NOTICE OF SPECIAL MEETING

Tuesday, September 22, 2015

5:30 p.m.

BOARD OF DIRECTORS OF THE HOUSING RELINQUISHED FUND CORPORATION

Date: September 21, 2015

To: Craig Scharton, Chair
Stacy Sablan, Vice Chair
Reneeta Anthony, Director
Adrian Jones, Director
Tracewell Hanrahan, Treasurer

From: Preston Prince, Director

Subject: Notice of Board Meeting

NOTICE IS HEREBY GIVEN that a meeting of the Board of Directors of the Housing Relinquished Fund Corporation, Inc., will be held at 5:30 p.m. on Tuesday, September 22, 2015 at the Fresno Housing Authority, located at 1331 Fulton Mall, Fresno, California.

AGENDA
1. Call to Order
2. Approval of the Agenda
3. Consideration of the Minutes of June 23, 2015
4. Consideration of a Line of Credit – Housing Authorities of the City and County of Fresno
5. Adjournment

Preston Prince, Director/Secretary
Minutes of Special Meeting
Of the Board of Directors of
HOUSING RELINQUISHED FUND CORPORATION

Tuesday, June 23, 2015
6:30 P.M.

There was a duly noticed special meeting of the Board of Directors of the Housing Relinquished Fund Corporation on Tuesday, June 23, 2015 at the offices of the Fresno Housing Authority, 1331 Fulton Mall, Fresno, CA 93721.

1. The meeting was called to order by Director Scharton at 6:55 p.m., and upon roll call, Directors/Officers present and absent were as follows:

   PRESENT: Craig Scharton, Chair
             Stacy Sablan, Vice Chair
             Reneeta Anthony, Director
             Adrian Jones, Director
             Preston Prince, Director/Secretary
             Tracewell Hanrahan, Treasurer

   ABSENT: None.

   Also in attendance was Ken Price, General Counsel from Baker Manock and Jensen; Michael Duarte, Director of Planning and Community Development; and Tiffany Mangum, Special Assistant to the CEO/Executive Director.

2. Approval of Agenda

   Upon motion by Director Anthony, seconded by Director Sablan, and with unanimous vote, the agenda was approved.

3. Consideration of the Minutes of February 24, 2015

   Upon motion by Director Anthony, seconded by Director Jones, and with unanimous vote, the minutes were approved.

4. Consideration of Application Submission – Shockley Terrace
It is recommended that the Board adopt the resolution authorizing a loan amount up to $1,800,000 to the Authority, for the purpose of constructing 48 units at 2132 Locust Street, Selma, CA.

Upon motion by Director Anthony, seconded by Director Jones and with unanimous vote, the resolution was approved.

5. **Consideration of Application Submission – Magill Terrace**

It is recommended that the Board adopt the resolution authorizing a commitment of funds to the Magill Terrace project, in order to apply for a 9% Tax Credit Application.

Upon motion by Director Anthony, seconded by Director Jones and with unanimous vote, the resolution was approved.

6. **Adjournment**

There being no further business to be considered by the Board of Directors for the Housing Relinquished Fund Corporation, the meeting was adjourned at approximately 6:56 p.m.

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Preston Prince, Secretary
To: The Board of Directors of the Housing Relinquished Fund Corporation
Date: September 18, 2015

From: Preston Prince
Secretary

Agenda Item: 4

Subject: Line of Credit for the Housing Authority of the City of Fresno and the Housing Authority of Fresno County

Date: September 18, 2015

Board Meeting: September 22, 2015

The 2016 Federal Fiscal Year will begin on Thursday, October 1st but at this time, Congress has not yet adopted a budget appropriating the funding necessary to cover federal expenditures. The House and Senate are negotiating a Continuing Resolution (CR) to fund government programs in the absence of an adopted budget, but the timing of this Resolution remains unclear. Due to negotiations over several fiscal events, including sequestration, annual funding levels and the debt ceiling, there have been numerous delays in the passage of such necessary legislation. Absent a Continuing Resolution, the government will enter into a “shutdown” beginning October 1st which will continue until a stopgap measure or final Federal budget is adopted.

Delays in the passage of the Federal Budget are not uncommon, but have only twice resulted in an actual government shutdown; once in 1996 and again in 2013. Pressure on Congressional representatives is continuing to increase and many hope that legislators will pass a Continuing Resolution in order to avoid the fiscal and political implications of not acting in time.

In the event that Congress fails to pass a CR prior to October 1st and a government shutdown ensues, the Fresno Housing Authority (the “Agency”) fully intends, to the best of its ability, to continue the core operations of providing services to its residents and public partners. However, once the government “shuts down,” the Agency’s primary funders may be unable to authorize normal funding distributions due to the suspension of operations at the Federal level. While distributions will be released once legislation is adopted, there may be a need to utilize short-term alternatives to essentially “cover” the funds held in suspense due to federal closure. While the Agency has operated in a fiscally prudent manner, building up reserves for these types of situations, the impact of HUD’s requirement to transfer program reserves to the Treasury has reduced the financial flexibility the Agency has to absorb funding delays.

To ensure the continuity of the Agency’s core operations, staff is pursuing a number of measures to reduce the impact of a potential federal shutdown and temporarily offset funding delays. These measures include:

- Working closely with partner agencies such as HUD and the USDA to request “pre-funding” wherever possible;
- Identifying unrestricted reserves and program reserves still held at the Agency; and,
- Maintaining the ability to draw from a commercial line of credit.
To supplement the measures above and further increase available working capital, the Agency is also seeking approval to utilize funds from the Housing Relinquished Fund Corp. as needed until funding streams are restored.

**RECOMMENDATION:**

It is recommended that the Board of Directors of the Housing Relinquished Fund Corporation approve an interest-free line of credit of up to $7 million to the Housing Authorities of the City and County of Fresno, operating jointly as the Fresno Housing Authority, for purposes of temporarily funding core operations should an October 1st government shutdown occur.
RESOLUTION TO APPROVE A LINE OF CREDIT LOAN FROM THE HOUSING RELINQUISHED FUND CORPORATION TO THE HOUSING AUTHORITIES OF THE CITY AND COUNTY OF FRESNO

WHEREAS, the Federal Fiscal Year will begin October 1, 2015; and

WHEREAS, a Federal Budget or Continuing Resolution must be in place prior to the beginning of each Federal Fiscal Year to appropriate and authorize Federal expenditures; and

WHEREAS, a Federal Budget or Continuing Resolution has not yet been approved by the United States Congress; and

WHEREAS, beginning the 2016 Federal Fiscal Year without legislation in place will create a government shutdown; and

WHEREAS, a government shutdown may delay normal ongoing funding distributions to the Housing Authority of the City of Fresno and the Housing Authority of Fresno County (jointly operating as the Fresno Housing Authority); and

WHEREAS, delays in said funding distributions may create the need for additional working capital in order for the Fresno Housing Authority to continue its core operations.

NOW THEREFORE, the Board of Directors does hereby resolve that, Preston Prince, the Secretary and/or his designee are authorized to provide up to $7.0 million of Housing Relinquished Fund Corp. funds as an additional line of credit to the Fresno Housing Authority to utilize on an as-needed basis should an October 1st federal government shutdown occur. Said line of credit shall accrue interest at 0% per annum.

PASSED AND ADOPTED THIS ___22nd___ day of ___September___, 2015 I, the
undersigned, hereby certify that the foregoing Resolution was duly adopted by the governing body with the following vote, to-wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

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Preston Prince, Secretary of the Board of Directors