



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



10

August 2, 1988

Budget and Finance Committee
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Sacramento Housing Development Corporation

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Housing Authority, Redevelopment Agency and City Council of the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the attached resolution authorizing establishment of the Housing Development Corporation.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:

Solan Wilson, Jr.

JACK R. CRIST
Deputy City Manager

Attachment



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



Date: August 1, 1988

City Council of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Sacramento Housing Development Corporation

SUMMARY

This report recommends establishment of a Non-Profit Housing Development Corporation to be closely affiliated with the Sacramento Housing and Redevelopment Agency; approval of bylaws for a Sacramento Housing Development Corporation; and, filing of Articles of Incorporation with the Secretary of State.

BACKGROUND

One of the strengths of Sacramento Housing and Redevelopment Agency is derived from the multiple responsibilities delegated by the City Council and Board of Supervisors covering a wide range of housing, community development, redevelopment and economic development programs. In fulfilling these responsibilities, Sacramento Housing and Redevelopment Agency either administers or has access to a number of funding sources. These multiple functions and funding programs give the Agency a unique opportunity to conceive projects and piece together viable financial packages "in house". A closely affiliated Non-Profit Housing Development Corporation would give the Agency one more tool for its "mix and match" housing financing and development programs.

A Non-Profit Housing Development Corporation opens up several financing opportunities which may be advantageous to specific projects. These include:

1. The ability to apply for some Federal, State and philanthropic programs that may not be available to public agencies or private developers.
2. The ability to openly participate in syndication and other partnerships.
3. The ability to joint-venture with private developers.

8-2-88

All Districts (1)

City Council of the
City of Sacramento
Sacramento, California
Page 2

4. The ability to issue tax exempt bonds [501(c)3] which are not subject to Federal tax code changes adopted in 1986 (eg: volume cap limits, set-aside units, arbitrage restrictions).

non-profit organizations created by the County and/or the City. These are Sacramento Heritage and Foundation Uniting Needs and Dollars (FUND).

FINANCIAL CONSIDERATIONS

Filing of Articles of Incorporation with the Secretary of State will cost \$250.00. Simply by its existence, the Housing Development Corporation will not require additional staff or expenditures. This may occur, however, if the Housing Development Corporation expands the Agency's work program through additional projects which could not have been undertaken absent the potentials afforded by the Corporation. These needs will be brought to you within the context of the Annual Budgets.

ENVIRONMENTAL IMPACT

NEPA: 58.34(9)(ii) formation of a non-profit Housing Development Corporation will affect only the social or economic environment in and of itself.

CEQA: Catagorical exemption Section 15320: Changes in organization of local agencies.

VOTE AND RECOMMENDATION OF THE COMMISSION

It is anticipated that at its meeting of August 1, 1988, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above mentioned action. In the event they fail to do so, you will be advised prior to your August 2, 1988 meeting.

RECOMMENDATION

Staff recommends adoption of the attached resolution which (1) approves the creation of a Sacramento Housing Development Corporation, (2) approves the Bylaws attached as Exhibit B, (3) authorizes the Executive Director of Sacramento Housing and Redevelopment Agency to act as Incorporator and to file Articles of Incorporation, attached as Exhibit A, with the Secretary of State, (4) authorizes the Executive Director of Sacramento Housing and Redevelopment Agency to apply to the State Franchise Tax Board and the United States Internal Revenue Status to secure tax exempt status for the Corporation and (5) authorize the

City Council of the
City of Sacramento
Sacramento, California
Page 4

Executive Director of Sacramento Housing and Redevelopment Agency
to execute all documents and take all actions necessary for
operation of the Corporation.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: John Molloy 440-1357

RESOLUTION NO.

ADOPTED BY THE SACRAMENTO CITY COUNCIL ON DATE OF

August 2, 1988

RESOLUTION ESTABLISHING SACRAMENTO HOUSING DEVELOPMENT CORPORATION

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF
SACRAMENTO:

Section 1: The establishment of Sacramento Housing Development Corporation, a California Non-Profit Public Benefit Corporation, is hereby approved, for the purpose of encouragement, development, operation and maintenance of decent, safe, sanitary and affordable housing in the City and the County of Sacramento.

Section 2: The Executive Director of the Sacramento Housing and Redevelopment Agency is hereby authorized to file with the Secretary of State the Articles of Incorporation, attached to this Resolution as Exhibit "A", for the establishment of a Non-Profit Public Benefit Corporation.

Section 3: The Bylaws attached to this Resolution as Exhibit "B" are hereby approved as the Bylaws for the Sacramento Housing Development Corporation and shall be presented to the Directors of said Corporation for their adoption.

Section 4: The Executive Director of the Sacramento Housing and Redevelopment Agency is hereby authorized to apply to the State Franchise Tax Board and the United States Internal Revenue Service to secure tax exempt status for said Corporation.

Section 5: The Executive Director of Sacramento Housing and Redevelopment Agency is hereby authorized to execute all documents and take all actions necessary for establishment and operation of said Corporation.

MAYOR

ATTEST:

CITY CLERK

1100WPP2(79)

(5)

ARTICLES OF INCORPORATION
OF
SACRAMENTO HOUSING DEVELOPMENT CORPORATION
A California Nonprofit Public Benefit Corporation

ONE: The name of the corporation is SACRAMENTO HOUSING DEVELOPMENT CORPORATION, a California nonprofit corporation.

corresponding provision of any future United States internal revenue law, or (b) by a corporation, contributions to which are deductible under Section 170(c)(2) of the Internal Revenue Code of 1954 or the corresponding provision of any future United States internal revenue law.

THREE: The name and address in California of the corporation's initial agent for service of process is William H. Edgar, 630 - I Street, Sacramento, California 95814.

FOUR: (a) No substantial part of the activities of this corporation shall consist of lobbying or propaganda, or otherwise attempting to influence legislation, except as provided in Section 501(h) of the Internal Revenue Code of 1954, and this corporation shall not participate in or intervene in (including publishing or distributing statements) any political campaign on behalf of any candidate for public office.

(b) All corporate property is irrevocably dedicated to the purposes set forth in Article Two, above. No part of the net earnings of this corporation shall inure to the benefit of any of its directors, trustees, officers, private shareholders or members, or to individuals.

(c) On the winding up and dissolution of this corporation, after paying or adequately providing for the debts, obligations and liabilities of the corporation, the remaining assets of this corporation shall be distributed to such

organization (or organizations) and operated exclusively for charitable or educational purposes which have established their tax-exempt statuses under Section 501(c)(3) of the Internal Revenue Code of 1954 (or the corresponding provision of any future United States internal revenue law), and which have established their tax-exempt statuses under Section 23701d of the California Revenue and Taxation Code (or the corresponding section of any future California revenue and tax law).

DATED: _____

WILLIAM H. EDGAR, Incorporator

154WPP(61)

EXHIBIT D

BYLAWS

OF

SACRAMENTO HOUSING DEVELOPMENT CORPORATION
(A California Nonprofit Public Benefit Corporation)

ARTICLE I
OFFICES

The principal office of the corporation is hereby fixed and located at 630 I Street, Sacramento, California 95814. The Board of Directors is hereby granted full power and authorized to change their principal office from one location to another in the County of Sacramento. Any such change shall be noted by the Secretary opposite this section, but shall not be considered an amendment to these Bylaws.

ARTICLE II
OBJECTIVES AND PURPOSES

The primary objectives and purposes of the corporation shall be the encouragement, development, operation and maintenance of decent, safe, sanitary and affordable housing, generally in the City of Sacramento and the County of Sacramento, and all purposes reasonably related thereto.

ARTICLE III
MEMBERS

This corporation shall make no provision for members. However, pursuant to Section 5310(b) of the Nonprofit Public Benefit Corporation Law of the State of California, any action which would otherwise, under law or the provisions of the Articles of Incorporation or Bylaws of this corporation, require approval by the members, shall only require approval of the Board of Directors.

ARTICLE IV
DIRECTORS

1. Number. This corporation shall have eleven (11) directors, and collectively they shall be known as the Board of Directors. The number may be changed by amendment to this Bylaw.

2. Powers. Subject to the provisions of the California Nonprofit Public Benefit Corporation Law and any limitations in the Articles of Incorporation and Bylaws relating to action required or permitted to be taken or approved by the members, if any, of this corporation, the activities and affairs of this corporation shall be conducted and all corporate power shall be exercised by or under the direction of the Board of Directors.

3. Duties. It shall be the duty of the Directors to:

- (a) Perform any and all duties imposed on them collectively or individually by law, by the Articles of Incorporation or by these Bylaws.
- (b) Appoint and remove, employ and discharge, and, except as otherwise provided in these Bylaws, prescribe the duties or fix the compensation, of any or all officers, agents or employees of the corporation.
- (c) Supervise all officers, agents and employees of the corporation to assure that their duties are performed properly.
- (d) Meet at such times and places as required by these Bylaws.
- (e) Register their addresses with the Secretary of the corporation, and notices of meetings mailed or telegraphed to them at such addresses shall be valid notices thereof.

4. Designation of Directors. The members of Board of Directors shall be the members of the Sacramento Housing and Redevelopment Commission.

5. Terms of Office. All Directors shall hold office for the same term for which they have been appointed as commissioners of the Sacramento Housing and Redevelopment Commission.

6. Regular Meetings. Regular meetings of the Board of Directors shall be held at least quarterly at a time and place to be selected by the Board of Directors. The time and place for regular meetings shall be specified by resolution of the Board of Directors.

7. Special Meetings. Special Meetings of the Board of Directors may be called at any time by the President of the Board.

8. Ralph M. Brown Act. All meetings of the Directors shall be called, noticed, held and conducted in accordance with the provisions of the Ralph M. Brown Act (commencing with Section 54950 of the California Government Code) as it may be amended or superseded.

9. Quorum. At all regular and special meetings of the Board of Directors, those present shall constitute a quorum, provided that at least a majority of Directors are present.

10. Action. Every act or decision done or made by a majority of the Directors present at a regular or special meeting at which a quorum is present, is the act of the Board of Directors. No action shall be taken on any item not included on an agenda posted in accordance with the Ralph M. Brown Act.

11. Nonliability of Directors. Directors shall not be personally liable for the debts, liabilities, or other obligations of the corporation.

ARTICLE V OFFICERS

1. Officers. The officers of the corporation shall be:

- (a) A President, who is a Director of the corporation and who shall be the chair of the Sacramento Housing and Redevelopment Commission;
- (b) A Vice President, who is a Director of the corporation and who shall be the vice-chair of the Sacramento Housing and Redevelopment Commission;
- (c) An Executive Director, who is the Executive Director of the Sacramento Housing and Redevelopment Agency and who is not a Director of the corporation;
- (d) A Secretary who is appointed by the Board of Directors; and
- (e) A Treasurer who is appointed by the Board of Directors.

2. Subordinate Officers. The Board of Directors may appoint, and may empower the Executive Director to appoint the Secretary, Treasurer, and such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the Bylaws or as the Board of Directors may from time to time determine.

3. Removal and Resignation. Any officer, except the President, Vice-President and Executive Director, may be removed, either with or without cause, by the Board of Directors, at any regular or special meeting thereof, or by any officer upon whom such power of removal may be conferred by the Board of Directors. Any officer may resign at any time by giving written notice to the Board of Directors or the President, or the

Secretary of the corporation. Any such resignation shall take effect on the date of receipt of such notice or any later time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

4. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause shall be filled in the manner prescribed by the Bylaws for regular appointments to such office.

5. President. The President shall preside at all meetings of the corporation, shall sign all contracts, deeds and other documents of the corporation as may be required unless by resolution, the Board of Directors appoints another to execute such items as may be permitted by law, and shall submit to the Board of Directors such recommendations and information as he/she may consider proper concerning the business affairs and policies of the corporation.

6. Vice President. The Vice President shall perform all the duties of the President in his/her absence or incapacity.

7. Executive Director. The Executive Director shall be the chief executive officer of the corporation and, subject to the control of the Board of Directors, shall have general supervision, direction and control of the affairs of the corporation.

8. Secretary. The Secretary shall have the following duties:

- (a) Keep, or cause to be kept, at the principal office, or such other place as the Board of Directors may order, a book of minutes of all meetings of directors and members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at directors' meetings, and the proceedings thereof;
- (b) Give, or cause to be given, notice of all the meetings of the members of the Board of Directors required by the By-Laws and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the By-Laws.

9. Treasurer. The Treasurer shall have the following duties:

- (a) Keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties, and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The books of account shall at all reasonable times be open to inspection by any director.
- (b) Deposit all monies and other valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He/she shall disburse the funds of the corporation as may be ordered by the Board of Directors and shall render to the President and directors, whenever they request it, an account of all his transactions as Treasurer and of the financial condition of the corporation.

ARTICLE VI

MISCELLANEOUS

1. Execution of Instruments. The Board of Directors except as otherwise provided in these Bylaws, may by resolution authorize any officer or agent of the corporation to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. Unless so authorized, no officer, agent, or employee shall have any power or authority to bind the corporation by any contract or engagement or to pledge its credit or to render it liable monetarily for any purpose or in any amount.

2. Gifts. The Board of Directors and the officers may accept on behalf of the corporation any contribution, gift, bequest, or devise for the charitable or public purposes of this corporation.

3. Maintenance of Corporate Records. The corporation shall keep its principal office in the State of California:

- (a) Minutes of all meetings of Directors, committees of the Board, and, indicating the time and place of holding of such meetings, whether regular or special, how called, the notice given and the names of those present the proceedings thereof.

(b) Adequate and correct books and records of account, including accounts of its properties and business transactions, and accounts of its assets, liabilities, receipts, disbursements, gains and losses.

(c) A copy of the corporation's Articles of Incorporation and Bylaws as amended to date, which shall be open to inspection by the members, if any, of the corporation at all reasonable times during office hours.

4. Directors' Inspection Rights. Every Director shall have the absolute right at any reasonable time to inspect and copy all books, records, and documents of every kind and to inspect the physical properties of the corporation. Any inspections under the provisions of this Article may be made in person or by agent or attorney and the right to inspection includes the right to copy and make extracts.

5. Fiscal Year. The fiscal year of the corporation shall be the calendar year.

6. Amendments. Amendments of the Articles of Incorporation or the Bylaws of the corporation may be adopted by approval of the Board of Directors.

7. Filing Statement of Corporate Officers. The Secretary of the corporation during the period commencing on April 1st and ending on June 30th in each year, shall file with the Secretary of State of the State of California on a form prescribed by him/her, a statement of the names and complete business or residence addresses of its President, Vice President, Executive Director, Secretary and Treasurer, together with a statement of the location and address of its principal office, in compliance with Section 3301 of the Corporations Code of California.

154WPP(113)