



INVESTING IN COMMUNITIES

NOTICE OF MEETING
**Sacramento Housing and Redevelopment
Commission**

Wednesday, May 2, 2012 - 6:00 p.m.
801 12th Street, Sacramento, Commission Room

ROLL CALL

APPROVAL OF AGENDA

APPROVAL OF ACTION SUMMARY SYNOPSIS

1. Synopsis – April 18, 2012

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 cell phones or pagers that they have in their possession.

PUBLIC HEARING

3. 2012 One-Year Action Plan and Prior Year Action Plan Amendments and Amendment to the Sacramento Housing and Redevelopment Agency (Agency) Budget-City Report
4. 2012 One-Year Action Plan And Prior Year Amendments And Amendment To The Sacramento Housing And Redevelopment Agency (Agency) Budget- County Report
5. Disposition of Housing Authority Property at 8380 Kastanis Way

BUSINESS ITEM

7. Appointment of Sacramento Housing and Redevelopment Agency Commissioner to the Sacramento Heritage Board

PRESENTATIONS

8. Section Eight Management Assessment Program (SEMAP) Overview
9. Housing Authority Sacramento Municipal Utility District (SMUD) grant

EXECUTIVE DIRECTORS REPORT

Activities Calendar

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

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



SYNOPSIS

**Sacramento Housing and Redevelopment Commission (SHRC)
April 18, 2012**

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Chair Josh Rosa.

PRESENT: Alcalay, Chan, Gore, Johnson, Le Duc, Morton, Morgan, Rosa, Stivers

ABSENT: Fowler, Shah

STAFF PRESENT: Vickie Smith, David Levin, LaShelle Dozier, Nick Chhotu, Christine Weichert, Steve Lierly

APPROVAL OF AGENDA

The Chair announced that items 3 and 4 would be presented together.

1. **APPROVAL OF ACTION SUMMARY SYNOPSIS**

Action Summary Synopsis for March 7, 2012 was approved.

2. **CITIZEN COMMENTS**

none

PUBLIC HEARING

3. **Tax Equity And Fiscal Responsibility Act (TEFRA) Hearing --Request For Approval Of Tax-Exempt Bonds For Township 9 Affordable Housing Project - county report**

4. **Approval of Loan Commitment for Township Nine Affordable Housing Project – city report**

Steve Lierly, Housing Finance Analyst, presented the item.

Commissioner Chan asked if there had been a change to the development team. Staff indicated that there is a different team for the larger commercial/residential project and that this has always been the team for the affordable housing development project.

Commissioner Johnson asked if the principal's on the development team are being asked to make personal guarantees for the project. Staff indicated that this is not

required per the Agency's underwriting guidelines. Tax Credit equity helped to make the deal viable.

Commissioner Morgan asked if public housing residents would be able to occupy these units. Staff indicated that the Township 9 developer is working with the Housing Authority's Choice Neighborhoods team at Twin Rivers and that having public housing residents move to these units is being discussed.

Commissioner Alcalay asked about the timeline for the project. Staff indicated that the construction is scheduled to begin in the fall of 2012 and be completed at the end of 2014.

Commissioner LeDuc asked for information about the supplemental assessment which staff provided.

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

AYES: Alcalay, Chan, Gore, Johnson, Le Duc, Morgan, Morton, Rosa, Stivers

NOES: none

ABSENT: Fowler, Shah

EXECUTIVE DIRECTORS REPORT

La Shelle Dozier reviewed the following items:

- Activities Calendar
- SHRA Staffing update
- Next meeting will be May 2nd
- Commissioner Fowler is out due to illness
- Oversight Board update – Commissioner Rosa appointed to County Oversight Board
- Reminder about conflict of interest forms

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Alcalay asked who the staff was for the Oversight Board. LaShelle indicated that SHRA staff were helping with the County Oversight Board and that City staff were managing the City's board in its entirety.

Commissioner Alcalay asked for an update about the K Street development Project which staff provided.

Commissioner Morton asked to be notified when new management takes over at public housing developments in the future.

SHRC Synopsis
April 18, 2012

ADJOURNMENT

As there was no further business to be conducted, Chair Rosa adjourned the meeting at 6:25 p.m.

AGENCY CLERK



May 2, 2012

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2012 One Year Action Plan and Prior Year Action Plan Amendments and Amendment to the Sacramento Housing and Redevelopment Agency Budget

SUMMARY

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

RECOMMENDATION

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

Respectfully submitted,



LA SHELLE DOZIER
Executive Director

Attachment



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

**Consent
May 22, 2012**

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

**Title: 2012 One-Year Action Plan and Prior Year Action Plan Amendments and
Amendment to the Sacramento Housing and Redevelopment Agency (Agency)
Budget**

Location/Council District: Citywide

Recommendation: Adopt 1) a **City Council Resolution:** a) approving amendments to the 2012 One-Year Action Plan Budget and prior year Action Plan and the Agency Budget to allocate funding for programs and projects in accordance with the amendment of the 2012 and prior year Action Plan, b) authorizing the Sacramento Housing and Redevelopment Agency (Agency) to submit the amendments to the 2012 One-Year Action Plan and prior year Action Plan to the U.S. Department of Housing and Urban Development (HUD) and execute documents necessary for the continued administration of federal funds, c) authorizing SHRA to execute agreements and contracts with the appropriate entities to carry out the funded activities, d) approving the revised Citizen Participation Plan and 2) a **Housing Authority Resolution** a) authorizing the Executive Director, or her designee, to amend the Agency Budget to allocate funding for programs and projects in accordance with the amended 2012 and prior year Action Plan, b) authorizing the Executive Director to execute documents necessary for the continued administration of federal funds.

Contact: Geoffrey Ross, Program Manager, 440-1357

Presenters: n/a

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: This report requests approval of: 1) the Mid-Year 2012 One-Year Action Plan Update, 2) proposed amendment to prior year Action Plan, and 3)

submission of the revised documents to HUD. The 2012 One-Year Action Plan describes community development activities funded by the City through the use of federal community development funding originating from HUD, and any amendments are required to be submitted to HUD each year. Please refer to Attachment 1, and Exhibits A and B to the City Resolution for funding recommendations which must be completed in the next 18 months as required by HUD.

Policy Considerations: The recommended actions are consistent with the City of Sacramento's 2008-12 Consolidated Plan adopted October 23, 2007.

Environmental Considerations:

California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA): Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). These actions constitute updates to existing planning studies, budget amendments, and designation of authority to carry out activities associated with the allocation of funding only. These actions do not constitute approval for any specific projects, or the allocation of funding to any specific projects, that may have an adverse effect on the environment. As such, these actions are exempt from or do not require environmental review under CEQA or NEPA.

All new federally funded projects are subject to environmental review under the requirements of the National Environmental Policy Act (NEPA) and per HUD regulations prior to any commitment of federal funds for expenditures, unless they are exempt from such review. Commitment of funding for new projects that could result in a direct or indirect physical change to the environment is subject to environmental review under the California Environmental Quality Act, (CEQA) if implementation of the projects is authorized as part of the budgeting process. Therefore, the appropriate level of CEQA and/or NEPA review will be carried out for individual projects under this plan as they are identified.

Sustainability Considerations: The Projects included in this report have been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the contents of this report will advance the following goals, policies and targets as follows: the project supports Goal number four – Materials Resources; to reduce water consumption and Goal number five-Public Health and Nutrition; to provide safe and healthy housing for public housing residents.

Committee/Commission Action: *Sacramento Housing and Redevelopment Commission:* At its May 2, 2012 meeting, the Sacramento Housing and Redevelopment Commission held a duly noticed public hearing to meet the citizen participation requirements set forth in 24 CFR part 91. The votes were as follows:

AYES:

NOES:

ABSENT:

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 following year using goals and priorities described in the Consolidated Plan. Any amendments to the One-Year Action plan must also be submitted to HUD. The proposed de-funding and appropriation of funds to new and existing activities, which can be completed within 18 months, are consistent with the goals and objectives of the City of Sacramento's 2008-2012 Consolidated Plan, approved by the Council on October 23, 2007. Please refer to Attachment 4 for the Consolidated Plan summary through year four.

Financial Considerations: This report recommends: authorizing the Agency to accept the second 2011 fiscal year ESG allocation of \$142,805 bringing the 2011 ESG total allocation to \$396,680 (Exhibit C), and amending the Agency budget. Staff also recommends allocating \$25,000 from Unallocated Capital Reserve to the 2012 Bannon Street Frontage Improvement Project (Exhibit B).

M/WBE Considerations: Minority and Woman's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. To the extent possible, the Agency shall encourage all participants to hire locally and to partner with emerging small businesses

Respectfully Submitted by:



LA SHELLE DOZIER
Executive Director

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	Exhibit B: Amendment to 2012 One-Year Action Plan	pg. 11
	Exhibit C: Recommendation for Use of ESG	pg. 12
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4	Consolidated Plan Summary through Year 4	pg. 17

Background

This staff report amends the 2012 One-Year Action Plan and identifies new activities, reprograms previous years' funds, and details the use of the funds based upon Consolidated Plan priorities adopted by the City Council on October 23, 2007. The 2012 One-Year Action Plan was approved by the City Council on November 1, 2011 and submitted to HUD on November 15, 2011. The funding levels for the Community Development Block Grant (CDBG) program, HOME Investment Partnership (HOME) program, Housing Opportunities for Persons with AIDS (HOPWA) program, and the Emergency Solutions Grant (ESG) program were based on the 2011 grant formula allocations and the commitment that funding for federal domestic programs would continue at 2011 levels for three years.

The funding commitment will not continue at the 2011 levels and two federal community development entitlement grants have been substantially reduced. For the Fiscal Year 2010 through Fiscal Year 2012 the CDBG and HOME programs were reduced by 35 percent and 50 percent respectively. The HOPWA program funding remained level and the ESG program received an increase based upon the implementation of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. As part of the 2012 Action Plan the City Council approved the amendment to the ESG program that included the new provisions of HEARTH. This staff report updates the corresponding activities for the implementation of ESG using the 2011 and 2012 program-year funds.

2008-12 Consolidated Plan Update (24 CFR part 91)

This staff report is likely to be the final report for the current 2008-2012 Consolidated Plan. As such, Attachment 3 to the staff report provides the most current information to date reflecting the Consolidated Plan accomplishments through year four.

HOPWA (24 CFR part 574)

As part of the 2012 Action Plan the Agency assumed the administration of the HOPWA program from the County of Sacramento Department of Human Assistance (DHA). In assuming the role of administrator the Agency is in the process of entering into new contracts with providers. AIDS Housing Alliance has requested and the Agency is recommending as part of this staff report a modification to the HOPWA activity "HOPWA – AIDS Housing Alliance – Steven Place" to include two additional sites, Hidden Cove and Cornerstone, to carry out housing and onsite supportive services.

ESG (24 CFR part 576)

The Emergency Solutions (formerly "Shelter") Grant (ESG) program provides homeless persons with basic shelter and essential supportive services. ESG funds can be used for a variety of activities, including: rehabilitation or remodeling of a building used as a new shelter; operations and maintenance of a facility; essential supportive services; and homeless prevention.

This program is managed by DHA. ESG received \$253,875 in the first round of 2011 Fiscal Year (FY) funding; to receive funds from the second round of the FY 2011 allocation, recipients must amend their 2011 One-Year Action Plan. The second round funding is \$142,805 for a total of \$396,680. The ESG allocation formula is based on the CDBG allocation formula.

The revised federal regulations for the ESG program establishes the new requirements for the program and making corresponding amendments to HUD's Consolidated Plan regulations found at 24 CFR part 91. The ESG program builds upon the previously existing Emergency Shelter Grants program, but places greater emphasis on helping people quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The key changes that reflect this new emphasis are the expansion of the homelessness prevention component of the program and the addition of a new rapid re-housing assistance component. The homelessness prevention component includes various housing relocation and stabilization services and short- and medium-term rental assistance to help people avoid becoming homeless. The rapid re-housing assistance component includes similar services and assistance to help people who are homeless move quickly into permanent housing and achieve stability in that housing. Exhibit C contains a more detailed overview and recommendation as to how DHA in coordination with Sacramento Steps Forward (SSF) is preparing to allocate the second round of funding.

Citizen Participation Plan (24 CFR part 91)

During the process of developing the Consolidated Plan and/or Action Plan prior to authorizing the use of federal funds on a program or activity a jurisdiction must notify its citizens and provide an opportunity for comment. This outreach to the public and interested parties is defined as part of the Citizen Participation Plan wherein the appropriate contact for each program is identified. The Citizen Participation Plan is being amended for the HOPWA (24 CFR part 574) program to reflect a change in the contact information. The contact information is being changed from DHA to the Agency since the Agency as part of the 2012 Action Plan is now administering the program on behalf of the City. The Sacramento Housing and Redevelopment Agency administers funds on behalf of the City of Sacramento and the counties of El Dorado, Placer, Sacramento and Yolo.

The HOPWA program provides grant funds to design long-term, comprehensive strategies for meeting the housing needs of low- and moderate-income people living with HIV/AIDS. HOPWA funds can be used for acquisition, rehabilitation, or new construction of housing, rental assistance and related supportive services.

Administration of Federal Housing and Community Development Funds

Since 1982 the Sacramento Housing and Redevelopment Agency (SHRA) has managed and administered federal housing and community development funds on behalf of the City and County and served as the federal housing and community development staffing entity pursuant to an agreement between the City and County and its redevelopment agencies and its housing authorities.

The City and County consolidated its staffing to achieve close coordination of redevelopment and public housing functions, provide budget savings for operation and overhead, eliminate duplicate staffing efforts, and to seek federal and other funding opportunities.

The consolidation of multiple departments from different jurisdictions under the control of one executive director who is directly accountable to the City and the County governing boards is a key element to the success of the governance and legal structure of SHRA. This structure has been recognized on a statewide and national level as a model for multi-jurisdictional efficient use of housing and community development funds.

Recently HUD invited SHRA to serve as one of five national participants piloting the development of HUD's new Consolidated Planning Tool. SHRA's unique multi-jurisdictional structure provides for an integrated and highly efficient administration of federal, state and local resources and has given SHRA a national reputation as a leader in the housing and community development field. The composition of SHRA as a joint powers authority between the City and the County, serves as a collaborative model that leverages planning efforts and housing and community development funds and is a best practices model that HUD wants to build upon and replicate nationally. HUD is moving towards a model of planning that is multi-jurisdictional and better integrates HUD's different Offices of Community Planning and Development and Public Housing. The integration of these two offices further improves the interaction between the Continuum of Care and entitlement jurisdictions which is a key component of the new HEARTH Act. Likewise, this better aligns HUD programs to leverage transportation and environmental programs administered out of the US Departments of Transportation and the Environmental Protection Agency. This puts the City and County of Sacramento at the forefront of national program and policy development and positions the Sacramento Region to better compete for additional federal resources such as the Choice Neighborhood Initiative and Sustainable Communities grant awarded to the Agency last year.

RESOLUTION NO. 2012 -

Adopted by the Sacramento City Council

On date of

ADOPTION OF THE 2012 ONE-YEAR ACTION PLAN AMENDMENT, COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIP PROGRAM, HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS, AND EMERGENCY SOLUTIONS GRANT PROGRAMS; AMENDMENT OF PRIOR YEAR ACTION PLAN; AND AMENDMENT OF THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (AGENCY) BUDGET

BACKGROUND

- A. In 1982, the City and the County of Sacramento transferred the management and administration of the Community Development Block Grant program (CDBG) to the Sacramento Housing and Redevelopment Agency via a master agreement with its Housing Authority and its Redevelopment Agency.
- B. On October 23, 2007, the Sacramento City Council adopted the 2008-2012 Consolidated Plan by Resolution 2007-770. The Consolidated Plan identifies the City's housing and community development needs and describes long-term strategy for meeting those needs. In addition, it specifically addresses federally funded housing and community development programs: CDBG, HOME Investment Partnership Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter (now Solutions) Grant (ESG) Programs.
- C. On November 1, 2011, the Sacramento City Council approved the 2012 One-Year Action Plan by Resolution 2011-605.
- D. HUD requires the annual submittal of a One-Year Action Plan describing proposed activities and expenditures for the following year using the goals and priorities of the Consolidated Plan.
- E. A noticed public hearing soliciting comments on the Mid-Year update to the 2012 One-Year Action Plan, prior year Action Plan, and Agency budget was held by the Sacramento Housing and Redevelopment Commission on May 2, 2012.

- F. These actions constitute updates to existing planning studies, budget amendments, and designation of authority to carry out activities associated with the allocation of funding only. These actions do not constitute approval for any specific projects, or the allocation of funding to any specific projects, that may have an adverse effect on the environment. As such, these actions are exempt from or do not require environmental review under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA).

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, including environmental findings regarding this action, as stated above, are true and correct and are hereby approved.
- Section 2. The 2012 One-Year Action Plan is revised and amended to cancel currently funded projects and to add the new projects included as Exhibits A and B to this resolution.
- Section 3. The Agency is authorized to amend the Agency Budget to allocate \$142,805 ESG Second Fiscal Year 2011 Allocation, as set forth in Exhibit C to this resolution, for a total allocation of \$396,680.
- Section 4. The Agency is authorized to submit the amended 2012 One-Year Action Plan and prior year Action Plan to HUD, and by action of its Executive Director, execute all necessary agreements to implement the recommended activities described in the amended 2012 One Year Action Plan and prior year Action Plan.
- Section 5. The Agency is authorized to revise the Citizen Participation Plan to reflect that the Agency now serves as the administrator for the HOPWA program which transitioned from the Sacramento County Department of Human Assistance as part of the approved 2012 Action Plan.

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- Exhibit A: Unallocated Capital Reserve New Project Funding Recommendation
Exhibit B: Amendment to 2012 One-Year Action Plan
Exhibit C: ESG Allocation

**City of Sacramento
Unallocated Capital Reserve
Project Funding Recommendation**

The Unallocated Capital Reserve Fund is an account for overruns in capital improvement activities and to fund previously approved or newly approved projects. The proposed newly funded activity is scheduled to be implemented and completed by December 31, 2013 to comply with federal regulations governing the timely expenditure of funds.

CDBG		
Recommendation	Amount	Fund
<p>Capital Reserve: Fund reserve account for overruns in capital improvement activities and to fund budgeted activities to the extent necessary to implement and ensure the timely completion of the activities.</p> <p>Staff recommends funds to be allocated to the Bannon Street Frontage Improvement Project (Exhibit B).</p>	\$25,000	CDBG
Total	\$25,000	CDBG

**City of Sacramento
Amendment to 2012 One-Year Action Plan**

This report formally amends the 2012 Action Plan by augmenting a new project with CDBG. This activity has been identified as one that needs immediate funding. Also, this adjustment will facilitate timely expenditures as required by HUD.

CDBG		
Recommendation	Amount	Fund
Bannon Street Frontage Improvement Project: Funds will provide for the design and construction of street improvements (curb, gutter, sidewalk and driveway) along Bannon Street adjacent to the Sacramento Water Treatment Plant property.	\$25,000	CDBG
Total	\$25,000	CDBG

Recommendations for Use of: Emergency Solutions Grant Funding (“ESG”)**ESG Overview**

As part of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act implementation under the Obama Administration in 2009, **HUD is providing new Emergency Solutions Grant (ESG) funding and encouraging communities to focus as much of their funding as possible on rapidly rehousing persons who are literally homeless in order to reduce the number of persons who are living in shelters and on the streets.** On November 15, 2011, HUD released the Interim Rule containing regulations governing the use of ESG. HUD is in the process of finalizing further technical assistance products that will provide additional information and assistance.

The ESG program is modified significantly by the HEARTH Act and these regulations, with the intent to build upon the existing ESG program while placing new emphasis on assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. This emphasis comes in the form of an expanded set of eligible activities, including housing relocation and stabilization services, and short- and medium-term rental assistance to prevent people from becoming homeless or assist them to move from homelessness to permanent housing. These new activities closely resemble those offered under the Homelessness Prevention and Rapid Re-Housing Program (HPRP) and ensure continuity between HPRP and ESG.

For 2011 Sacramento was expected to receive two allocations of funding. The first allocation of \$510,734 has been received for both the City and County of Sacramento, and is subject to the existing ESG program regulations. The Department of Human Assistance (DHA) oversees the funding and is currently contracting for two shelters for individuals: North A Street with a capacity of 80 beds for men and Salvation Army with a capacity of 58 beds for men and women with this funding.

The second allocation for 2011, totaling \$286,366 for the City and County of Sacramento (City-\$142,805 and County-\$143,561), has not yet been received and **must exclusively be used for homeless prevention assistance, rapid rehousing assistance, Homeless Management and Information System (HMIS), and administration, in accordance with this interim rule.** To receive the second allocation, recipients will have to prepare a Substantial Amendment to their Consolidated Plan. There are different expenditure limits which further restrict eligible activities for our community. **Due to the amount of funding that is currently used in existing emergency shelter programs, Sacramento is not able to spend any of the second allocation for street outreach or emergency shelter programs.** We are held to the amount of \$510,734 of fiscal year 2010 ESG committed for homeless assistance activities. The cap for administrative costs has increased to 7.5% for both allocations combined. Under the ESG criteria recipients were held to 5% on administrative activities. Currently DHA, as the recipient, receives no administrative funding. The two ESG funded emergency shelters receive a total of \$16,184 in administrative funding. Under the new interim rule Sacramento will be eligible to a total of \$59,782, an increase of \$43,598. This must be completed soon, as the timeline for submission is May 15, 2012. Reprogramming of first allocation funds is also eligible but must also be included in the Substantial Amendment.

In addition to making changes to implement the HEARTH Act amendments to the McKinney-Vento Act, this interim rule includes changes such as aligning the ESG program with other HUD programs with the goal of increasing efficiency and coordination among the different programs. This includes consultation with the Continuum of Care and Sacramento Steps Forward (SSF) as the Lead Agency

for the community. The significant changes and eligible activities to support costs can be summarized as follows:

- Street outreach
- Emergency shelter
- Homeless prevention
- Rapid rehousing assistance
- HMIS, and
- Administration

Future Considerations

Recipients will be required to use a coordinated assessment system, however, the interim rule does not require a centralized or coordinated assessment system until the final rule has been published **and** the Continuum of Care for the area develops and implements a system that meets the minimum requirements in that final rule.

SSF / DHA Recommendation

Further planning for program design will be necessary to fully implement the rapid rehousing program. The new ESG program has much less funding than HPRP. Collaborating with other funding systems can help make the rapid rehousing program more comprehensive. Rapid rehousing is extremely effective at reducing homelessness, and should be prioritized. Locally, both our HEARTH Academy data and the analysis of HPRP data to date have shown the cost and programmatic effectiveness of rapid rehousing in our community. The table below reflects information presented at the HEARTH Academy in March by Focus Strategies indicates that for rapid rehousing:

	Average Length of Stay	Average Funds Expended per exit to permanent housing	% exiting to Permanent Housing	Recidivism Rate
Families	99.9 days	\$5,262	89%	2%
Singles	92 days	\$5,492	78%	13%

The National Alliance to End Homelessness (NAEH) reports that the impact of prevention is more difficult to measure because of the difficulty knowing whether a person who receives prevention assistance would have been homeless otherwise. The impact of rapid rehousing on the other hand can be more directly measured. NAEH findings from HPRP show that:

- Small amounts of assistance can be extremely effective. It is better to stretch resources by providing smaller amounts of assistance to more people.
- Evidence for the effectiveness of rapid rehousing is strong and therefore rapid rehousing should be prioritized.
- Ending homelessness requires a robust, community-wide system of rapid rehousing, and the new ESG funding should be combined with other resources to create that system.

Because of its success, the federal government and other funders are increasingly channeling funding to rapid re-housing strategies. For example, rapid rehousing was one of two strategies identified as "Proven Strategies" in the HEARTH Act. It is also likely that HUD will allow communities to apply for Rapid Rehousing in the upcoming 2012 application for homeless assistance. **Based on**

the information presented, SSF as the Lead Agency and DHA as recipient of the ESG funds recommend:

1. Using the second allocation of ESG funding for rapid rehousing of homeless households.
2. Using the full 7.5% of administrative funding available, shared between DHA as the recipient and provider agencies.
3. SSF and DHA work collaboratively to provide additional information needed for the Substantial Amendment for our community to receive the ESG second allocation.
4. Expanding the newly formed Rapid Rehousing Committee to further research other funding sources that may be able to provide additional resources for rapid rehousing and help to design the program.

Additional HUD information on ESG can be accessed at:

http://www.hudhre.info/documents/HEARTH_ESGInterimRule&ConPlanConformingAmendments.pdf

<http://www.hudhre.info/documents/ESGSubstantialAmendment.pdf>

<http://www.endhomelessness.org/content/article/detail/4346>

RESOLUTION NO. 2012

Adopted by the Housing Authority of the City of Sacramento

on date of

APPROVAL OF 2012 ONE-YEAR ACTION PLAN AND PRIOR YEAR AMENDMENTS AND AUTHORITY AUTHORITY TO AMEND THE SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY (AGENCY) BUDGET

BACKGROUND

- A. In 1982, City of Sacramento (and the County) of transferred the management and administration of its Community Development Block Grant program (CDBG) to the Sacramento Housing and Redevelopment Agency via a master agreement with its Housing Authority and its Redevelopment Agency.
- B. On October 23, 2007, the Sacramento City Council adopted the 2008-2012 Consolidated Plan by Resolution 2007-770. The Consolidated Plan identifies the City's housing and community development needs and describes long-term strategy for meeting those needs. In addition, it specifically addresses federally funded housing and community development programs: CDBG, HOME Investment Partnership Program (HOME), Housing Opportunities for Persons with AIDS (HOPWA), and Emergency Shelter (now Solutions) Grant (ESG) Programs.
- C. On November 1, 2011, the Sacramento City Council approved the 2012 One-Year Action Plan by Resolution 2011-605.
- D. HUD requires the annual submittal of a One-Year Action Plan describing proposed activities and expenditures for the following year using the goals and priorities of the Consolidated Plan.
- E. A noticed public hearing soliciting comments on the Mid-Year update to the 2012 One-Year Action Plan, prior year Action Plan, and Agency budget was held by the Sacramento Housing and Redevelopment Commission on May 2, 2012.
- F. These actions constitute updates to existing planning studies, budget amendments, and designation of authority to carry out activities associated with the allocation of funding only. These actions do not constitute approval for any specific projects, or the allocation of funding to any specific projects, that may have an adverse effect on the environment. As such, these actions are exempt from or do not require environmental review under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA).

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

- Section 1. After due consideration of the information presented, the findings, including the environmental findings regarding this action, as stated above, are true and correct and hereby approved.
- Section 2. The Executive Director, or her designee, is authorized to amend the Agency budget to allocate funding for programs and projects in accordance with the amended 2012 and prior year Action Plan.
- Section 3. The Executive Director is delegated authority to execute documents necessary for the continued administration of federal funds consistent with the Council adopted and HUD approved Action Plans.

Sacramento

2008 – 2012 Consolidated Plan Summary

Attachment 4

Mission – revitalize select lower income neighborhoods by providing adequate public facilities and services, generating affordable housing opportunities, and stimulating economic development.

	2012	
	City	County
CDBG	\$4.1m	\$4.5m
HOME	\$1.8m	\$1.9m
ESG	\$453k	\$455k
HOPWA	\$901k	



Affordable Housing / Further Fair Housing Activities



6500 Lepton Hill

Housing Units	Target	Actual*
•SF/MF Rehab or Construction	2,000	2,155
•Homeownership Assistance	400	199

Healthy and Sustainable Communities



Locker Boarding House

	Target	Actual*
•Neighborhood Facilities	39	16
•Historic Preservation	1	1

Continuum of Care /Community & Supportive Services

Persons Assisted



Senior Nutrition Program

	Target	Actual*
•Senior	6,000	29,277
•Youth	20,000	11,133
•Substance Abuse	19,000	8,907
•General	50,000	121,124
•Persons with HIV / AIDS	393	1,296

Promote Economic Development / Capital Improvements



Rocktail Boulevard

	Target	Actual*
•Water/Sewer	1	2
•Street	14	9
•Sidewalk	14	9
•Public Facilities General	22	0

* Actuals based upon results through 2011(year 4 of 5)



May 2, 2012

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2012 One Year Action Plan and Prior Year Action Plan Amendments and Amendment to the Sacramento Housing and Redevelopment Agency Budget

SUMMARY

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

RECOMMENDATION

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

Respectfully submitted,

LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
May 22, 2012

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

From: Sacramento Housing and Redevelopment Agency

Subject: 2012 One-Year Action Plan And Prior Year Amendments And Amendment To The Sacramento Housing And Redevelopment Agency (Agency) Budget

Supervisory
District: All

Contact: Geoffrey Ross, Program Manager, 440-1357

Overview

To ensure the timely expenditure and efficient administration of community development funds originating from the U.S. Department of Housing and Urban Development (HUD) the Sacramento Housing and Redevelopment Agency (Agency or SHRA) conducts mid-year updates to the One-Year Action Plan. This report amends the prior year Action Plan by de-funding and re-appropriating Community Development Block Grant (CDBG) and Emergency Solutions Grant (ESG) funds. Activities being de-funded have been cancelled. The newly identified activities recommended for funding as part of this staff report are scheduled to be implemented and completed within the next 18 months to comply with federal regulations governing the timely expenditure of funds.

Recommendations

Board of Supervisors

1. Authorizes the Agency to defund previously approved CDBG activities that have been cancelled in the amount of \$1,150,000 as detailed in Attachment I, and reprogram the funds to CDBG Unallocated Capital Reserve (capital reserve);
2. Authorizes the Agency to allocate \$1,150,000 capital reserve funds for new CDBG activities to be completed within the next 18 months, and amend the Agency's budget accordingly;
3. Amends the prior One-Year Action Plan governing the use of entitlement funds for various ESG activities (Attachment IV), and amends the Agency budget accordingly;
4. Authorizes the Agency to amend and execute the Folsom Cooperation Agreement;
5. Authorizes the Agency to execute all necessary agreements and contracts to carry out the recommended activities described in this report, each in a form approved by Agency Counsel; and
6. Authorizes the Agency to submit the amended 2012 One-Year Action Plan and amended prior year Action Plan to HUD.

Housing Authority

1. Authorizes the Agency's Executive Director to execute documents necessary for the continued administration of federal funds consistent with the County Board adopted and HUD approved Action Plans and amend the Agency Budget .

Fiscal Impact

The report requests authority to amend the Agency's budget to: 1) accept the second 2011 fiscal year ESG allocation; 2) defund CDBG cancelled projects in the amount of \$1,150,000 and allocate the funds to capital reserve; and 3) allocate \$1,000,000 from capital reserve to the 2012 Public Housing Substantial Rehabilitation project and \$150,000 from capital reserve to the 2012 Folsom – Seniors Helping Seniors Handyman Program.

BACKGROUND

Staff is proposing changes to the County of Sacramento's 2012 One-Year Action Plan and prior year Action Plan and adjustments to the Agency's budget, approved by the Board of Supervisors in October 2010 and November 2011 respectively. This mid-year update also serves to update the County Consolidated Plan and revisions will be submitted to HUD. The Consolidated Plan is a five-year planning document covering the period of 2008-2012. The Consolidated Plan identifies the County's housing and community development needs and describes a long-term strategy for meeting those needs. In addition to providing a broad policy framework, the Consolidated Plan specifically addresses four federally-funded housing and community development programs: CDBG, HOME Investment Partnership Program (HOME), Emergency Solutions (formerly Shelter) Grant (ESG), and Housing Opportunities for Persons with AIDS (HOPWA) program administered by the Sacramento Housing and Redevelopment Agency on behalf of the County of Sacramento. The following paragraphs outline the proposed changes to projects or programs funded under the Consolidated Plan.

Community Development Block Grant (CDBG) (24 CFR part 570)

The projects recommended in the 2012 Mid-Year Action Plan amendment are in support of priorities established in the Consolidated Plan to provide decent housing and a suitable living environment. Other actions to further the Consolidated Plan strategies as required by HUD are described in the One-Year Action Plan narrative, the Public Housing Authority Administrative Plan, the Citizen Participation Plan, the Continuum of Care Plan and the Ten-Year Plan to End Chronic Homelessness. These documents are on file with the Agency Clerk.

On February 1, 2012, per Assembly Bill AB 1x26, all redevelopment agencies throughout the State of California were dissolved. As a result, the Agency must amend the One-Year Action Plan to reflect the changes in capital improvement project delivery schedules. Due to the dissolution of redevelopment and the corresponding depletion of local tax increment dollars, Streetscape Improvements projects, previously identified in the 2012 Action Plan, are not able to proceed. Due to the timely expenditure requirement relating to CDBG, staff recommends allocating funds to the Public Housing Substantial Rehabilitation project to leverage public housing capital funds which will increase the livability and sustainability of the County's affordable housing stock.

Emergency Solutions (formerly Shelter) Grant (ESG) (24 CFR part 576)

The ESG program, administered by the County Department of Human Assistance, provides homeless persons with basic shelter and essential supportive services. ESG funds can be used for a variety of activities, including: rehabilitation or remodeling of a building used as a new shelter; operations and maintenance of a facility; essential supportive services; and homeless prevention. The County received \$253,875 in ESG funding in the first round of 2011 Fiscal Year (FY); to receive funds from the second funding round for FY 2011 recipients must amend their 2011 One-Year Action Plan. The second-round funding allocation is \$142,805 for a total of \$396,680. The ESG allocation formula is based on the CDBG allocation formula.

Recently revised federal regulations for the ESG program establish the new requirements for the program and made corresponding amendments to HUD's Consolidated Plan regulations found at 24 CFR part 91. The new ESG regulations allow jurisdictions to build upon the existing program, but they place greater emphasis on helping people quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. The key changes that reflect this new emphasis are the expansion of the homelessness prevention component of the program and the addition of a new rapid re-housing assistance component. The homelessness prevention component includes various housing relocation and stabilization services and short- and medium-term rental assistance to help people avoid becoming homeless. The rapid re-housing assistance component includes similar services and assistance to help people who are homeless move quickly into permanent housing and achieve stability in that housing.

Attachment IV to this staff report is a more detailed overview and recommendation as to how DHA, in coordination with Sacramento Steps Forward (SSF), is preparing to allocate the second round of ESG funding.

Citizen Participation Plan (24 CFR part 91)

The Citizen Participation Plan is being amended for the Housing Opportunities for Persons with AIDS (HOPWA) program (24 CFR part 574) to reflect updated contact information. SHRA is the HOPWA administrator on behalf of the City of Sacramento and the Counties of Sacramento, Yolo, El Dorado, and Placer. The County Department of Human Assistance (DHA) previously administered HOPWA, but in the 2012 Action Plan, approved by the Board of Supervisors in November 2011, the administration of the program was transferred to SHRA.

The HOPWA program provides grant funds to design long-term, comprehensive strategies for meeting the housing needs of low- and moderate-income people living with HIV/AIDS. HOPWA funds can be used for acquisition, rehabilitation, or new construction of housing, rental assistance and related supportive services.

Agreement City Update

The City of Folsom (Folsom), as a result of the dissolution of redevelopment, has requested to use their CDBG allocation under the Urban County Cooperation Agreement exclusively for housing rehabilitation. Staff requests authorization to amend and execute Folsom's Cooperation Agreement to reflect that its residents will no longer be eligible to participate in the Agency's housing programs, but will instead utilize Folsom's **Seniors Helping Seniors Handyman Program** (Attachment II) funded from County CDBG in the amount of \$150,000.

2008-12 Consolidated Plan Update

Staff anticipates that this will be the last report for the 2008-2012 Consolidated Plan. The next report will be the adoption of the 2013-2017 Consolidated Plan. Staff is using this opportunity to report out on the most current accomplishments reflective of year four of the plan. Attachment III of this staff report outlines the 2008-12 Consolidated Plan accomplishments to date.

Recently HUD invited SHRA to serve as one of five national participants piloting the development of HUD's new Consolidated Planning Tool. SHRA's unique multi-jurisdictional structure provides for the integrated and highly efficient administration of federal, state and local resources and has given SHRA a national reputation as a leader in the housing and community development field. The composition of SHRA as a joint powers agency between the City and the County serves as a collaborative model that leverages planning efforts and housing and community development funds and is a best practices model that HUD wants to build upon and replicate nationally. HUD is moving towards a planning model that is multi-jurisdictional and better integrates HUDs Offices of Community Planning and Development and their Public Housing division. The integration of these two offices further improves the interaction between the Continuum of Care and entitlement jurisdictions which is a key component of the new Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. Likewise, this better aligns HUD programs to leverage transportation and environmental programs administered out of the US Departments of Transportation and the Environmental Protection Agency. This puts the City and County of Sacramento at the forefront of national program and policy development and positions the Sacramento region to better compete for additional federal resources such as the Choice Neighborhood Initiative and Sustainable Communities grant awarded to the Agency last year.

DISCUSSION

The 2012 One-Year Action Plan was approved by the Board of Supervisors on November 1, 2011 and submitted to HUD on November 15, 2011. The funding levels were based on the 2011 grant formula allocations and the expectation that funding for federal domestic programs would be maintained at 2011 levels for three years. The funding commitment was not maintained and two federal community development entitlement grants were substantially reduced. From Fiscal Year 2010 through Fiscal Year 2012 the CDBG and HOME programs were reduced by 35 percent and 50 percent respectively. The HOPWA program funding remained level and the ESG

program received an increase based upon the implementation of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act. As part of the 2012 Action Plan the Board of Supervisors approved the amendment to the ESG program that included the new provisions of HEARTH. This staff report updates the corresponding activities for the implementation of ESG using the 2011 and 2012 program-year funds.

COMMISSION ACTION

At its May 2, 2012 meeting, the Sacramento Housing and Redevelopment Commission held a duly noticed public hearing to review the item and meet the citizen participation requirements set forth in 24 CFR part 91. The votes were as follows:

AYES:

NOES:

ABSENT:

MEASURES/EVALUATIONS

The proposed de-funding and appropriation of funds for new activities are consistent with the goals and objectives of the approved County of Sacramento's 2008-2012 Consolidated Plan. The Consolidated Plan goals include assisting low- and moderate-income persons and areas with the following: community services, housing, homeless facilities and services, public improvements and facilities, economic development, planning and administration.

FINANCIAL ANALYSIS

The proposed actions authorize the amendment of the Agency's budget and previous year's One-Year Action Plan to accept the second 2011 fiscal year ESG funding allocation in the amount of \$143,561 for a total of \$398,780 (Attachment IV); and defund CDBG cancelled projects in the amount of \$1,150,000, as detailed in Attachment I, and allocates the funds to capital reserve. The resolution also reallocates capital reserve funds in the amount of \$1,150,000, to new CDBG activities detailed in Attachment II which can be completed within 18 months as required by HUD.

POLICY CONSIDERATIONS

The recommendations in this staff report are consistent with previously approved policies and federal requirements; the County of Sacramento's 2008-2013 Housing Element of the General Plan adopted December 17, 2008. Policy HE-15 of the Housing Element indicates that the County shall "Support efforts to alleviate the individual and community problems associated with mortgage default and foreclosure". The recommendations are also consistent with the County of Sacramento's 2008-12 Consolidated Plan adopted October 23, 2007.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA): Community Development Block Grant (CDBG), Emergency Solutions Grant (ESG) and Housing Opportunities for Persons with AIDS (HOPWA). These actions constitute updates to existing planning studies, budget amendments, and designation of authority to carry out activities associated with the allocation of funding only. These actions do not constitute approval for any specific projects, or the allocation of funding to any specific projects, that may have an adverse effect on the environment. As such, these actions are exempt from or do not require environmental review under CEQA or NEPA.

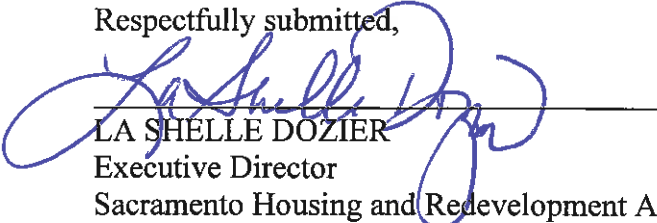
All new federally funded projects are subject to environmental review under the requirements of the National Environmental Policy Act (NEPA) and per HUD regulations prior to any commitment of federal funds for expenditures, unless they are exempt from such review. Commitment of funding for new projects that could result in a direct or indirect physical change to the environment is subject to environmental review under the California Environmental Quality Act, (CEQA) if implementation of the projects is authorized as part of the budgeting process. Therefore, the appropriate level of CEQA and/or NEPA review will be carried out for individual projects under this plan as they are identified.

M/WBE CONSIDERATIONS

Minority and Women's Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding.

Respectfully submitted,

APPROVED


LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

BRADLEY J. HUDSON
County Executive

Attachments:

RES – County BOS Resolution

RES – County HA Resolution

ATT I – 2012 County One-Year Action Plan Amendment

ATT II – 2011 County One-Year Action Plan Amendment

ATT III – 2008-2012 Consolidated Plan Accomplishments through Year 4

ATT IV – ESG Activities

RESOLUTION NO. _____

ADOPTION OF THE 2012 ONE-YEAR ACTION PLAN AMENDMENT, COMMUNITY DEVELOPMENT BLOCK GRANT, HOME INVESTMENT PARTNERSHIP PROGRAM, HOUSING OPPORTUNITIES FOR PERSONS WITH AIDS, AND EMERGENCY SOLUTIONS GRANT PROGRAMS; AMENDMENT OF PRIOR YEAR ACTION PLAN; AND AMENDMENT OF THE AGENCY BUDGET

WHEREAS, in 1982 County (and City) of Sacramento transferred the management and administration of its Community Development Block Grant program (CDBG) to the Sacramento Housing and Redevelopment Agency (Agency) via an agreement the Housing Authority and the Redevelopment Agency (HA-1526, RA-94 and 82-650); and

WHEREAS, on October 23, 2007, the County of Sacramento Board of Supervisors approved the 2008-2012 Consolidated Plan by Resolution 2007-1289; and

WHEREAS, on November 1, 2011, the County of Sacramento Board of Supervisors approved the 2011 One-Year Action Plan by Resolution 2011-0800; and

WHEREAS, the United States Department of Housing and Urban Development (HUD) requires adoption of an annual One-Year Action Plan, consistent with the five year Consolidated Plan, to identify the programs and projects for expenditure of federal CDBG, HOME Investment Partnership (HOME), Emergency Solutions (formerly Shelter) Grant (ESG) programs; and

WHEREAS, HUD requires urban counties to notify HUD that the County and identified cities wish to enter into cooperation agreements for the CDBG program. The current cooperation agreement was approved by Resolution 2011-621; and

WHEREAS, a duly noticed public hearing soliciting comments on the Mid-Year update to the 2012 One-Year Action Plan, prior year Action Plan, and Agency budget was held by the Sacramento Housing and Redevelopment Commission on May 2, 2012; and

WHEREAS, these actions constitute updates to existing planning studies, budget amendments, and designation of authority to carry out activities associated with the allocation of funding only. These actions do not constitute approval for any specific projects, or the allocation of funding to any specific projects, that may have an adverse effect on the environment. As such, these actions are exempt from or do not require environmental review under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA).

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

Section 1. All evidence presented having been duly considered, the findings, including environmental findings as stated above are true and correct and hereby approved.

Section 2. The Agency is authorized to amend the County 2012 One-Year Action Plan and prior year Action Plan and the Agency budget as follows:

- Allocate \$143,561 ESG Second Fiscal Year 2011 Allocation, as described in Attachment IV-ESG Funding, for a total ESG 2011 allocation of \$398,780.

- Defund the cancelled 2012 Streetscape Improvements project and reprogram funds to the Unallocated Capital Reserve.
- Allocate \$1,000,000 from Unallocated Capital Reserve to the 2012 Public Housing Substantial Rehabilitation project.
- Allocate \$150,000 from Unallocated Capital Reserve to the 2012 Folsom Seniors Helping Seniors Handyman Program.

Section 3. The Agency is authorized to amend and execute the Folsom Cooperation Agreement described in this report.

Section 4. The Agency is authorized to submit amendments of the 2012 One-Year Action Plan and prior year Action Plan to HUD and is authorized to execute all necessary agreements to implement the recommended activities described in the amended 2012 One Year Action Plan and prior year Action Plan.

On a motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California this 22nd day of May, 2012, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors

RESOLUTION NO. _____

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

ON DATE OF

**2012 ONE-YEAR ACTION PLAN AND PRIOR YEAR AMENDMENTS AND
AMENDMENT TO THE SACRAMENTO HOUSING AND REDEVELOPMENT
AGENCY (AGENCY) BUDGET**

WHEREAS, in 1982 the County (and City) of Sacramento transferred the management and administration of its Community Development Block Grant program (CDBG) to the Sacramento Housing and Redevelopment Agency (Agency or SHRA) via an agreement with the Housing Authority and its Redevelopment Agency (HA-1526, RA-94 and 82-650); and

WHEREAS, on October 23, 2007, the County of Sacramento Board of Supervisors approved the 2008-2012 Consolidated Plan by Resolution 2007-1289; and

WHEREAS, on November 1, 2011, the County of Sacramento Board of Supervisors approved the 2011 One-Year Action Plan by Resolution 2011-0800; and

WHEREAS, the United States Department of Housing and Urban Development (HUD) requires adoption of an annual One-Year Action Plan, consistent with the five year Consolidated Plan, to identify the programs and projects for expenditure of federal CDBG, HOME Investment Partnership (HOME), Emergency Solutions (formerly Shelter) Grant (ESG) programs; and

WHEREAS, HUD requires urban counties to notify HUD that the County and identified cities wish to enter into cooperation agreements for the CDBG program and wherein the current agreement was approved by Resolution 2011-621; and

WHEREAS, a duly noticed public hearing soliciting comments on the Mid-Year update to the 2012 One-Year Action Plan, prior year Action Plan, and Agency budget was held by the Sacramento Housing and Redevelopment Commission on May 2, 2012; and

WHEREAS, these actions constitute updates to existing planning studies, budget amendments, and designation of authority to carry out activities associated with the allocation of funding only. These actions do not constitute approval for any specific projects, or the allocation of funding to any specific projects, that may have an adverse effect on the environment. As such, these actions are exempt from or do not require environmental review under the California Environmental Quality Act (CEQA) or the National Environmental Policy Act (NEPA).

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

Section 1. After due consideration of the information presented, the findings, including the environmental findings as stated above are true and correct and hereby approved

Section 2. The Executive Director, or her designee, is authorized to amend the Agency budget to allocate funding for programs and projects in accordance with the amended 2012 and prior year Action Plan.

Section 3. The Agency's Executive Director is delegated authority to execute documents necessary for the continued administration of federal funds consistent with the County Board adopted and HUD approved Action Plans.

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Housing Authority of the County of Sacramento, State of California this 22nd day of May 2012, by the following vote, to wit:

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

Chair of the Housing Authority
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk

**County of Sacramento
2012 Mid-Year Action Plan Amendment**

The activities being defunded have been cancelled. The proposed newly funded activities are scheduled to be implemented and completed by December 31, 2013 to comply with federal regulations governing the timely expenditures of funds.

CDBG		
Defunding Recommendation	Amount	Fund
2012 Streetscape Improvements: Funds were to be used to complete street improvement projects at the following locations: Zinfandel Drive, Auburn Blvd., Eagles Nest Road, Freedom Park Drive, Femoyer Street, and Franklin Blvd. Work was to include, but not limited to curb, gutter, sidewalks, paving, utilities, drainage, lighting, landscaping and signage. Due to the dissolution of redevelopment and corresponding depletion of local tax increment funds these projects are not able to proceed at this time. Due to the timely expenditure requirement relating to CDBG, staff recommends funds are allocated to the Public Housing Substantial Rehabilitation project (Attachment II).	\$1,000,000	CDBG
2012 Folsom - Infrastructure Improvements: Funds to be used for infrastructure improvements in support of affordable housing and/or ADA compliant street improvements in the City of Folsom. Funds are being allocated to the Folsom – Seniors Helping Seniors Handyman Program (Attachment II).	\$150,000	CDBG
Total	\$1,150,000	CDBG

**County of Sacramento
Amendment to 2012 One-Year Action Plan**

The newly funded activities are scheduled to be implemented and completed by December 31, 2013 to comply with federal regulations governing the timely expenditure of funds.

CDBG		
Funding Recommendation	Amount	Fund
2012 Public Housing Substantial Rehabilitation: Funds will be used to substantially rehabilitate public housing multi-family units at various locations in the County of Sacramento.	\$1,000,000	CDBG
2012 Folsom – Seniors Helping Seniors Handyman Program: Funds will be used to provide grant assistance to income qualified senior citizen homeowners whose properties need minor health and safety repairs.	\$150,000	CDBG
Total	\$1,150,000	CDBG

Sacramento

2008 – 2012 Consolidated Plan Summary

Attachment III

Mission – revitalize select lower income neighborhoods by providing adequate public facilities and services, generating affordable housing opportunities, and stimulating economic development.

	2012 Program Entitlements	
	City	County
CDBG	\$4.1m	\$4.5m
HOME	\$1.8m	\$1.9m
ESG	\$453k	\$455k
HOPWA	\$901k	



6000 Lemna Hill

Affordable Housing / Further Fair Housing Activities

Housing Units

	Target	Actual*
•SF/MF Rehab or Construction	2,000	2,155
•Homeownership Assistance	400	199



Lacke Hearing House

Healthy and Sustainable Communities

	Target	Actual*
•Neighborhood Facilities	39	16
•Historic Preservation	1	1



Senior Nutrition Program

Continuum of Care / Community & Supportive Services

Persons Assisted

	Target	Actual*
•Senior	6,000	29,277
•Youth	20,000	11,133
•Substance Abuse	19,000	8,907
•General	50,000	121,124
•Persons with HIV / AIDS	393	1,296



Knackton Boulevard

Promote Economic Development / Capital Improvements

	Target	Actual*
•Water/Sewer	1	2
•Street	14	9
•Sidewalk	14	9
•Public Facilities General	22	0

* Actuals based upon results through 2011(year 4 of 5)

Recommendations for Use of: Emergency Solutions Grant Funding (“ESG”)**ESG Overview**

As part of the Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act implementation under the Obama Administration in 2009, **HUD is providing new Emergency Solutions Grant (ESG) funding and encouraging communities to focus as much of their funding as possible on rapidly rehousing persons who are literally homeless in order to reduce the number of persons who are living in shelters and on the streets.** On November 15, 2011, HUD released the Interim Rule containing regulations governing the use of ESG. HUD is in the process of finalizing further technical assistance products that will provide additional information and assistance.

The ESG program is modified significantly by the HEARTH Act and these regulations, with the intent to build upon the existing ESG program while placing new emphasis on assisting people to quickly regain stability in permanent housing after experiencing a housing crisis and/or homelessness. This emphasis comes in the form of an expanded set of eligible activities, including housing relocation and stabilization services, and short- and medium-term rental assistance to prevent people from becoming homeless or assist them to move from homelessness to permanent housing. These new activities closely resemble those offered under the Homelessness Prevention and Rapid Re-Housing Program (HPRP) and ensure continuity between HPRP and ESG.

For 2011 Sacramento was expected to receive two allocations of funding. The first allocation of \$510,734 has been received for both the City and County of Sacramento, and is subject to the existing ESG program regulations. The Department of Human Assistance (DHA) oversees the funding and is currently contracting for two shelters for individuals: North A Street with a capacity of 80 beds for men and Salvation Army with a capacity of 58 beds for men and women with this funding.

The second allocation for 2011, totaling \$286,366 for the City and County of Sacramento (City-\$142,805 and County-\$143,561), has not yet been received and **must exclusively be used for homeless prevention assistance, rapid rehousing assistance, Homeless Management and Information System (HMIS), and administration, in accordance with this interim rule.** To receive the second allocation, recipients will have to prepare a Substantial Amendment to their Consolidated Plan. There are different expenditure limits which further restrict eligible activities for our community. **Due to the amount of funding that is currently used in existing emergency shelter programs, Sacramento is not able to spend any of the second allocation for street outreach or emergency shelter programs.** We are held to the amount of \$510,734 of fiscal year 2010 ESG committed for homeless assistance activities. The cap for administrative costs has increased to 7.5% for both allocations combined. Under the ESG criteria recipients were held to 5% on administrative activities. Currently DHA, as the recipient, receives no administrative funding. The two ESG funded emergency shelters receive a total of \$16,184 in administrative funding. Under the new interim rule Sacramento will be eligible to a total of \$59,782, an increase of \$43,598. This must be completed soon, as the timeline for submission is May 15, 2012. Reprogramming of first allocation funds is also eligible but must also be included in the Substantial Amendment.

In addition to making changes to implement the HEARTH Act amendments to the McKinney-Vento Act, this interim rule includes changes such as aligning the ESG program with other HUD programs with the goal of increasing efficiency and coordination among the different programs. This includes consultation with the Continuum of Care and Sacramento Steps Forward (SSF) as the Lead Agency for the community. The significant changes and eligible activities to support costs can be summarized as follows:

- Street outreach
- Emergency shelter
- Homeless prevention
- Rapid rehousing assistance
- HMIS, and
- Administration

Future Considerations

Recipients will be required to use a coordinated assessment system, however, the interim rule does not require a centralized or coordinated assessment system until the final rule has been published **and** the Continuum of Care for the area develops and implements a system that meets the minimum requirements in that final rule.

SSF / DHA Recommendation

Further planning for program design will be necessary to fully implement the rapid rehousing program. The new ESG program has much less funding than HPRP. Collaborating with other funding systems can help make the rapid rehousing program more comprehensive. Rapid rehousing is extremely effective at reducing homelessness, and should be prioritized. Locally, both our HEARTH Academy data and the analysis of HPRP data to date have shown the cost and programmatic effectiveness of rapid rehousing in our community. The table below reflects information presented at the HEARTH Academy in March by Focus Strategies indicates that for rapid rehousing:

	Average Length of Stay	Average Funds Expended per exit to permanent housing	% exiting to Permanent Housing	Recidivism Rate
Families	99.9 days	\$5,262	89%	2%
Singles	92 days	\$5,492	78%	13%

The National Alliance to End Homelessness (NAEH) reports that the impact of prevention is more difficult to measure because of the difficulty knowing whether a person who receives prevention assistance would have been homeless otherwise. The impact of rapid rehousing on the other hand can be more directly measured. NAEH findings from HPRP show that:

- Small amounts of assistance can be extremely effective. It is better to stretch resources by providing smaller amounts of assistance to more people.
- Evidence for the effectiveness of rapid rehousing is strong and therefore rapid rehousing should be prioritized.
- Ending homelessness requires a robust, community-wide system of rapid rehousing, and the new ESG funding should be combined with other resources to create that system.

Because of its success, the federal government and other funders are increasingly channeling funding to rapid re-housing strategies. For example, rapid rehousing was one of two strategies identified as “Proven Strategies” in the HEARTH Act. It is also likely that HUD will allow communities to apply for Rapid Rehousing in the upcoming 2012 application for homeless assistance. **Based on the information presented, SSF as the Lead Agency and DHA as recipient of the ESG funds recommend:**

1. Using the second allocation of ESG funding for rapid rehousing of homeless households.

2. Using the full 7.5% of administrative funding available, shared between DHA as the recipient and provider agencies.
3. SSF and DHA work collaboratively to provide additional information needed for the Substantial Amendment for our community to receive the ESG second allocation.
4. Expanding the newly formed Rapid Rehousing Committee to further research other funding sources that may be able to provide additional resources for rapid rehousing and help to design the program.

Additional HUD information on ESG can be accessed at:

http://www.hudhre.info/documents/HEARTH_ESGInterimRule&ConPlanConformingAmendments.pdf

<http://www.hudhre.info/documents/ESGSubstantialAmendment.pdf>

<http://www.endhomelessness.org/content/article/detail/4346>

5



May 2, 2012

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Disposition of Housing Authority Property at 8380 Kastanis Way

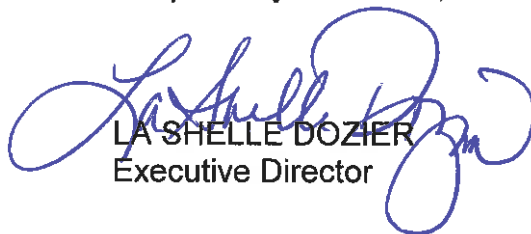
SUMMARY

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

RECOMMENDATION

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

Respectfully submitted,



LA SHELLE DOZIER
Executive Director

Attachment



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

**Consent
May 22, 2012**

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

Title: Disposition of Housing Authority Property at 8380 Kastanis Way

Location/Council District: 8380 Kastanis Way, Sacramento (District 8)

Recommendation: Adopt a 1) **Housing Authority Resolution** which authorizes the Executive Director to: a) declare the Housing Authority owned 5.31 acre vacant parcel located at 8380 Kastanis Way, Sacramento, APN 117-0182-023 (Property) as surplus, b) take all actions necessary to sell the Property to the City of Sacramento for the sum of \$580,000, its appraised fair market value, and return the sales proceeds to the Community Development Block Grant (CDBG) program, c) execute all commercially reasonable documents necessary to carry out such sale as approved to form by the Housing Authority's counsel, d) amend the Housing Authority's budget based upon an agreement with the Sacramento Housing and Redevelopment Agency (Agency) to utilize up to \$580,000 in CDBG funds for the rehabilitation of existing Housing Authority assets, and to acquire and/or rehabilitate properties that will have a direct benefit to existing Housing Authority assets (Acquisition and Rehabilitation Project), and e) enter into an agreement with the Agency to utilize up to \$580,000 for the purpose of carrying out the Acquisition and Rehabilitation Project; and 2) **City Council Resolution** authorizing the Agency to: a) accept up to \$580,000 as CDBG program income from the sale of the Property, b) amend the CDBG 2012 One-year Action Plan to transfer up to \$580,000 in program income from the CDBG capital reserve to the Acquisition and Rehabilitation Project, and c) enter into any agreements and contracts with the Housing Authority necessary to carry out the Acquisition and Rehabilitation Project.

Contact: Chris Pahule, Program Manager, 440-1350

Presenters: None

Department: Sacramento Housing and Redevelopment Agency

Disposition of Housing Authority Property at 8380 Kastanis Way

Description/Analysis

Issue: This report recommends that a vacant parcel, located at 8330 Kastanis Way in Sacramento, purchased in 1989 with Housing and Urban Development (HUD) Section 108 funds for the construction of public housing units, be declared surplus and sold. The financing program that was to have been used as the source of capital funds for the construction of the housing units on the Property has been discontinued and the original loan of Section 108 funds has since been repaid in full. The sale of the Property will subsequently generate revenue for other eligible Housing Authority projects.

Policy Considerations: The actions recommended in this report are consistent with previously approved policies and federal requirements related to the disposition of surplus Housing Authority Property, and for expending resources that will help improve the supply of affordable housing throughout the City.

Environmental Considerations:

California Environmental Quality Act: The sale of a vacant parcel of land and the amendment of the 2012 One-year Action Plan is categorically exempt pursuant to the California Environmental Quality Act (CEQA) per Guidelines Section(s) 15312. The sale of the Property does not obligate the buyer to develop or use the site for any purpose. Any future development or use by the new owner will be subject to further environmental review under CEQA. Any future activities involving the use of the CDBG program income will be subject to CEQA and National Environmental Policy Act (NEPA) review.

Sustainability Considerations: The project has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, this report will advance the following goals, policies and targets as follows: the project supports Goal number five—Public Health and Nutrition, specifically target number five, to rehabilitate areas within the City to provide safe and healthy living environments for public housing residents.

Other: National Environmental Policy Act (NEPA) This report recommends the sale of surplus property and is not activity assisted with federal funding, and therefore NEPA does not apply.

Disposition of Housing Authority Property at 8380 Kastanis Way

Committee/Commission Action: At its meeting of May 2, 2012, the Sacramento Housing and Redevelopment Commission held a duly noticed public hearing to meet the citizen participation requirements set forth in 24 CFR Part 91 and reviewed the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

Rationale for Recommendation: Adoption of the resolutions will allow the Housing Authority to make vacant surplus land available for productive use and reduce costs related to maintenance and overhead. The Property is to be sold to the City for \$580,000, its fair market value based on a 3rd party appraisal, and the proceeds returned to the CDBG program for eligible activities. The sales proceeds are recommended to be used for the rehabilitation of existing Housing Authority assets, and to acquire and/or rehabilitate properties that will compliment and have a direct benefit on existing Housing Authority investments.

Financial Considerations: The Housing Authority has negotiated the terms of a Purchase and Sale Agreement with the City. The disposition of the Property will generate proceeds of \$580,000 (less prorations and closing costs) to the Agency. All proceeds received from the sale of the Property will be returned as CDBG program income and subsequently utilized for the Acquisition and Rehabilitation Project.

M/WBE Considerations: Minority and Women’s Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding. Federal funding is not assisting the activity recommended herein.

Respectfully Submitted by:

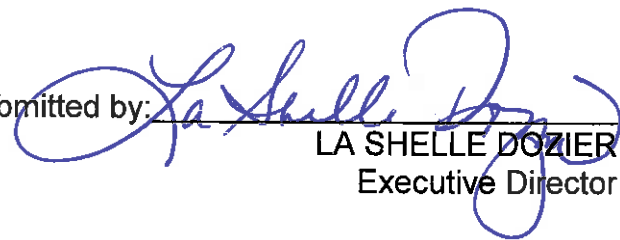

LA SHELLE DOZIER
Executive Director

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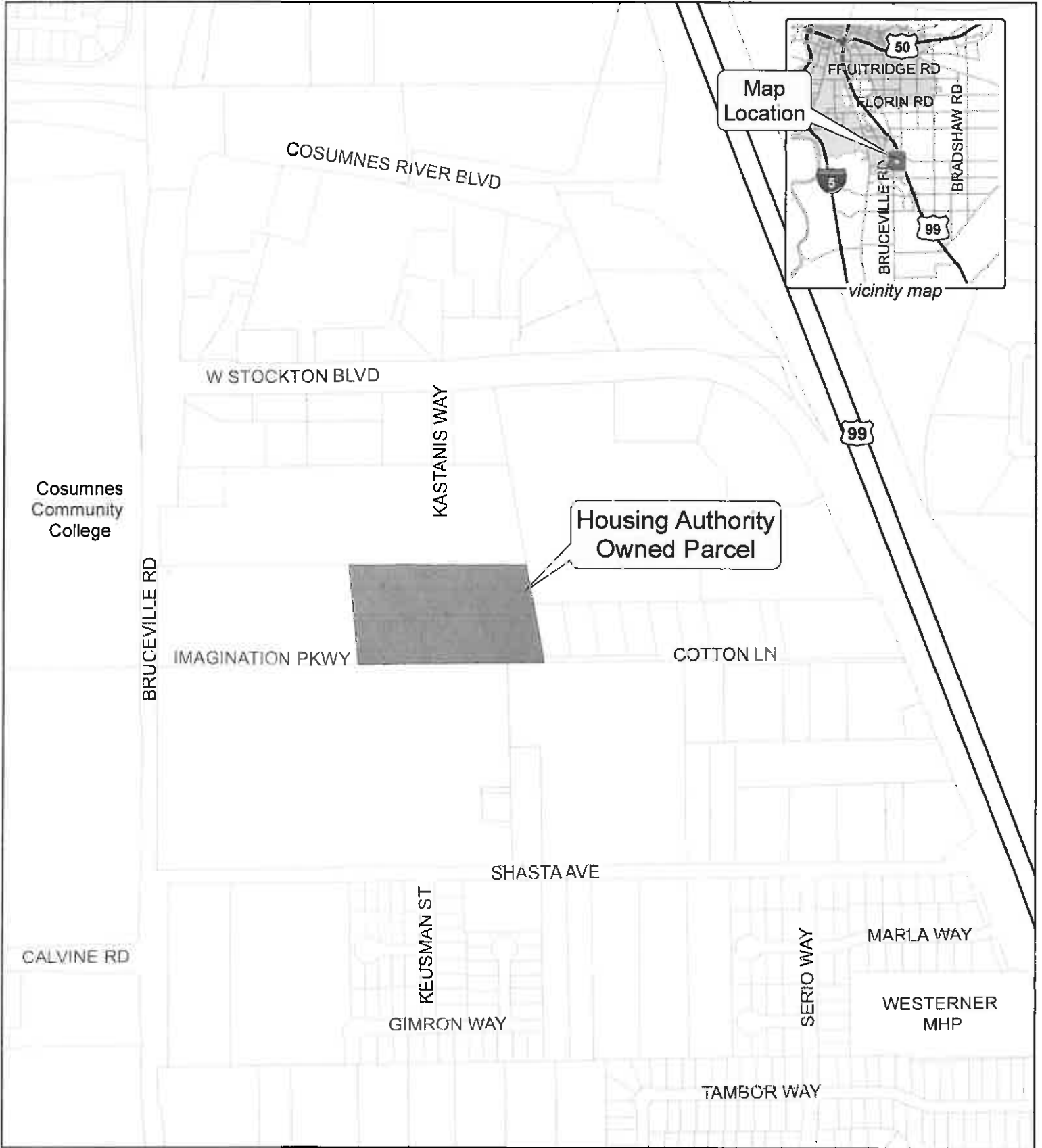
Report pg. 1

Attachments

- 1 Vicinity Map pg. 4
- 2. Resolution – Housing Authority pg. 5
- 3. Resolution – City Council pg. 7



Disposition of Property at 8380 Kastanis Way



8380 Kastanis Way



SHRA GIS
April 10, 2012

RESOLUTION NO. 2012 -

Adopted by the Housing Authority of the City of Sacramento

May 22, 2012

DISPOSITION OF HOUSING AUTHORITY PROPERTY LOCATED AT 8380 KASTANIS WAY

BACKGROUND

- A. The Housing Authority of the City of Sacramento (Housing Authority) owns a 5.31 acre vacant parcel at 8380 Kastanis Way, APN 117-0182-023 (Property) that was purchased with U.S. Housing and Urban Development Section 108 funds and is no longer needed by the Housing Authority for its intended use.
- B. It has been determined that the proposed action to sell surplus property at its appraised fair market value by a governmental entity is categorically exempt under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15312. The acceptance of the sales proceeds as program income is not a project under CEQA Guidelines 15301.
- C. The Sacramento Housing and Redevelopment Commission held a duly noticed public hearing on May 2, 2012 regarding the sale of the Property, and amendments to the Community Development Block Grant (CDBG) program budget and Action Plan.

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

- Section 1 All evidence presented having been duly considered, the findings, including the environmental statements and findings are found to be true regarding this action, as stated in the Background above, and the staff report that accompanies this resolution, are determined to be true and are therefore approved.
- Section 2. The Housing Authority hereby finds and determines that the Property is not required for the foreseeable future needs of the Housing Authority and is therefore surplus.
- Section 3. The Executive Director, or designee, is authorized to sell the Property to the City of Sacramento for the sum of \$580,000, which is its fair market value based on an independent third party appraisal, with all sales proceeds reverting to the CDBG program, and to execute all commercially reasonable documents necessary to carry out such sale as approved to form by the Housing Authority's counsel.

Section 4. The Executive Director, or designee, is authorized to amend the Housing Authority's budget based upon the agreement with the Agency to utilize up to \$580,000 in CDBG funds for the rehabilitation of existing Housing Authority assets, and to acquire and/or rehabilitate properties that will have a direct benefit to existing Housing Authority assets.

Section 5. The Executive Director, or designee, is authorized to enter into an agreement for up to \$580,000 with the Sacramento Housing and Redevelopment Agency for the purpose of rehabilitating existing Housing Authority assets, and to acquire and/or rehabilitate properties that will have a direct benefit to existing Housing Authority assets. Such activities shall be pursuant to Agency and Authority procurement policies and procedures.

RESOLUTION NO. 2012 -

Adopted by the Sacramento City Council

May 22, 2012

DISPOSITION OF HOUSING AUTHORITY PROPERTY LOCATED AT 8380 KISTANIS WAY

BACKGROUND

- A. The Housing Authority of the City of Sacramento (Housing Authority) owns a 5.31 acre vacant parcel located at 8380 Kastanis Way, Sacramento, APN 117-0182-023 (Property) that was purchased with U.S. Housing and Urban Development Section 108 funds for the construction of public housing units.
- B. The Housing Authority has determined that the Property is surplus because it is no longer needed for its intended use, and approves the sale of the property at fair market value. The proceeds from the sale of the Property are to be returned to the Community Development Block Grant (CDBG) fund as program income.
- C. The amendment of the Sacramento Housing and Redevelopment Agency's budget to accept the sales proceeds as program income does not constitute a project pursuant to the California Environmental Quality Act Section 15378.
- D. The sale of the Property will allow the Housing Authority to reduce costs related to the maintenance and management of this vacant property, and generate revenue for eligible activities in support of the Authority.

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

- Section 1. Based on the evidence presented, it is determined that the above facts, including but not limited the environmental findings, are true and correct.
- Section 2. The Sacramento Housing and Redevelopment Agency (Agency) is authorized to accept up to \$580,000 as CDBG program income from the sale of the Property.
- Section 3. The Agency is authorized to amend the CDBG 2012 One-year Action Plan to transfer up to \$580,000 in program income from the CDBG Capital Reserve to the "Acquisition and Rehabilitation Project" for the purpose of rehabilitating existing Housing Authority assets, and acquiring and/or rehabilitating properties that will have a direct benefit to existing Housing Authority assets.

Section 4. The Agency is authorized to enter into any agreements and contracts with the Housing Authority to carryout the Acquisition and Rehabilitation Project.

RESOLUTION NO. SHRC-_____

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

ON DATE OF

May 2, 2012

DISPOSITION OF HOUSING AUTHORITY PROPERTY LOCATED AT 8380 KISTANIS WAY

Whereas, the Housing Authority of the City of Sacramento (Housing Authority) owns a 5.31 acre vacant parcel located 8380 Kastanis Way, Sacramento, APN 117-0182-023 (Property) that was purchased with U.S. Housing and Urban Development Section 108 funds for the construction of public housing units.

Whereas, the Authority has determined that the Property is surplus because it is no longer needed for its intended use, approves the sale of the property at fair market value, and authorizes the transfer of the funds to the Sacramento Housing and Redevelopment Agency (Agency). The proceeds from the sale of the Property are to be returned to the Community Development Block Grant (CDBG) fund as program income.

Whereas, the sale of the Property will allow the Housing Authority to reduce costs related to the maintenance and management of this vacant property, and generate revenue for eligible activities in support of the Housing Authority.

NOW THEREFORE, BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

- Section 1. Based on the evidence presented, it is determined that the above facts, including but not limited the environmental findings, are true and correct.
- Section 2. The Agency is authorized to accept up to \$580,000 as CDBG program income from the sale of the Property.
- Section 3. The Executive Director, or designee, is authorized to amend the CDBG 2012 One-year Action Plan to transfer up to \$580,000 in program income from the CDBG Capital Reserve to the "Acquisition and Rehabilitation Project" for the purpose of rehabilitating existing Housing Authority assets, and/or acquiring and rehabilitating properties that will have a direct benefit to existing Housing Authority assets.

Section 4. The Executive Director, or designee, is authorized to enter into any agreements and contracts with the Housing Authority to carryout the Acquisition and Rehabilitation Project.

CHAIR

ATTEST:

CLERK