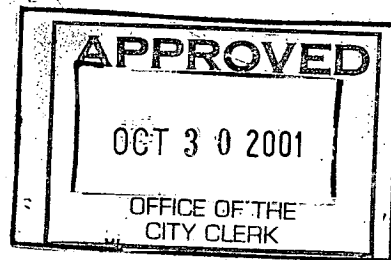




**Sacramento
Housing &
Redevelopment
Agency**



2.2

October 17, 2001

City Council
Sacramento, California

Honorable Members in Session:

SUBJECT: AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO MODIFY HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM ALLOCATIONS PURSUANT TO FEDERAL GUIDELINES

LOCATION & COUNCIL DISTRICT - Citywide

RECOMMENDATION

Staff recommends adoption of the attached resolutions, which authorize the Executive Director to:

- ◆ transfer HOME funds within SHRA's multifamily lending program between acquisition/rehabilitation and new construction, as described in the annual Department of Housing and Urban Development (HUD) Action Plan; and
- ◆ de-obligate unused HOME funds at completion or cancellation of a loan-funded activity and reallocate those funds to the originating program.

CONTACT PERSONS

Beverly Fretz-Brown, Director of Development Services, 440-1357
Darren Bobrowsky, Program Manager, 440-1328

FOR COUNCIL MEETING OF - October 30, 2001

SUMMARY

This report recommends that authority be granted to the Executive Director to transfer multifamily HOME allocations between new construction and acquisition/rehabilitation programs which are described and adopted in the annual HUD Action Plan. The report also recommends that the Executive Director be granted the authority to cancel committed HOME

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

City Council
October 17, 2001
Page 2

funds that remain unused at the completion or cancellation of the loan-funded activity and make the funds available for future commitments under the appropriate loan program.

COMMISSION ACTION

At its meeting October 17, 2001, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Amundson, Burns, Castello, Cespedes, Graham, Hoag, McCarty,
Newsome, Simon
NOES: None
NOT PRESENT TO VOTE: Faust
ABSENT: Harland

BACKGROUND

Reprogramming Program Funds

Each year HUD requires local governments that receive federal housing and community development funds to adopt an Action Plan that allocates those funds to various projects and programs. HUD requires that the Action Plan contain separate estimates of the use of multifamily program funds between new construction and acquisition/rehabilitation. The total amount of funds for both uses are included in the Agency's annual budget for multifamily housing lending. They are not separated in the budget because the Agency conducts an integrated multifamily lending program that finances eligible new construction and acquisition/rehabilitation projects as they are developed by the private nonprofit or for-profit sector in accordance with the Council's priorities.

Pursuant to federal guidelines, the Executive Director may be granted the authority to transfer HOME funds between multifamily new construction and acquisition/rehabilitation programs that are described and authorized in the Action Plan. This transfer ability is important because when the actual level of loan activity does not perfectly match the predicted level, a staff report is required to shift funds to meet the actual market need.

This transfer of uncommitted HOME funds among authorized housing programs can only occur when those programs have previously received an allocation of HOME funds in an adopted Action Plan. Annual entitlement and revolving loan funds are both subject to this authority.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

City Council
October 17, 2001
Page 3

Reallocation of Excess Funds

The annual Action Plan for federal funds permits the Executive Director to de-obligate HOME funds which remain unused at the completion or cancellation of the loan-funded activity and to make them available for future commitments under the appropriate lending program, as described and authorized in the annual Action Plan. This report recommends that the Executive Director be granted this authority to cancel and reallocate excess funds.

FINANCIAL CONSIDERATIONS

Approval of these actions will have no financial impact on the Agency.

POLICY CONSIDERATIONS

These recommendations have no policy implications. Their purpose is to increase organizational efficiency.

ENVIRONMENTAL REVIEW

The proposed action does not constitute a project under CEQA per Guidelines Section 15378(b)(3), or a federal undertaking under NEPA.

M/WBE CONSIDERATIONS

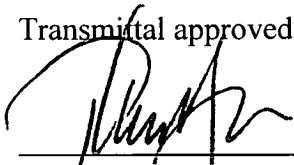
The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully submitted,

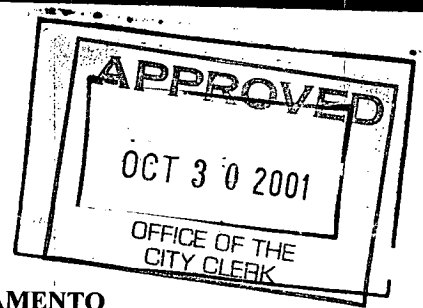


ANNE M. MOORE
Executive Director

Transmittal approved,



ROBERT R. THOMAS
City Manager



RESOLUTION NO. 2001-7510

ADOPTED BY THE CITY COUNCIL OF THE CITY OF SACRAMENTO

ON DATE OF

AMENDMENT TO EXECUTIVE DIRECTOR AUTHORITY: AUTHORIZATION FOR THE EXECUTIVE DIRECTOR TO MODIFY HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM ALLOCATIONS TO THE FULL EXTENT ALLOWED BY FEDERAL GUIDELINES

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

Section 1. The Executive Director of the Sacramento Housing and Redevelopment Agency ("Agency") or her designee is authorized to move HOME appropriations between acquisition/rehabilitation and new construction allocations as described in the Agency's annual CDBG Action Plan, subject to the budget limit for the aggregate of these HOME-funded programs, during the course of the Agency's fiscal year without further approval.

Section 2. The Executive Director of the Agency, or her designee, is authorized to de-obligate unused HOME funds at completion or cancellation of a loan-funded activity and reallocate those funds to the originating program.

MAYOR

ATTEST:

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____