under the National Environmental Policy Act (NEPA) under 24 Code of Federal Regulations (CFR) §58.34(a)(3).

The 9th Avenue Project is expected to be exempt pursuant to CEQA Guidelines at 14 CCR §§ 15302, 15304, 15312, 15330, and 15332, and is expected to be Categorically Excluded pursuant to NEPA at 24 CFR §§ 58.35(a)(4)(i) and (5).

**Sustainability Considerations:** The One-Year Action Plan and Consolidated Plan are consistent with the City’s Sustainability Master Plan’s Focus Area 5 – Public Health and Nutrition by improving residents' health, and providing a five-year planning document to improve health, nutrition, social and economic sustainability.

**Commission Action:** It is anticipated that, at its meeting on August 16, 2017, 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:** As a condition of the receipt of various federal grants provided through HUD, the regulations require the annual submittal of a One-Year Action Plan describing proposed activities and expenditures for the upcoming year using the goals and priorities in the Consolidated Plan. In general, the purpose of the activities is to revitalize lower-income neighborhoods and to assist disadvantaged populations by providing adequate public facilities and services, generate affordable housing opportunities, and stimulate economic development. Newly funded activities
are scheduled to be implemented and completed within six months to comply with federal regulations governing the timely expenditure of funds in the current year.

The disposition of 3740 9th Avenue is an eligible activity and meets the requirements of CDBG and the NSP goal of revitalizing neighborhoods through strategic redevelopment of vacant properties.

Financial Considerations: This report recommends amending the 2017 Action Plan, previous years’ Action Plans, and SHRA budget. This includes allocating $90,000 of NSP PI to the 3740 9th Avenue project and transferring the current balance of NSP PI of $116,640 (PI) and future NSP PI to the CDBG program. NSP- and CDBG-related funding allocations maximize the effectiveness of federal funds and leverage additional public and private investments. The proposed actions will give SHRA the flexibility to transfer the remaining PI funds to CDBG to allow for closeout of NSP.

LBE - M/WBE and Section 3 requirements: 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 as may be applicable. City Local Business Enterprise will be applied to applicable activities to the extent required by City policies.

Respectfully Submitted by: LA SHELLE DOZIER
Executive Director

Attachments
01  Description/Analysis and Background
02  City Council Resolution
03  Exhibit A to Resolution
04  3740 9th Avenue Map
BACKGROUND

NSP Closeout

On July 30, 2008, Congress passed and the President signed into law House Resolution 3221, the Housing and Economic Recovery Act of 2008 (HERA). As part of this action, on September 29, 2008 HUD released the formula allocation and program guidelines pertaining to an additional one-time special $4 billion CDBG allocation relating to foreclosure and established the first round of NSP funding, known as NSP1. The City received $13,264,829 in total funding from this allocation. In 2008, the associated programs related to NSP1 were approved by Resolutions 2008-691 and 2009-114.

In 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank) provided an additional $1 billion for NSP. The Act constituted a third round of NSP funding, NSP3, which continued the efforts of the program to stabilize neighborhoods whose viability had been, and continued to be, damaged by the economic effects of foreclosed and abandoned properties. As part of this award, the City and County elected to file a joint application whereby HUD formula allocations were $3,762,329 and $4,595,671 respectively for a total award of $8,358,000. The Council approved the implementation plan for NSP3 and SHRA as the administrator on behalf of the City and County of Sacramento on February 15, 2011 by Resolution 2011-087. As a joint grant, the County must also approve close-out, which it did on December 6, 2016 by BOS Resolution 2016-0926.

Throughout the life of the program, SHRA staff has returned to the Council to provide frequent updates and to receive authority for amendments as needed. NSP goals included the following:

- Return vacant foreclosed or abandoned residential properties to occupancy as quickly as possible;
- Revitalize neighborhoods through the strategic redevelopment, rehabilitation and reuse of vacant properties; and
- Provide affordable homeownership and improved affordable rental opportunities to Sacramento families.

Several activities were conceptualized and approved by the Council to achieve these goals, including the Vacant Properties Program (VPP), the Block Acquisition/Rehabilitation Program (BLOCK), and the Property Recycling Program (PRP).

To date, the NSP program has been responsible for the significant transformation of previously vacant and foreclosed properties into homeownership and rental housing with the successful completion of over 350 units in both the City and County.
RESOLUTION NO. 2017 -

Adopted by the Sacramento City Council

On date of

AUTHORIZATION TO AMEND THE 2017 ACTION PLAN AND PREVIOUS YEARS’ ACTION PLANS; AUTHORIZATION TO SUBMIT TO HUD; AUTHORIZATION TO TRANSFER AND ALLOCATE NEIGHBORHOOD STABILIZATION PROGRAM FUNDS AND APPROVAL TO CLOSE OUT THE PROGRAM; AUTHORIZATION TO AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY BUDGET; AUTHORIZATION OF DEMOLITION AND DISPOSITION OF DUPLEX LOCATED AT 3740 9TH AVENUE

BACKGROUND

A. The U.S. Department of Housing and Urban Development (HUD) requires adoption of a Five-Year Consolidated Plan and Annual Action Plans, consistent with the Consolidated Plan, to identify programs and projects for expenditure of federal Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), Emergency Solutions Grant (ESG), and Neighborhood Stabilization Program (NSP) funds. Adoption of Amendments to Annual Action Plans or the Consolidated Plan is also required.

B. Since 1982 the Sacramento Housing and Redevelopment Agency (SHRA), on behalf of City, has served as the public entity designated to efficiently administer the CDBG program and was subsequently designated as the public entity to administer HOME, ESG, HOPWA and NSP funding originating from HUD.

C. In 2008, the Neighborhood Stabilization Program 1 (NSP1) and the associated programs to carry out NSP1 were approved by Resolutions 2008-691 and 2009-114.

D. On February 15, 2011, by Resolution 2011-087, the City Council authorized SHRA to submit the 2010 Action Plan Substantial Amendment to HUD and administer the Neighborhood Stabilization Program 3 (NSP3) on behalf of the County and City of Sacramento.

E. On January 8, 2013 the Consolidated Plan was adopted by Resolutions 2013-001 and 2013-0010.

F. The proposed projects represent the sole remaining opportunities for SHRA to utilize NSP1 and NSP3 funds in order to successfully close out NSP.

G. The proposed actions meet the goals of NSP and CDBG by revitalizing neighborhoods through strategic redevelopment of foreclosed, abandoned, or vacant properties with the development of affordable housing.
H. SHRA has completed all NSP goals and objectives outlined in the applications to HUD for NSP funding, the 2008-12 and 2013-17 Consolidated Plans, and associated Annual Action Plans.

I. SHRA purchased 3740 9th Avenue through NSP.

J. SHRA’s intent is to develop housing on the property once adequate environmental remediation has been completed.

K. Per 24 Code of Federal Regulations (CFR) §570.489(e), NSP entitlement (EN) funds can only be expended following the obligation of program income (PI). Per HUD Notice 81 FR 38730, NSP grantees are allowed to transfer NSP PI to the Community Development Block Grant (CDBG) program, allowing SHRA to access EN funds and subsequently close out NSP.

L. In 2016, the County Board of Supervisors authorized SHRA to close out NSP1 and NSP3, which is a joint City-County grant.

M. A noticed public hearing soliciting comments was held by the Sacramento Housing and Redevelopment Commission (SHRC) on August 16, 2017 in accordance with 24 CFR §91.505 and SHRA’s approved Citizen Participation Plan.

N. Environmental review for project implementation for the 9th Avenue Project is underway and no funds will be committed or spent prior to completion of environmental review and adoption of environmental findings, if required. If required, environmental findings will be brought back for governing board approval. Soliciting bids is not considered a project pursuant to California Environmental Quality Act (CEQA) Guidelines at 14 California Code of Regulations (CCR) §15378, and is exempt under the National Environmental Policy Act (NEPA) regulations at 24 Code of Federal Regulations (CFR) §58.34(a)(3). The 9th Avenue Project is expected to be Exempt pursuant to CEQA Guidelines §§ 15302, 15304, 15312, 15330, and 15332, and is expected to be Categorically Excluded pursuant to NEPA at 24 CFR §58.35(a)(4)(i) and (5).

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

Section 1. All evidence presented having been duly considered, the findings, as stated in the background above and Exhibit A, are found to be true and correct and are hereby adopted.

Section 2. SHRA is authorized to amend the 2017 Annual Action Plan and previous years’ Action Plans, make any budget adjustments, and execute related documents and agreements as necessary to carry out the proposed projects as described in this resolution in compliance with applicable federal laws and regulations.

Section 3. SHRA is authorized to submit the amended Action Plan to HUD.
Section 4. SHRA is authorized to take all actions reasonably necessary to demolish, and abate the structure, remediate any environmental concerns for the site, and dispose of the property located at 3740 9th Avenue.

Section 5. SHRA is authorized to amend its Budget to allocate funds as outlined in Exhibit A.

Section 6. SHRA is authorized to transfer remaining NSP1 and NSP3 PI to the CDBG program.

Section 7. SHRA is authorized to close out NSP1 and NSP3 following the conclusion of all outstanding NSP projects, pending corresponding approval from HUD and amend the budget to reflect program closeout.

Table of Contents:
Exhibit A – Proposed Funding Allocations
EXHIBIT A

Proposed Funding Allocations

The newly funded activity is scheduled to be implemented and completed within 18 months to comply with federal regulations governing the timely expenditure of funds.

<table>
<thead>
<tr>
<th>3740 9th Avenue Estimated Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>NSP3 PRP SF EN and PI</td>
</tr>
</tbody>
</table>
RESOLUTION NO. SHRC-_____


ON DATE OF

August 2, 2017

AUTHORIZATION TO AMEND THE 2017 ACTION PLAN AND PREVIOUS YEARS’ ACTION PLANS; AUTHORIZATION TO TRANSFER AND ALLOCATE NEIGHBORHOOD STABILIZATION PROGRAM FUNDS AND CLOSE OUT THE PROGRAM; EXECUTE DOCUMENTS FOR THE ADMINISTRATION OF FEDERAL PROGRAMS

WHEREAS, the U.S. Department of Housing and Urban Development (HUD) requires adoption of a Consolidated Plan to identify the programs and projects for the expenditure of federal Community Development Block Grant (CDBG), Home Investment Partnership Program (HOME), and Emergency Solutions Grant (ESG) funds.

WHEREAS, since 1982 (by Resolutions HA-2342, 82-424, 82-425, 82-650, 82-651, 82-652, RA-94, RA-107, HA-1526, HA-82-006, HA 2013-0001, 2013-0001, 2013-0018, HA-2342), the Sacramento Housing and Redevelopment Agency (SHRA) and its constituent entities has served as the public entity designated to efficiently administer the CDBG program, and was subsequently designated as the public entity to administer Neighborhood Stabilization Program (NSP), HOME, and ESG funding originated from HUD on behalf of the City and County of Sacramento.

WHEREAS, SHRA serves as a joint staffing agency for administration of Consolidated Plan programs in both the City of Sacramento and the County of Sacramento.

WHEREAS, on October 8, 2008, by Resolution 08-034, the Sacramento Housing and Redevelopment Commission (SHRC) approved the 2009 One-Year Action Plan containing the Substantial Amendment to the Consolidated Plan establishing NSP, specifically NSP1.

WHEREAS, on February 18, 2009, by Resolution 09-05, the SHRC authorized the Agency by Resolution 2009-0104 to amend and submit changes to NSP in the 2009 One-Year Action Plan to HUD and authorized the Agency’s Executive Director to execute agreements and contracts with the appropriate entities to carry out NSP.

WHEREAS, on February 2, 2011, by Resolution 11-01, the SHRC authorized the Executive Director to submit the 2010 Action Plan Substantial Amendment to HUD and administer NSP3 on behalf of the County and City of Sacramento.

WHEREAS, on January 8, 2013 the 2013-2017 Consolidated Plan was adopted by Resolution SHRC-13-1.

WHEREAS, on October 5, 2016 authorization to extend the Consolidated Plan and Analysis of Impediments to 2019 was granted by Resolution SHRC-2016-16.
WHEREAS, on October 5, 2016, the 2017 One-Year Action Plan was adopted by Resolution SHRC-2016-16.

WHEREAS, on November 2, 2016, by Resolution SHRC-2016-21, the SHRC authorized the Executive Director to close out County NSP1 and NSP3 following the conclusion of all outstanding County NSP projects, pending corresponding approval from HUD and the City of Sacramento for the jointly filed NSP3 funds.

WHEREAS, per 24 Code of Federal Regulations (CFR) §570.489(e), NSP entitlement funds can only be expended following the obligation of program income (PI) and per HUD Notice 81 FR 38730, NSP grantees are allowed to transfer NSP PI to the Community Development Block Grant (CDBG) program before program close-out, allowing the Agency to access entitlement funds.

WHEREAS, SHRA purchased 3740 9th Avenue through the NSP program and has determined that disposition is an eligible use as it meets a CDBG LMMA national objective and it meets the NSP goal of revitalizing neighborhoods through strategic redevelopment of vacant properties; and

WHEREAS, the proposed project represents the sole remaining opportunity for SHRA to utilize NSP1 and NSP3 funds in order to successfully close out NSP.

WHEREAS, the proposed actions meet the goals of NSP and CDBG by revitalizing neighborhoods through strategic redevelopment of foreclosed, abandoned, or vacant properties with the development of affordable housing.

WHEREAS, SHRA has completed all NSP goals and objectives outlined in the applications to HUD for NSP funding, the 2008-12 and 2013-17 Consolidated Plans, and associated Annual Action Plans.

WHEREAS, community development grants from HUD administered directly by the recipient are required to secure environmental clearance; SHRA is designated as the agent for the City and County of Sacramento and is the general unit of local government for the purpose of environmental clearance on the City and County’s behalf of nonprofit organizations which are sub-grantees; and

WHEREAS, a duly noticed public hearing soliciting comments on the 2017 One-Year Action Plan Substantial Amendment and previous years’ Action Plan and the disposition of 810 Roanoke Avenue took place on August 16, 2017 before the Sacramento Housing and Redevelopment Commission.

WHEREAS, Environmental review for project implementation for the 9th Avenue Project is underway and no funds will be committed or spent prior to completion of environmental review and adoption of environmental findings, if required. If required, environmental findings will be brought back for governing board approval. Soliciting bids is not considered a project pursuant to California Environmental Quality Act (CEQA) Guidelines under 14 California Code of Regulations (CCR) §15378, and is exempt under the National Environmental Policy Act (NEPA) under 24 §58.34(a)(3). The 9th Avenue Project is expected to be Exempt pursuant to CEQA Guidelines at 14 CCR §§15302, 15304, 15312, 15330, and 15332, and is expected to be Categorically Excluded pursuant to NEPA regulations at 24 Code of Federal Regulations (CFR) §58.35(a)(4)(i) and (5).

BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:
Section 1. All evidence presented having been duly considered, as set forth in this resolution and accompanying staff report, are found to be true and correct and are hereby adopted.

Section 2. Subject to approval by the Sacramento City Council, the Executive Director, or designee is, authorized to:

- Amend the 2017 Annual Action Plan and previous year’s Action Plans, make any budget adjustments, and execute related documents and agreements as necessary to carry out the proposed projects as described in this resolution, staff report, and Exhibit A in compliance with applicable federal laws and regulations.
- Submit the amended Action Plan to HUD.
- Take all actions necessary to solicit and award bids to demolish, dispose of, and abate and remediate any environmental concerns for the property at 3740 9th Avenue.
- Transfer NSP PI to the CDBG program.
- Close out NSP1 and NSP3 following the conclusion of all outstanding NSP projects, pending corresponding approval from HUD.
- Make any budget adjustments and execute any and all related documents, including reporting, invoicing, contracts and amendments as necessary to carry out activities described in this staff report in compliance with adopted policies, guidelines, regulations and federal law as approved to form by Agency counsel.

________________________
CHAIR

ATTEST:

________________________
CLERK
August 11, 2017

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Sacramento Housing and Redevelopment Agency Comprehensive Annual Financial Report for the year ended December 31, 2016

SUMMARY

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

RECOMMENDATION

The report is for information only – no specific action required.

Respectfully submitted,

[Signature]
LA SHELLE DOZIER
Executive Director

Attachment

801 12th Street, Sacramento, CA 95814
Honorable Mayor and Members of the City Council
Chair and Members of the Housing Authority Board

Title: Sacramento Housing and Redevelopment Agency Comprehensive Annual

Location/Council District: Citywide

Recommendation: Receive and File

Contact: Tina McKenney, Finance Director, 440-1325; Patrick Lee, Finance Manager,
440-1373

Presenters: N/A

Department: Sacramento Housing and Redevelopment Agency (SHRA)

Description/Analysis

Issue: The audit firm of Macias Gini & O’Connell LLP (MGO) has audited the basic
financial statements of the Sacramento Housing and Redevelopment Agency (SHRA)
and issued its unmodified (clean) opinion that these documents for the year ending
December 31, 2016 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 Independent auditor’s report and 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. The Statistical Section provides information
SHRA Comprehensive Annual Financial Report

on selected financial, demographic, and operating trend information. Lastly, the Other Supplemental Information section includes Housing and Urban Development (HUD) grant closeout letters and the Senate Bill 341-Low and Moderate Income Housing Asset Fund Report.

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)
- Sacramento Housing Authority Asset Repositioning Program, Inc. (SHARP)
- Sacramento Housing Development Corporation
  - Riverview Plaza Associates
- Shasta Hotel Corporation
  - Shasta Hotel Investors Partnership

Policy Considerations: Not applicable.

Economic Impacts: Not applicable.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action is an administrative activity and is not considered a project under the California Environmental Quality Act (CEQA) per 14 California Code of Regulations (CCR) section 15378(b).

Sustainability Considerations: N/A

Other: The proposed action is an exempt activity pursuant to 24 Code of Federal Regulations (CFR) sections 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 August 16, 2017, the Sacramento Housing and Redevelopment Commission received the attached report. No specific action was required.

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

Financial Considerations: This is an informational report only
LBE/M/WBE/Section 3 Considerations: The items discussed in this report are informational only and therefore, there are no M/WBE or Section 3 requirements.

Respectfully Submitted by: LaShell Dozier
Executive Director

Table of Contents
1-Description/Analysis
2-Attachment: Comprehensive Annual Financial Report
3-Attachment: Norwood Audited Financial Statements 2016
4-Attachment: SHARP Corporation Audited Financial Statements 2016
5-Attachment: Shasta Hotel Audited Financial Statements 2016
Sacramento Housing and Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Sacramento Housing and Redevelopment Agency Comprehensive Annual Financial Report for the year ended December 31, 2016

SUMMARY

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

RECOMMENDATION

The report is for information only – no specific action required.

Respectfully submitted,

LA SHELLE DOZIER
Executive Director

Attachment
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  

Supervisiorial  
District: Countywide

Contact: Tina McKenney, Director of Finance, 440-1325;  
Patrick Lee, Finance Manager, 440-1373

Overview  
The 2016 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, 2016. 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 (MGO) has audited the basic financial  
statements of the Sacramento Housing and Redevelopment Agency and issued its unmodified  
(clean) opinion that the basic financial statements for the year ending December 31, 2016, 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, 2016. The report is for  
informational purposes only.

BACKGROUND  
The 2016 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, 2016. An independent public accounting firm has audited the CAFR financial statements.
DISCUSSION

The audit firm of Macias Gini & O'Connell LLP (MGO) has audited the basic financial statements of the Sacramento Housing and Redevelopment Agency (SHRA) and issued its unmodified (clean) opinion that the basic financial statements for the year ending December 31, 2016, 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 Independent auditor’s report and 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. The Statistical Section provides information on selected financial, demographic, and operating trend information. Lastly, the Other Supplemental Information section includes Housing and Urban Development (HUD) grant closeout letters and the Senate Bill 341-Low and Moderate Income Housing Asset Fund Report.

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)
- Sacramento Housing Authority Asset Repositioning Program, Inc. (SHARP)
- Sacramento Housing Development Corporation
  - Riverview Plaza Associates
- Shasta Hotel Corporation
  - Shasta Hotel Investors Partnership

COMMISSION ACTION

At its meeting of August 16, 2017, the Sacramento Housing and Redevelopment Commission received the attached report. No specific action was required.
MEASURES/EVALUATIONS

The audit firm of Macias Gini & O'Connell LLP (MGO) has audited the basic financial statements of the Sacramento Housing and Redevelopment Agency (SHRA) and issued its unmodified (clean) opinion that the basic financial statements for the year ending December 31, 2016, 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

California Environmental Quality Act (CEQA): The proposed action is an administrative activity and it is not considered a project under the California Environmental Quality Act (CEQA) per 14 California Code of Regulations (CCR) section 15378(b).

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

M/WBE/SECTION 3 AND FIRST SOURCE CONSIDERATIONS

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

Respectfully submitted,

LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED

NAVDEEP S. GILL
County Executive

Attachments:
ATT 1 – 2016 Comprehensive Annual Financial Report (CAFR)