



INVESTING IN COMMUNITIES

**NOTICE OF REGULAR MEETING**  
**Sacramento Housing and Redevelopment  
Commission**  
**Wednesday, April 16, 2014 – 6:00 pm**  
**801 12<sup>th</sup> Street Sacramento, CA**

**ROLL CALL**

**APPROVAL OF AGENDA**

**APPROVAL OF MINUTES**

1. Minutes – April 2, 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.

**PUBLIC HEARING**

3. Approval of Public Housing Lease for Medicaid Waiver Program

**BUSINESS ITEMS**

4. Report Back on City and County Biannual Residual Distributions from Redevelopment Property Tax Trust Fund "Boomerang funds" - discussion and possible action

**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](http://www.shra.org) and include all attachments and exhibits. Hard copies are available at the Agency Clerk's office (801 12<sup>th</sup> 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 April 2, 2014**

Meeting noticed on March 28, 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, Le Duc, Macedo, Morgan, Morton, Raab, Stivers

MEMBERS ABSENT: Johnson

STAFF PRESENT: Vickie Smith, LaShelle Dozier, Tia Patterson, MaryLiz Paulson, Christine Weichert, Sarah Thomas

APPROVAL OF AGENDA Agenda approved as submitted.

#### APPROVAL OF MINUTES

1. The minutes for March 5, 2014 were approved.

#### CITIZENS COMMENTS

2. none

#### CONSENT

3. Annual Report on Residential Hotels

Commissioner Creswell asked for clarification on this item prior to the vote.

Chair Alcalay requested a workshop on potential change to the downtown housing landscape as a result of the new arena.

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

AYES: Alcalay, Chan, Creswell, Griffin, LeDuc, Morgan, Morton, Raab, Stivers

NOES: none

ABSTAIN: none

ABSENT: Johnson

Not present to vote: Macedo

4. Housing Trust Fund Annual Report - City

5. Housing Trust Fund Update - County

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

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

NOES: none

ABSTAIN: none

ABSENT: Johnson

BUSINESS ITEMS

6. Marshall Hotel Conversion and Replacement Housing Plan

Christine Weichert presented the item.

Chair Alcalay requested periodic updates about how the relocation progresses at the Marshall Hotel.

Commissioner Creswell motioned to approve the item with the provision that the Commission receive regular reports about the implementation of the relocation plan and the welfare and status of the tenants. Commissioner Griffin seconded the motion.

The Commission recommended approval of the recommendation outlined above for this item. The votes were as follows

AYES: Alcalay, Chan, Creswell, Griffin, LeDuc, Macedo, Morgan, Morton, Stivers

NOES: none

ABSTAIN: Raab

ABSENT: Johnson

7. Authorization to Execute Cooperative Agreement for Mortgage Credit Certificates – City
8. Application for Mortgage Credit Certificates and Execution of Cooperative Agreements With the Cities of Sacramento, Citrus Heights, Elk Grove, Folsom, Galt, Isleton and Rancho Cordova - County

Susan Perry presented the items.

Items #7 and 8 were presented and voted on together.

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

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

NOES: none

ABSTAIN: none

ABSENT: Johnson

9. Approval of Construction Loan for Del Paso Nuevo Phase IV

Bern Wikhammer presented the item.

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

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

NOES: none

ABSTAIN: none

ABSENT: Johnson

10. Discussion, recommendation and possible action regarding support for the City and County allocating its Biannual Residual Distributions from Redevelopment Property Tax Trust Fund "Boomerang funds" to affordable housing

No action was taken. After discussion, the Commission requested that this item be placed on the April 16, 2014 agenda as a report back and requested the following information: amount of funds that may be returned, examples of what other jurisdictions have done related to this, and a draft SHRC resolution.

### EXECUTIVE DIRECTOR REPORT

LaShelle Dozier announced the following:

- Next meeting would be April 16<sup>th</sup>
- Reminder members to return conflict of interest forms by April 30<sup>th</sup>.
- Invited members to the Louise Perez community center opening.

### COMMISSION CHAIR REPORT

Chair Alcalay announced the following

- Thanked Commissioners Stivers and Creswell for their leadership on the boomerang fund issue.
- Suggested that the Commission hold an event to raise awareness about public housing and to raise funds for scholarships.

### 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.

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AGENCY CLERK



April 10, 2014

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

**SUBJECT:**

Approval of Public Housing Lease for Medicaid Waiver Program

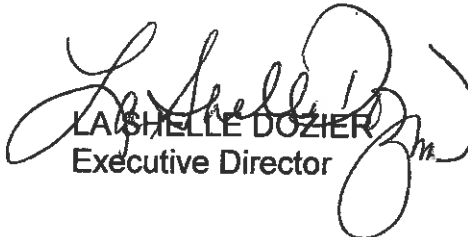
**SUMMARY**

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

**RECOMMENDATION**

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

Respectfully submitted,

  
LAISHELLE DOZIER  
Executive Director

Attachment



**REPORT TO HOUSING AUTHORITY**  
**City of Sacramento**  
915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Staff Report**  
**April 22, 2014**

**Honorable Chair and Members of the Housing Authority Board**

**Title: Approval of the Public Housing Medicaid Waiver Demonstration Program and Lease Agreement with Blossom Ridge Home Health Agency for Gibson Oaks Apartments**

**Location/Council District:** Gibson Oaks/480 Redwood Ave. – Council District Four

**Issue:** There are many disabled individuals residing in public housing designated for “Elderly Only” or “Elderly or Disabled” who need a higher level of care in order to live independently. Many of these residents are hospitalized frequently or are hospitalized longer than they would be if they had greater access to medical care and non-medical support. This report authorizes SHRA to lease space at the Gibson Oaks Apartments to Blossom Ridge Home Health Agency in order to provide medical services and support to the residents living there.

**Recommendation:** Adopt a **Housing Authority Resolution:** 1) approving the Public Housing Medicaid Waiver Demonstration Program lease agreement , 2) authorizing the Housing Authority Executive Director to execute a one-year lease with Blossom Ridge Home Health Agency, which will be renewable annually for four additional years at the option of the Housing Authority, and 3) making related environmental findings.

**Contact:** MaryLiz Paulson, Assistant Director, Conventional Public Housing, 440-1334

**Presenters:** MaryLiz Paulson, Assistant Director

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue:** Gibson Oaks is an 80-unit conventional public housing apartment complex for persons aged 62 and older. All units are one-bedroom units, allowing one- or two-person families to live independently. A one-bedroom unit meets the needs of our active, mobile elderly residents but does not meet their needs as ~~well as~~ they age in place and need additional support from care givers. SHRA will serve as a demonstration program for the Assisted Living Waiver Program (ALWP). This report authorizes SHRA to lease space at Gibson Oaks to Blossom Ridge Home Health Agency in order to provide services to the

## Public Housing Lease for Medicaid Waiver program

residents of the complex. Interested Medicaid-eligible residents would apply to enroll in the program. The space to be leased will serve as an office for Blossom Ridge staff, which may include Registered Nurses, Certified Nursing Assistants, Licensed Vocational Nurses, and Caregivers. Blossom Ridge staff will be located on-site 24 hours/day, seven days a week and will be providing services to the enrolled residents in their apartments. The office space will provide a place where staff can work on paperwork between appointments and a place for residents to contact these staff when assistance is needed. Examples of services to be provided may include: meal preparation, medication management, personal care, housekeeping, laundry, and skilled nursing services. These services are funded by Medicaid (in California called "Medi-Cal") through the ALWP and, as a result, costs are not assumed by the income-eligible residents or by SHRA. The purpose of the ALWP is to "assist Medi-Cal beneficiaries to remain in their community as an alternative to receiving care in a licensed healthcare facility." In this way, the needs of our aging residents can be met. It is anticipated that the partnership between SHRA and Blossom Ridge will reduce the frequency and duration of hospitalization among residents participating in this program.

**Policy Considerations:** The recommended action in this report is consistent with the Housing Authority's goal to provide decent, safe and sanitary housing to eligible low-income residents.

**Economic Impacts:** Not applicable.

**Environmental Considerations:**

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

**National Environment Policy Act (NEPA):** The proposed activity is a categorical exclusion not subject to federal law under 24 CFR 50.19 (b)(4) and categorically exempt under 24 CFR (a) (4); therefore, no further review is required under the National Environmental Policy Act..

**Commission Action:** It is anticipated that, at its meeting of April 16, 2014, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Board in the event this does not occur.

**Rationale for Recommendation:** The proposed partnership between SHRA and Blossom Ridge assists low-income, elderly residents living in public housing to receive the support they need to live independently. It is expected that the frequency and duration of hospitalization will be reduced as a result of this partnership, reducing the cost of medical care in the community.

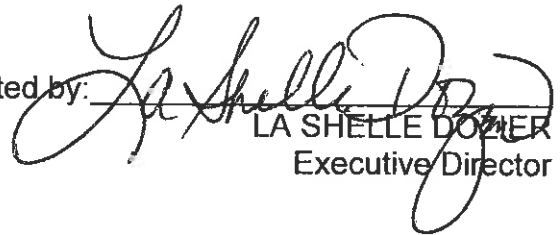


Public Housing Lease for Medicaid Waiver program

**Financial Considerations:** Since the cost of services is covered through Medicaid (Medi-Cal), there are no financial implications for SHRA. It is anticipated that the medical costs incurred by the participants in this program will decrease, reducing the medical burden to the community.

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

Respectfully Submitted by:



LA SHELLE DWYER  
Executive Director

**Table of Contents**

Report	pg. 1
<b>Attachments</b>	
1. Resolution	pg. 4
Exhibit A - Lease	pg. 6

## **RESOLUTION NO. 2014 -**

**Adopted by the Housing Authority of the City of Sacramento**

On date of

### **APPROVAL OF THE PUBLIC HOUSING MEDICAID WAIVER DEMONSTRATION PROGRAM AND LEASE AGREEMENT WITH BLOSSOM RIDGE HOME HEALTH AGENCY FOR GIBSON OAKS APARTMENTS**

#### **BACKGROUND**

- A. The Housing Authority of the City of Sacramento provides affordable, subsidized rent to low-income, elderly persons (persons aged 62 and older) living at Gibson Oaks Apartments at 480 Redwood Avenue, Sacramento.
- B. Gibson Oaks Apartments has 80 one-bedroom units. As residents experience a decline in their health, they are unable to have a live-in aide move in to provide 24 hour care as the units are single-bedroom units.
- C. Hospitalization can be prevented with the provision of additional services while individuals remain at home or in a community residential living setting.
- D. Blossom Ridge Home Health Agency can provide 24/7 medical and non-medical services to families living at Gibson Oaks Apartments, a conventional public housing development, at no direct cost to the resident or to the Housing Authority as the costs are paid through the Medicaid Waiver Program.
- E. On April 16, 2014, a noticed public hearing pursuant to Health and Safety Code Section 34312.3 was held before the Sacramento Housing and Redevelopment Commission
- F. The recommended activity is not a project under the California Environmental Quality Act (CEQA) Guidelines Section 15378(b)(5) and no further environmental review is required.
- G. The activity authorized by this resolution is a categorical exclusion not subject to federal law under 24 CFR 50.19 (b)(4) and categorically exempt under 24 CFR (a) (4); therefore, no further review is required under the National Environmental Policy Act.

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

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

**Section 2:** The Public Housing Medicaid Waiver Demonstration Program Lease Agreement set forth in Exhibit A is approved.

**Section 3:** The Housing Authority's Executive Director is authorized to execute a one-year lease with Blossom Ridge Home Health Agency, which is renewable annually for four additional years at the option of the Housing Authority.

**Table of Contents**

**Exhibit A - Lease between the Housing Authority of the City of Sacramento and Blossom Ridge Home Health Agency.**

## LEASE AGREEMENT

THIS LEASE, dated \_\_\_\_\_ is between the **HOUSING AUTHORITY OF THE CITY OF SACRAMENTO (LESSOR)**, and **BLOSSOM RIDGE HOME HEALTH AGENCY, LLC, (BLOSSOM RIDGE/LESSEE)**.

### IT IS AGREED:

#### 1. PREMISES:

A. The Premises consist of approximately \_\_\_\_\_ square feet located at 480 Redwood Avenue, Sacramento California, ("Premises"). A diagram of the Premises is attached as "Exhibit A", and incorporated herein by reference.

Substitution of Other Premises. LESSOR shall have the right to relocate LESSEE to other space at 480 Redwood Avenue of comparable size to the Premises, and all of the terms and provisions of this Lease shall apply to the new space with equal force and effect. LESSEE agrees to move within ten days written notice by LESSOR

B. LESSEE accepts the Premises in "as is" condition.

C. LESSEE may have access to the Premises on a 24/7. LESSEE acknowledges that it is leasing premises in a residential building and the use of telephones, computers and other office equipment, and radios, etc., shall be in a manner and at a volume that will not interfere with the quiet enjoyment of the residents.

#### 2. FACILITIES USE AGREEMENT:

A. LESSEE will enter into a Facilities Leases Agreement in lieu of rent payments.

#### 3. LEASE TERM:

A. LESSOR grants to LESSEE a tenancy for One Year, commencing on \_\_\_\_\_ in the following property. This LEASE may be extended annually for up to four (4) additional years.

B. Either party shall have the right to cancel this Lease at no cost or penalty by giving the other party thirty days written notice.

C. Any holdover tenancy beyond the initial or subsequent lease terms shall be on a month-to-month basis on the same terms and conditions as stated herein

#### 4. USE AND REPORTS:

A. The Premises shall be used by LESSEE only for purposes related to operation of Assisted Living Waiver Program. This program allows Blossom Ridge to partner with the Housing Authority of the City of Sacramento to provide public housing

residents with services in their home which may include: meal preparation, medication management, personal care, housekeeping, laundry, and skilled nursing services. If LESSEE wishes to use the Premises for any additional uses and/or services not included in this Lease, LESSEE must describe in writing the intended uses and/or services and obtain LESSOR'S written approval.

B. LESSEE shall have the right to share use of the Common Area and the restrooms in the Premises.

C. LESSEE shall have access to its resident participants on a 24/7 basis.

D. LESSOR is providing the Premises to LESSEE at a discounted rental rate to enable LESSEE to more cost effectively provide and focus its services to LESSOR'S residents and, therefore, non-residents will not be served from the Premises.

E. LESSEE shall provide to LESSOR recurring written reports that must be received by LESSOR via email or mail no later than five business days after each calendar month. Reports shall include the following items:

1. Number of resident participants.
2. A summary of the LESSEE'S activities over the preceding month.

**5. PARKING:**

Parking is not available. LESSEE acknowledges that LESSEE and its employees will make their own arrangements for off-site parking.

**6. UTILITIES:**

A. Utilities are included in this Lease for the Premises.

**7. MAINTENANCE AND JANITORIAL:**

A. LESSOR shall designate sources to be called when repairs are required. Said sources shall be called in the event LESSEE is unable, within a reasonable time, to make contact with LESSOR for LESSOR'S aforementioned maintenance/repair responsibilities.

B. LESSEE shall at its cost provide janitorial service in its Premises.

**8. SECURITY SYSTEM:**

A. LESSOR agrees that it will provide LESSEE with a proprietary lock for the Premises with access available only to LESSEE and the Site Manager.

**9. ALTERATIONS BY LESSEE:**

A. LESSEE is responsible for the construction and installation of all tenant improvements required to conform the Premises to LESSEE'S needs, if any are required, including all associated costs. Provided, however, LESSEE must obtain LESSOR'S written approval of the proposed tenant improvements before commencement of any of the work. The estimated costs for construction of the tenant improvements are set forth in the attached "Exhibit D: Schematic Construction Estimate". LESSEE shall immediately pay all costs of labor, services, and materials supplied in prosecution of any work to be done on the Premises, if such work is approved. LESSEE shall keep the Premises free and clear of all mechanics liens and any other liens. All completed work must be approved by LESSOR, in addition to any required City approvals, before LESSEE commences its operations on the Premises.

B. LESSEE may make no other alterations to the Premises without the prior written consent of LESSOR.

#### **11. LESSEE OWNED ITEMS:**

All permanent fixtures, partitions or other improvements made or installed under the requirements of this Lease, by either LESSOR or LESSEE, shall remain the property of the LESSOR. LESSEE shall repair any damage to the leased premises resulting from removal of any fixture, partition, or other improvement installed by LESSEE.

#### **12. INSURANCE:**

During the Lease Term, LESSEE must maintain the following insurance coverage from insurance providers licensed to do business in California and having an industry rating that is reasonably acceptable to LESSOR. Failure to maintain the required insurance is a material breach of this Lease. Before beginning any work under this Lease, LESSEE must provide LESSOR with certificates of insurance or copies of the insurance policies demonstrating the required coverage, and the required endorsements naming LESSOR as an additional insured. LESSEE must assure that such certificates and endorsements are in a form reasonably acceptable to the LESSOR and reflect fulfillment of all of the requirements of this Lease. LESSEE must assure that the coverage afforded under the policies can only be canceled after thirty (30) days prior written notice to the LESSOR of the pending cancellation. LESSEE must mark such notice to the attention of the LESSOR's Procurement Services Office at the following address:

SACRAMENTO HOUSING & REDEVELOPMENT LESSOR  
801 12<sup>th</sup> Street  
Sacramento, California 95814

A. The required insurance coverage is the following: (i) One Million Dollars (\$1,000,000) or more of commercial general liability coverage, with a minimum aggregate of \$2,000,000, including, without limitation, coverage for professional liability, public liability and property damage and having a deductible of \_\_\_\_\_ Dollars (\$) or less; (ii) if motor vehicles are used in connection with this Lease, Five Hundred Thousand Dollars (\$500,000) or more of automobile liability coverage having a deductible of Five Thousand Dollars (\$5,000 ) or less; and statutory limits or more of

workers compensation coverage for all employees of LESSEE and all others doing Lease work. The general liability policies shall be endorsed to name the LESSOR as an additional insured.

B. Cancellation: LESSEE will provide the LESSOR with the cancellation clause and/or any amendatory endorsements that modify or change the policy cancellation clause of the insurance policies in force. It is the LESSEE's responsibility to notify the LESSOR of any notice of cancellation, non-renewal or non-payment of premium in accordance with your policy provisions. In the event insurance is cancelled or not renewed, the LESSEE shall notify the LESSOR within forty eight (48) hours of such cancellation or non-renewal.

\_\_\_\_\_  
**LESSEE's Initials**

**13. RISK OF HAZARDS:**

LESSEE shall not do anything on the premises, nor bring or keep anything thereon which will in any way increase the risk of fire or the rate of insurance, or which shall conflict with the regulations of any fire district having jurisdiction.

**14. LICENSES and PERMITS.** LESSEE at all times during the Term of this Lease, remain in good standing with the California Department of Health Care Services-Long Term Division, maintain a current license from the California Department of Public Health, and maintain local business and occupancy permits as may be required. Failure to maintain these licenses and the applicable permits will constitute a material breach by LESSEE of this Lease.

**15. NON-DISCRIMINATION:**

The LESSEE herein covenants by and for itself, and LESSEE'S heirs, administrators, and assigns, and all person claiming under or through LESSEE that this Lease is made and accepted on the following conditions: that there shall be no discrimination against or segregation of any person or group of persons, on basis of on race, color, national origin, religion, sex, sexual orientation or gender identity, familial status, language proficiency, age or disability in the leasing, sub-leasing, transferring, use, provision of services, occupancy, tenure, or enjoyment of the premises herein leased nor shall the LESSEE or any person claiming under or through the LESSEE establish or permit any such practice or practices of discrimination or segregation with reference to the selection, location, number, use, or occupancy of tenants, lessees, sub-lessees, subtenants or vendees in the Premises herein leased.

**16. INDEMNIFICATION:**

LESSEE agrees to indemnify, defend and hold LESSOR and LESSOR'S governing boards, employees, agents, and contractors harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments arising by reason of any death, bodily injury, personal injury, or property damage resulting from any cause occurring in or about or resulting from an occurrence in or about Premises

during the Lease term; the negligence act or omission or willful misconduct of LESSEE or LESSEE'S agents, employees, and contractors wherever it occurs; or, an Event of LESSEE'S default. The provisions of this paragraph shall survive the expiration or sooner termination of this Lease.

**17. SUCCESSORS-IN-INTEREST:**

LESSEE may not transfer or assign this Lease. Any purported assignment of this LEASE by LESSEE or any interest in this Lease shall be void and of no effect.

**18. WRITTEN COMMUNICATIONS:**

A. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party pursuant to this Lease shall be in writing and either served personally or sent by prepaid, first class, certified mail.

Such matters shall be addressed to the other party at the following address:

**To LESSOR at:**

Housing Authority of the City of  
Sacramento  
801 12th Street, Fifth Floor  
Sacramento, CA 95814  
Attention: Assistant Director

Phone No. (916) 449-6302  
Fax No. (916) 442-3718

**To LESSEE at:**

Blossom Ridge Home Health Agency  
  
Attention: Director of Operations

Phone No. (800) 991-6147  
Fax No. (916) 520-3713

or such other address as a party may designate to the other by notice.

B. Any matter mailed pursuant to this paragraph shall be deemed communicated within forty-eight (48) hours from the time of mailing.

**19. RIGHT AND REMEDY:**

No delay or omission in the exercise of any right or remedy of either party on any default of the other party shall impair such a right or remedy or be construed as a waiver of such default. Any waiver by either party of any default of the other party shall be in writing and shall not be a waiver of any other default concerning the same or any other provisions of the Lease.

**20. RULES AND REGULATIONS:**

LESSEE'S occupancy and use of the Premises shall at all times be conducted in manner that is in compliance with LESSOR'S Rules and Regulations as promulgated from time to time at the sole discretion of LESSOR. Violation of these Rules and



Regulations will be a default by LESSEE, in which case LESSOR may terminate this Lease on 48 hours written notice.

**LESSOR:**

HOUSING AUTHORITY OF  
THE CITY OF SACRAMENTO, a public  
body, corporate and politic

**LESSEE:**

BLOSSOM RIDGE HOME HEALTH AGENCY  
LLC, a California limited liability company

By: \_\_\_\_\_

La Shelle Dozier  
Executive Director

By: \_\_\_\_\_

Gerald G. Agustin  
Authorizing Agent

DATE: \_\_\_\_\_

DATE: \_\_\_\_\_

APPROVED AS TO FORM:

\_\_\_\_\_  
AGENCY COUNSEL





April 10, 2014

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

**SUBJECT:**

Report Back on City and County Biannual Residual Distributions of Redevelopment  
Property Tax Trust Fund ("Boomerang funds")

**SUMMARY**

The attached report is submitted to you for review.

**RECOMMENDATION**

There is no specific staff recommendation on this item.

Respectfully submitted,

  
LASHELLE DOZIER  
Executive Director

Attachment

April 16, 2014



Sacramento Housing and Redevelopment Commission  
Sacramento, California

Honorable Members in Session:

**SUBJECT** Report Back on City and County Biannual Residual Distributions of Redevelopment Property Tax Trust Fund (“Boomerang funds”)

**RECOMMENDATION** - Review and provide direction.

**CONTACT PERSONS**

LaShelle Dozier, Executive Director, 440-1319

**SUMMARY**

At the April 2, 2014 SHRA Commission meeting, the Chair requested that an item be placed on the agenda to allow the Commission to discuss and take possible action related to the distribution of Redevelopment Property Tax Trust Funds also know as “Boomerang funds”. At the conclusion of that discussion, staff was directed to place the item on the agenda at the April 16, 2014 meeting and provide the following: 1) information on the amount of funds potentially available through the Redevelopment Property Tax Trust Fund (RPTTF), 2) review of the activities of other jurisdictions related to the RPTTF, and 3) a draft SHRC resolution to encourage City and County support for affordable housing funding. A draft SHRC resolution related to this item is attached. The following provides background and the report back on the other items requested by the Commission.

**BACKGROUND/ANALYSIS**

Until their recent dissolution, 15 redevelopment areas existed in the City of Sacramento and the unincorporated area of the County of Sacramento. Each area was funded by a portion of the incremental property tax levied within its project area boundaries and was required to put 20 percent of its gross tax-increment revenue into a Low-Moderate Income Housing Fund (LMIHF) to be used for the development of affordable housing. The LMIHF provided the largest single source of local funding for local housing projects. Sacramento Housing and Redevelopment Agency administered all the functions for the

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Sacramento Housing and Redevelopment Commission  
April 16, 2014  
Page 2

RDAs and typically provided LMIHF money to housing projects as long-term low-interest loans.

When the RDAs were dissolved statewide by the State of California, a jurisdiction could elect to perform the housing functions and retain the housing assets of the former redevelopment agency or designate its housing authority to perform those functions. The City and County both designated their respective Housing Authority, staffed by SHRA, to perform the housing functions and retain the housing assets of the former city and county redevelopment agencies. The Housing Authorities were allowed to retain LMIHF funds for enforceable obligations, but were required to liquidate uncommitted balances and transfer them to the County Auditor-Controller for distribution according to a state adopted formula. At the point of elimination on February 1, 2012, neither the former Redevelopment Agencies of the City or County of Sacramento nor the County of Sacramento held any uncommitted LMIHF per the final determination from the Department of Finance.

Since 2012, as the wind down of redevelopment has continued, the Sacramento County Auditor-Controller office continues to distribute property tax increment in excess of the amounts required to retire the obligations of the former RDAs to affected taxing entities in accordance with the state adopted formula. This formula distributes residual property tax increment based upon each taxing entities proportionate share of the underlying tax rate areas of the former redevelopment project areas.

### **Funds potentially available through the Redevelopment Property Tax Trust Fund (RPTTF)**

The residual property tax increment the City and County of Sacramento receive are now considered unrestricted General Funds. The City and County have complete discretion over their use. Had the dissolution of redevelopment not occurred these funds would be allocated to the RDA and a portion of them would have been deposited into the LMIHF. Prior to dissolution, the City RDA was required to deposit approximately 26 percent of all tax increment into the LMIHF as a result of SB 211 plan extensions in the Downtown and Del Paso Heights project areas. The County RDA was required to deposit no less than 20 percent of all tax increment into the LMIHF.

For informational purposes, please see Attachment 1 for an analysis of the amounts distributed to the City and County of Sacramento from the two most recent recognized obligation payment schedule (ROPS) cycles (July 2013-June 2014). In summary, the County Auditor-Controller distributed approximately \$2.6M (\$1.3M City and \$1.3M County) in residual property taxes.

## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY


Sacramento Housing and Redevelopment Commission  
April 16, 2014  
Page 3

### Review of activities of other jurisdictions

A number of other jurisdictions in Northern California have already designated Boomerang funds for affordable housing, or are in the process of doing so including:

- **City of Oakland:** Adopted Ordinance to designate 25% of unbudgeted "boomerang" funds to be deposited into the City's Affordable Housing Trust Fund.
- **San Mateo County:** Allocated 100% of 2012 one-time boomerang funds and 20% of ongoing boomerang funds to affordable housing.
- **Santa Clara County:** Allocated 100% of 2012 one-time boomerang funds and 20% of ongoing boomerang funds to affordable housing.
- **City of Fremont:** Allocated 100% of 2012 one-time boomerang funds and 20% of ongoing boomerang funds to affordable housing.
- **City of San Leandro:** Allocated \$350,000 per year in boomerang funds for affordable housing.
- **City of Emeryville:** Allocated 100% of 2012 one time boomerang funds and 20% of ongoing boomerang funds to affordable housing.

Respectfully submitted,



LA SHELLE DOZIER  
Executive Director

## **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.**

### **RESOLUTION SUPPORTING THE CITY AND COUNTY ALLOCATING ITS BIENNIAL RESIDUAL DISTRIBUTIONS FROM REDEVELOPMENT PROPERTY TAX TRUST FUND "BOOMERANG FUNDS" TO AFFORDABLE HOUSING**

ON DATE OF

**April 16, 2014**

WHEREAS, the Sacramento Housing and Redevelopment Commission has a long-standing commitment to the preservation and development of affordable housing for very-low, low and moderate income households throughout Sacramento.

WHEREAS, affordable housing has long been identified by both the City and County as a priority need. The Regional Housing Needs Allocation for Sacramento has identified that 13,768 new affordable units will be needed in the City and County of Sacramento within the next eight years.

WHEREAS, prior to the dissolution of redevelopment in California, redevelopment funding was the largest single source of affordable housing funds in Sacramento and redevelopment agencies were required to set aside at least twenty percent of gross tax increment funds into a low and moderate income housing fund to provide funding for affordable housing.

WHEREAS, with the dissolution of redevelopment agencies, these funds are no longer available and other critical state and federal housing resources have diminished significantly.

WHEREAS, ABX 26, AB 1484, and other statutes governing the dissolution of redevelopment agencies and the wind-down of redevelopment activities provide for the



distribution of funds to taxing entities, including cities and counties, in a variety of circumstances, including, among other things, ongoing distributions of property tax from the Redevelopment Property Tax Trust Fund ("RPTTF") from funds not needed by successor agencies to fulfill enforceable obligations, distributions of sales proceeds and other revenues from the use or disposition of assets of successor agencies, and distributions of available cash assets of successor agencies.

WHEREAS, the housing needs of lower income families, seniors, individuals with disabilities and workers continue to grow (add a few stats). And homelessness in the City and County continues and is exacerbated by the loss of funding resources.

**BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:**

Section 1. The Sacramento Housing and Redevelopment Commission (SHRC) reaffirms its commitment to the production of decent, safe and sanitary affordable housing, and strongly encourages the City and County of Sacramento to do likewise.

Section 2. The SHRC strongly urges the City and County of Sacramento to maintain its strong leadership in providing ongoing financial assistance to develop and maintain affordable housing in Sacramento. Toward this end, the City and County are urged to place all or a significant portion of monies contributed pursuant to Redevelopment Property Tax Trust Fund (RPTTF), on an ongoing basis, into accounts for affordable housing.

Section 3. The SHRC urges that this policy apply to distributions from the RPTTF under California Health and Safety Code Section 34183 starting in Fiscal Year 2014 -2015.

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CHAIR

ATTEST:

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CLERK