



**SACRAMENTO  
HOUSING AND REDEVELOPMENT  
AGENCY**



*Agency Rpt*  
**34**

August 26, 1985

Housing Authority of the  
City of Sacramento  
City Council of the  
City of Sacramento  
915 "I" St.  
Sacramento, CA 95814

CITY MANAGER'S OFFICE  
**RECEIVED**

**AUG 7 1985**  
**APPROVED**  
**AUG 13 1985**  
SACRAMENTO HOUSING AUTHORITY  
CITY OF SACRAMENTO

Honorable Members in Session:

**SUBJECT:** Amendment No. 31 to the Annual Contributions Contract (ACC) No. SF 391, Acquisition with Minor Repair and Substantial Rehabilitation Program, CA30 P005-025, in the Amount of \$3,087,760

**SUMMARY**

Attached is a resolution (1) authorizing the execution of Amendment No. 31 to the Annual Contributions Contract No. SF391 pertaining to the Acquisition with Minor Repair and Substantial Rehabilitation Program, CA30 P005-025 (50 units) of scattered site public housing, and (2) amending the Sacramento Housing and Redevelopment Agency budget to include the development amount of \$3,087,760.

**BACKGROUND**

On June 25, 1985, the Housing Authority received approval from DHUD to acquire and rehabilitate 50 family units (37 3-bedroom, 10 4-bedroom and 3 5-bedroom) within certain HUD-approved targeted areas in the City of Sacramento. Under this program, unlike the previous Substantial Rehabilitation programs, Cal 5-20 and 5-21, the Authority will purchase 30 units requiring minor repair and 20 units requiring substantial rehabilitation.

The minor repairs, which will be mostly cosmetic, will be performed through a force account by the Authority's Maintenance

8-13-85  
All Districts

(1)

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Department. The 20 units of substantial rehabilitation will be competitively bid in one, or possibly two, proposals, and will be awarded to the lowest responsible bidder/s. According to the HUD-mandated requirements, there will be no time extensions; all units must be selected, approved and purchased prior to November 25, 1985. It is also a HUD requirement that the rehabilitation work on the 20 units of Substantial Rehabilitation start at the same time and that the Date of Final Availability (DOFA) occur no later than one year from the date of purchase, or November 25, 1986.

This program also has a reserve account wherein items which are not completely deteriorated, but have the potential of failing within five years, can be repaired during that time frame with funds from the program.

## FINANCIAL DATA

The total development cost for this project is \$3,087,760. The total funding for administration, acquisition and rehabilitation will be furnished as part of the Annual Contributions Contract. No additional staff will be required. The 1985 budget will be amended by the approval of this staff report and budget.

## POLICY IMPLICATIONS

The actions proposed in this staff report are consistent with previously approved policy and there are no policy changes being recommended.

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## VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of August 5, 1985, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES: Amundson, Glud, Luttrell, Pettit, Wooley, Angelides

NOES: None

ABSENT: Lopez, Moose, Sanchez, Teramoto, Walton

## RECOMMENDATION

The staff recommends adoption of the attached resolution which (1) authorizes the execution of Amendment No. 31 to the Annual Contributions Contract No. SF 391 pertaining to the Acquisition with Minor Repair and Substantial Rehabilitation Program CA30 P005-025, and (2) amends the 1985 Sacramento Housing and Redevelopment Agency budget in the amount of \$3,087,760.

Respectfully submitted,

*William H. Edgar*

WILLIAM H. EDGAR  
EXECUTIVE DIRECTOR

TRANSMITTAL TO COUNCIL:

*Walter J. Slipe, Jr.*

For: WALTER J. SLIPE  
City Manager

Contact Person: Michael Hanamura

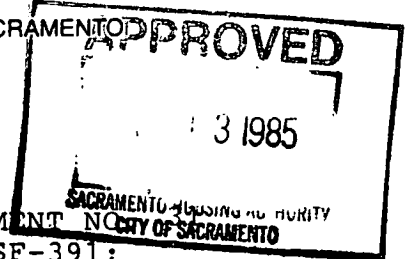
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RESOLUTION NO. 85-035

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF

August 13, 1985



RESOLUTION AUTHORIZING EXECUTION OF AMENDMENT  
TO ANNUAL CONTRIBUTIONS CONTRACT NO. SF-391;  
PROVIDING FOR THE DEPOSIT OF MONIES UNDER A GENERAL  
DEPOSITARY AGREEMENT; AND THE ISSUANCE OF PROJECT  
LOAN NOTES AND PERMANENT NOTES

WHEREAS the Housing Authority of the City of Sacramento (herein called the "Local Authority") proposes (1) to enter into an amendment to the existing Annual Contributions Contract (herein called the "Amendment") with the United States of America (herein called the "Government"); (2) to provide for the deposit of monies pursuant to a General Depositary Agreement; and (3) to authorize the issuance of its notes as evidence of advances to be made to the Local Authority pursuant to the Contract, as amended; all with respect to any "Project" as defined in the Contract, as amended, and which at any time now or hereafter is incorporated under the terms of such Contract, as amended; now, therefore,

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO:

Section 1: The Amendment to the Annual Contributions Contract is hereby approved and accepted and the Chair or Vice Chair is hereby authorized and directed to execute three counterparts of the Amendment on behalf of the Local Authority, and the Secretary is hereby authorized to impress and attest the official seal of the Local Authority on each such counterpart and to forward such executed counterparts, or any of them, to the Government together with such other documents evidencing the approval and authorizing the execution thereof as may be required by the Government.

Section 2: The First Interstate Bank and the Local Authority have previously entered into a General Depositary Agreement, Form HUD-51999A dated June 23, 1983, which provides for the deposit of specified monies of "...one or more additional low-rent housing projects...". The Local Authority hereby determines that pursuant to the terms of the Agreement the aforementioned Bank shall be the Depositary for the project established under this Amendment.

Section 3: The Secretary is hereby authorized to file with the Government from time to time, as monies are required, requisitions together with the necessary supporting documents, requesting advances to be made on account of the loan provided in the Contract, as amended, and the proper officers of the Local Authority shall prepare, execute and deliver to the Government Notes hereinafter authorized and shall accept payment therefore from the Government in cash and/or exchange for other Notes of the Local Authority, and such persons are authorized to do and perform ~~all~~ other things and acts required to be done or performed in order to obtain such advances. Cash proceeds from the sale of all Notes shall be deposited and disbursed only in accordance with the provisions of the Contract, as amended.

Section 4: (A) In order to provide monies to finance the Development Cost of each Project and to refund, renew, extend or substitute for any Project Loan Notes (in the Contract called "Advance Notes") or Permanent Notes by this Resolution authorized to be issued (or any such Notes by any other resolution authorized to be issued and which are outstanding, or on deposit for delivery pending payment therefore, as of the date this Resolution becomes effective), or for any Project Notes (in the Contract called "Temporary Notes") issued by the Local Authority in anticipation of the delivery of Project Loan or Permanent Notes, there are hereby authorized to be issued, from time to time, Project Loan and Permanent Notes of the Local Authority in an aggregate principal amount outstanding at any one time (whether authorized by this Resolution or any other resolution authorizing the issuance of Project Loan or Permanent Note) equal to the Maximum Development Cost (or the Actual Development Cost if such amount has been determined) of each Project, less the sum of (1) the principal amount of Bonds issued to finance such Development Cost, and (2) the principal amount of Project Loan, Permanent, or Project Notes issued to finance such Development Cost and which has then been retired from funds other than the proceeds of any loan obtained by the Local Authority.

(B) Each such Note shall bear interest and be payable in the form and manner prescribed by the Contract and this Resolution; shall be signed in the name of the Local Authority by the Chair or Acting Chair; shall have the official seal of the Local Authority impressed thereon and attested by the Secretary. Each Project Loan Note shall be in substantially the form of Form No. HUD-9204 and each Permanent Note shall be in substantially the form of Form No. HUD-52250, each of which form is incorporated herein by reference and made a part hereof. Project Loan Notes and Permanent Notes shall be issued to finance the Development Cost of Non-Permanently Financed Project and Permanently Financed Project, respectively

(C) Each Note issued with respect to any Project shall be a direct and general obligation of the Local Authority, the full faith and credit of which is hereby pledged for the punctual

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payment of the principal of and interest on such Notes, and together with all other Notes issued pursuant to this Resolution, shall be additionally secured by (1) a first pledge of the annual contributions payable to the Local Authority and authorized to be pledged to such payment pursuant to the Contract, and (2) by a pledge of and lien on the Residual Receipts of such Project after providing for the payment of Bonds issued in respect to such Project.

(D) As additional security for the equal and ratable payment of the principal of and interest on each Note issued with respect to any Project, together with each other Note issued with respect to such Project, the Local Authority, to the fullest extent permitted by the laws of the state, hereby pledges, mortgages, conveys and grants unto the Government all property described in the Contract constituting such Project, including that certain real property relating to each such Project and more particularly described in the trust instrument or any amendment thereto as executed and recorded by the Local Authority pursuant to the Contract; Provided; that in respect to Permanently Financed Project the lien of such pledge and mortgage and rights granted and conveyed pursuant to this paragraph shall (1) be junior to the Bonds and junior to the pledge of Residual Receipts securing the Bonds, and (2) not be foreclosable until all Bonds shall have been paid and discharged in the manner provided in the Bond Resolutions. If the preceding sentence shall be adjudged by a court of competent jurisdiction to be invalid or ineffective it is the intention of the Local Authority to be fully obligated under the other provisions of this Resolution and that such judgment shall not impair or invalidate the obligation of the Local Authority to pay the principal of and interest on each Note from other funds of the Local Authority as herein provided.

Section 5: Wherever the following terms, or any of them, are used in this Resolution, the same, unless the context shall indicate another or different meaning or intent, shall be construed, and are intended to have meanings as follows:

- (1) The term "Resolution" shall mean this Resolution.
- (2) All other terms used in this Resolution and which are defined in the Contract shall have the respective meanings ascribed thereto in the Contract.

Section 6: All resolutions or parts of resolutions heretofore adopted by the Local Authority which authorize the issuance and/or delivery of Advance, Project Loan or Permanent Notes pursuant to the Contract are hereby repealed; Provided, however, that such repeal shall in no way affect the validity of Advance, Project Loan or Permanent Notes issued pursuant to said resolutions which are outstanding or on deposit for delivery pending payment therefore on the date this Resolution becomes effective; Provided further, that the Project Loan Notes

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authorized by this Resolution shall be exchanged for any Advance Notes heretofore issued pursuant to any previous resolution.

Section 7: This Resolution shall take effect immediately.

Section 8: By this Resolution, the Sacramento Housing and Redevelopment Agency Budget is hereby amended to include \$3,087,760 of HUD-approved funding under the Acquisition with Minor Repair and Substantial Rehabilitation Program, CA30-P005-025 (50 units of scattered site public housing.)

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CHAIR

ATTEST:

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SECRETARY

z:hacsHUDSF391

PERMANENT NOTE

No. CA30-P005-025

HOUSING AUTHORITY OF THE CITY OF SACRAMENTO  
(herein called the "Local Authority") for value received promises to pay on or before the maturity date of this Note to the United States of America (herein called the "Government") or order an amount, with interest thereon to the date of payment, equal to the aggregate amount of advances made to the Local Authority by the Government pursuant to the Annual Contributions Contract (herein called the "Contract") between the Local Authority and the Government with respect to the low-rent housing Projects as hereinafter set forth. The Contract, Projects, and maximum aggregate amount of advances, are as follows:

Contract Date: SF-391 dated June 12, 1970, as amended

Projects Numbered: CA30-P005-025

Maximum Aggregate Amount of Advances: \$ 3,087,760

This Note is issued to aid in financing the above-designated Projects pursuant to the Constitution and statutes of the governmental entity specified below and herein called the "State", and pursuant to the provisions of a resolution (herein called the "Resolution") duly adopted by the Local Authority on the date, as follows:

<u>State</u>	<u>Resolution Adopted</u>
CALIFORNIA	August 13, 1985

Interest hereon shall accrue at the interest rate applicable to the Projects as provided in the Annual Contributions Contract only upon the difference in amount from time to time between the aggregate amount of advances and the aggregate amount of repayments of principal made on this Note. Each advance, repayment, and interest payment on this Note shall be duly recorded by the holder hereof, by date, amount and type, upon the "Statement of Advances and Repayments on account of Note" attached to and made a part of this Note.

This Note shall be payable in annual installments on the first day of the month next following the Annual Contribution Date (as defined in the Contract) applicable to the Projects and in any event the final balance of this Note shall become due and payable on the first day of the month next following the last Annual Contribution Date applicable to the Projects. Each payment on account of this Note shall be applied to interest then accrued and the remainder to principal, and the Local Authority shall, on each payment date, apply all available funds hereinafter pledged as security for this Note and interest hereon to such payment. Both principal of and interest on this Note are payable at the office of the Fiscal Agent (as designated pursuant to the Contract), or at the option of the holder, at the office of the Secretary of Housing and Urban Development in the City of Washington, D. C., in lawful money of the United States of America, unless exchanged as hereinafter provided.

This Note shall not be a debt of any city, county, State or political subdivision thereof or any municipality and neither any city, county, State or political subdivision thereof or any municipality shall be liable hereon, nor in any event shall it be payable out of any funds or properties other than those of the Local Authority. This Note shall not constitute an indebtedness within the meaning of any constitutional or statutory public debt limitation or restriction.

The full faith and credit of the Local Authority are hereby pledged for the payment of the principal of and interest on this Note.

This Note, together with all other notes issued pursuant to the Resolution with respect to the above-designated Projects, is additionally secured by (1) a first pledge of a specific portion of the annual contributions payable to the Local Authority and authorized to be pledged to the payment of such Notes and the interest thereon, pursuant to the Annual Contributions Contract and (2) by a pledge of and lien on the residual Receipts (as defined in the Contract) of Permanently Financed Projects (as defined



in the Contract) after providing for the payment of the Bonds (as defined in the Contract) issued in connection with such Permanently Financed Projects. The pledge and other obligations of the Local Authority under this Note shall be discharged at or prior to the maturity of this Note upon payment of the entire indebtedness.

As additional security for the equal and ratable payment of the principal of and interest on this Note, together with all other notes issued pursuant to the Resolution with respect to the above-designated Projects, the Local Authority, to the fullest extent permitted by the laws of the State, hereby pledges, mortgages, conveys and grants, and by this Note and the Resolution has pledged, mortgaged, conveyed and granted unto the Government all the real and tangible personal property wheresoever situated which it has acquired or may hereafter acquire in connection with or relating to the above-designated Projects, including that certain real property relating to said Projects and more particularly described in the trust instrument or any amendment thereto as executed and recorded by the Local Authority pursuant to the Contract: Provided, That the lien of such pledge and mortgage and the rights granted and conveyed pursuant to this paragraph shall (1) be junior to the Bonds and junior to the pledge of Residual Receipts securing the Bonds, and (2) not be foreclosable until all Bonds shall have been paid and discharged in the manner provided in the Bond Resolutions (as defined in the Contract). If the preceding sentence shall be adjudged by a court of competent jurisdiction to be invalid or ineffective it is the intention of the Local Authority to be fully obligated under the other provisions of this Note and that such judgment shall not impair or invalidate the obligation of the Local Authority to pay the principal of and interest on this Note from other funds of the Local Authority as herein provided.

In the event (a) there is any default in the payment of any installment of this Note, or (b) the Local Authority is in Substantial Default or Substantial Breach (as such terms are defined in the Contract) under the Contract, or (c) the Contract is terminated, then the holder of this Note at his election may, by written notice to the Local Authority, declare the unpaid balance of principal and interest of this Note immediately due and payable. Failure of such holder to declare this Note due and payable upon occurrence of any of the events as aforesaid shall not constitute a waiver of such right in the event of any subsequent occurrence of any such event.

This Note may be exchanged at any time after the issuance of the Actual Development Cost Certificate (as defined in the Contract) with respect to the above-designated Projects, upon demand by and without charge to the holder hereof for a note or notes of the Local Authority in the aggregate principal amount equal to the then unpaid indebtedness hereunder which note or notes shall be payable serially or in installments, as the holder may specify, equal to the specific portion of the annual contributions payable to the Local Authority and authorized to be pledged to the payment of this Note.

The Local Authority, for itself and its successors and assigns, hereby waives presentment, demand for payment, protest and notice of dishonor, and hereby consents that the holder of this Note shall have the right, without notice, to deal in any way, at any time, with the Local Authority, or to grant to the Local Authority any extensions of time for payment of any of said indebtedness, or any other indulgences or forbearances whatsoever, or may release any of the security for this Note, without in any way affecting the liability of the Local Authority hereunder.

No personal responsibility or accountability shall attach to any member of the Local Authority or to any person executing this Note by reason of the execution or issuance hereof.

It is hereby certified, recited and declared that this Note has been issued by the Local Authority to aid in the financing of a housing project to provide dwelling accommodations for persons of low income, and that all acts, conditions and things required by the Constitution and statutes of the State to exist, happen or be performed, precedent to and in the issuance of this Note, have happened and have been performed in due time, form and manner as required by law.

IN WITNESS WHEREOF, the Local Authority has caused this Note to be executed in its name and its seal to be impressed hereon and attested by its proper officers thereunto duly authorized, and this Note to be dated the 21st day of August, 1985.

HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

(SEAL) SEAL IMPRESSED

By /s/ Anne Rudin  
Chairman

ATTEST:

/s/ William H. Edgar

ANNE RUDIN

WILLIAM H. EDGAR - Secretary

PROJECT LOAN NOTE

HUD-9204  
(11-68)

HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

(herein called the "Local Authority") for value received promises to pay upon demand to the United States of America (herein called the "Government") or order an amount, with interest thereon to the date of payment, equal to the aggregate amount of advances made to the Local Authority by the Government pursuant to the Annual Contributions Contract (herein called the "Contract") between the Local Authority and the Government with respect to the low-rent housing Project as hereinafter set forth.

The Contract, Project, and maximum aggregate amount of advances are as follows:

Contract No. and Date: SF-391, dated June 12, 1970, as amended

Project No.: CA30-P005-025

Maximum Aggregate Amount of Advances: \$ 3,087,760.00

This Note is issued to aid in financing the above-designated Project pursuant to the constitution and statutes of the governmental entity specified below and herein called the "State", and pursuant to the provisions of a resolution (herein called the "Resolution") duly adopted by the Local Authority on the date, as follows:

STATE

RESOLUTION ADOPTED

CALIFORNIA

August 13, 1985

Interest hereon shall accrue at the interest rate applicable to the Project as provided in the Contract only upon the difference in amount from time to time between the aggregate amount of advances and the aggregate amount of repayments of principal made on this Note. Each payment on account of this Note shall be applied to interest then accrued and the remainder to principal. Each advance, repayment, and interest payment on this Note shall be duly recorded by the Government, by date, amount and type, upon the "Statement of Advances and Repayments" which is made a part of this Note whether appearing on the reverse hereof or attached hereto. Both principal of and interest on this Note are payable at the office of the Secretary of Housing and Urban Development in the City of Washington, D. C., in lawful money of the United States of America, but the Local Authority may issue and deliver to the Government its Permanent Note (as defined in the Contract) in payment of all or any portion of the indebtedness hereunder as may be agreed upon by such parties.

The full faith and credit of the Local Authority is hereby pledged for the payment of the principal of and interest on this Note.

This Note, together with all other notes issued pursuant to the Resolution with respect to the above-designated Project, is additionally secured by (1) a first pledge of a specific portion of the annual contributions payable to the Local Authority and authorized to be pledged to the payment of such Notes and the interest thereon, pursuant to the Contract and (2) a first pledge of and lien on the Residual Receipts (as defined in the Contract) of such Project.

As additional security for the equal and ratable payment of the principal of and interest on this Note, together with all other notes issued pursuant to the Resolution with respect to the above-designated Project, the Local Authority, to the fullest extent permitted by the laws of the State, hereby pledges, mortgages, conveys and grants, and by this Note and the Resolution has pledged, mortgaged, conveyed and granted unto the Government, its interest in all the real and tangible personal property wheresoever situated which it has acquired or may hereafter acquire in connection with or relating to the above-designated Project, including that certain real property relating to said Project and more particularly described in the trust instrument or any amendment thereto as executed and recorded by the Local Authority pursuant to the Contract. If the preceding sentence shall be adjudged by a court of competent jurisdiction to be invalid or ineffective it is the intention of the Local Authority to be fully obligated under the other provisions of this Note and that such judgment shall not impair or invalidate the obligation of the Local Authority to pay the principal of and interest on this Note from other funds of the Local Authority as herein provided.

The pledges and other obligations of the Local Authority under this Note shall be discharged upon payment of the entire indebtedness hereunder.

The Local Authority, for itself and its successors and assigns, hereby waives presentment, demand for payment, protest and notice of dishonor, and hereby consents that the holder of this Note shall have the right, without notice, to deal in any way, at any time, with the Local Authority, or to grant to the Local Authority any extensions of time for payment of any of said indebtedness, or any other indulgences or forbearances whatsoever, or may release any of the security for this Note, without in any way affecting the liability of the Local Authority hereunder.

No personal responsibility or accountability shall attach to any member of the Local Authority or to any person executing this Note by reason of the execution or issuance hereof.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the constitution and statutes of the State to exist, happen or be performed, precedent to and in the issuance of this Note, do exist, have happened and have been performed in due time, form and manner as required by law. This Note shall not be a debt of any city, county, State or political subdivision thereof or any municipality and neither any city, county, State or political subdivision thereof or any municipality shall be liable hereon, nor in any event shall it be payable out of any funds or properties other than those of the Local Authority. This Note shall not constitute an indebtedness within the meaning of any constitutional or statutory public debt limitation or restriction.

IN WITNESS WHEREOF, the Local Authority has caused this Note to be executed in its name and its seal to be impressed hereon and attested by its proper officers thereunto duly authorized, and this Note to be dated the 21st day of August, 19 85 .

(SEAL)  
SEAL IMPRESSED

HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

By /s/ Anne Rudin  
ANNE RUDIN

Chairman

ATTEST:  
/s/ William H. Edgar  
WILLIAM H. EDGAR  
Secretary