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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

December 28, 1979

CITY MANAGER'S OFFICE
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Housing Authority of the
City of Sacramento
915 I Street
Sacramento, CA 95814

Honorable Members in Session:

SUBJECT: Consolidation of Annual Contributions
Contracts Nos. SF 154 and SF 391

COUNTY GOVERNING BOARD
ILLA COLLIN
C. TOBIAS (TOBY) JOHNSON
JOSEPH E. (TED) SHEEDY
SANDRA R. SMOLEY
FRED G. WADE

SUMMARY

Attached are two resolutions by which you (1) transfer and consolidate Annual Contributions Contract No. SF 154 (New Helvetia and River Oaks Projects) into Contract No. SF 391 (Central Elderly Projects). This action is recommended by the Department of Housing and Urban Development in order to overcome the detrimental effect that HUD's Performance Funding System has had upon operating subsidies of the elderly projects.

EXECUTIVE DIRECTOR
WILLIAM G. SELINE

P.O. Box 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

BACKGROUND

The original federal Annual Contributions Contract (ACC) for New Helvetia/River Oaks was entered into in 1940. When the ACC for the Central Elderly projects was effected June 12, 1970, it was not combined with the existing contract, so that the Housing Authority of the City of Sacramento has been operating under two HUD-funded contracts. This meant two sets of books of account, investment records, and various other duplications. However, the result was one of only minor inconvenience until HUD's recent institution of a "Performance Funding System" formula for allocation of operating subsidies. This formula has resulted in more than

FILED
SACRAMENTO HOUSING AUTHORITY

Date

1/8/80

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ample funding for New Helvetia/River Oaks but has resulted in a slow erosion of the Reserve Fund supplied by HUD for the Central Elderly project. Combining the two contracts will overcome the detrimental action of the Performance Funding System on the elderly projects.

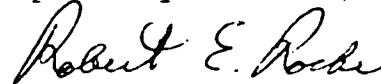
FINANCIAL DATA

It is expected that the consolidation of the two contracts will result in a total reserve for the two projects of \$1,024,877 rather than \$913,771 separately, for a gain of \$111,106 in 1980 and continuing beneficial effects in future years.

RECOMMENDATION

It is recommended that you approve the attached resolutions.

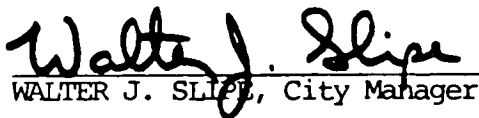
Respectfully submitted,



William G. Seline
EXECUTIVE DIRECTOR



TRANSMITTAL TO COUNCIL:


WALTER J. SLIPE, City Manager

Contact Person: Beverly Czoberek

Resolution No. _____

January 8, 1980

RESOLUTION AUTHORIZING THE EXECUTION OF AMENDMENT NO. 21
TO ANNUAL CONTRIBUTIONS CONTRACT NO. SF391;
PROVIDING FOR THE DEPOSIT OF MONIES UNDER A GENERAL DEPOSITARY
AGREEMENT; AND THE ISSUANCE OF PROJECT LOAN NOTES AND
PERMANENT NOTES

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 Depository 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.

BE IT RESOLVED BY THE LOCAL AUTHORITY, AS FOLLOWS:

Section 1. The Amendment to the Annual Contributions Contract is hereby approved and accepted and the Chairman or Vice Chairman 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 Wells Fargo Bank and the Bank of California and the Local Authority previously entered into General Depository Agreements dated August 15, 1966 and June 10, 1970 respectively, on Form PHA-1999A and Form HUD-51999A respectively, providing for the deposit of monies pertaining to the project(s) specified herein. These Agreements are hereby terminated and approval is hereby given to the form and substance of a substitute General Depository Agreement substantially in the form of the current revised HUD-51999A to be entered into with Wells Fargo Bank and the Chairman or Vice Chairman is hereby authorized and directed to execute said Contract in triplicate on behalf of the Local Authority, and the Secretary is hereby authorized and directed to impress and attest the official seal of the Local Authority on each such counterpart and to forward said 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 3. The Executive Director 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 therefor 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 therefor, 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 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 Notes) 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 Chairman or Acting Chairman; 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 Projects and Permanently Financed Projects, 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 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 Projects 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 ineffectual it is the intention of the Local Authority to be fully obligated under the other provisions of the Resolution and that such judgement 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. Whenever 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:

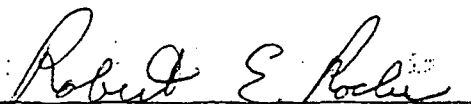
- (1) the term "Resolution" shall mean this Resolution.
- (2) All other terms used in this Resolution and which are defined in the Contract shall have the respective meanings ascribed thereto in the Contract.

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 therefor on the date this Resolution becomes effective: Provided further, That the Project Loan Notes 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.

CHAIRMAN

ATTEST:


A. SECRETARY

RESOLUTION NO. _____

Adopted by the Housing Authority of the City of Sacramento

January 8, 1980

RESOLUTION AUTHORIZING THE EXECUTION OF AMENDMENT
NO. 13 TO ANNUAL CONTRIBUTIONS CONTRACT NO. SF 154
PROVIDING FOR THE TRANSFER OF CONTRACT NO. SF 154
AND CONSOLIDATION INTO ANNUAL CONTRIBUTIONS
CONTRACT NO. SF 391

The Housing Authority of the City of Sacramento (herein called the "Local Authority" proposes 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") to provide for the transfer of Annual Contributions Contract No. SF 154 in its entirety into Annual Contributions Contract No. SF 391 dated June 20, 1970, as amended.

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF
SACRAMENTO, AS FOLLOWS:

Section 1. The Amendment to the Annual Contributions Contract is hereby approved and accepted and the Chairman or Vice Chairman 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 Wells Fargo Bank and the Local Authority previously entered into a General Depositary Agreement dated August 15, 1966, on Form PHA 1999A providing for the deposit of monies pertaining to the projects(s) specified therein. The Agreement is hereby terminated.

Section 3. Whenever 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:

- (a) the term "Resolution" shall mean this Resolution.
- (b) 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 4. 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 therefor on the date this Resolution becomes effective: Provided, further, That the Project Loan Notes authorized by this Resolution shall be exchanged for any Advance Notes heretofore issued pursuant to any previous resolution.

Section 5. This Resolution shall take effect immediately.

CHAIRPERSON

ATTEST:

Robert E. Roche
Acting Secretary