

Meeting Date: 2/25/2014

Report Type: Consent

Report ID: 2014-00129

Title: (City Council/Housing Authority) Establish Financing Authority - Sacramento Public Financing Authority

Location: Citywide

Recommendation: Pass a City Council Resolution a) approving an agreement that creates a joint-powers authority between the City and the Sacramento City Housing Authority, to be known as the Sacramento Public Financing Authority (SPFA); and b) authorizing specified City and Housing Authority officers to sign the agreement, and 2) pass a Housing Authority Resolution a) approving an agreement that creates a joint-powers authority between the City and the Sacramento City Housing Authority, to be known as the Sacramento Public Financing Authority (SPFA); and b) authorizing specified City and Housing Authority officers to sign the agreement.

Contact: Russ Fehr, City Treasurer, (916) 808-5832; Janelle Gray, Treasury Manager, (916) 808-8296, Office of the City Treasurer

Presenter: None

Department: City Treasurer

Division: City Treasurer

Dept ID: 05001011

Attachments:

- 1-Description/Analysis
- 2-City Resolution
- 3-Housing Authority Resolution
- 4-Joint Powers Agreement

City Attorney Review

Approved as to Form
Joseph Cerullo
2/14/2014 6:33:13 PM

City Treasurer Review

Reviewed for Impact on Cash and Debt
Russell Fehr
2/5/2014 10:40:15 AM

Approvals/Acknowledgements

Department Director or Designee: Russell Fehr - 2/10/2014 10:17:01 AM

Description/Analysis

Issue Detail: For years the City and the Redevelopment Agency of the City of Sacramento have been members of a joint-powers authority (JPA), the Sacramento City Financing Authority (SCFA), which was used to issue public debt. But as a result of Assembly Bill 1X26, the Redevelopment Agency was dissolved effective February 1, 2012. The City thus desires to form a new JPA between the City and Housing Authority, to be known as the Sacramento Public Financing Authority (SPFA) and used to facilitate the future issuance of public debt.

Policy Considerations: Formation of the SPFA would provide another JPA in addition to SCFA for the purpose of acting as nominal lessor for new City financings. The formation of SPFA will not place any financial or other liabilities on the City or the Housing Authority and will not impede their independent operations.

Economic Impacts: Not applicable, administrative action.

Commission/Committee Action: It is anticipated that, at its meeting of February 19, 2014, the Sacramento Housing and Redevelopment Commission will approve staff's recommendation of this item. Staff will notify the City Council if this does not occur.

Rationale for Recommendation: A JPA is necessary to facilitate the City's lease financings, particularly lease-revenue bonds and certificates of participation. Until recently, SCFA was the JPA used for these purposes. But with the dissolution of one member of SCFA, the Redevelopment Agency, it is desirable to establish a new JPA to serve as the nominal lessor for future debt financings. SCFA will remain in existence as long as SCFA's existing lease obligations remain outstanding (through 2037).

Environmental Considerations:

California Environmental Quality Act (CEQA): Not applicable, as formation of SPFA is not a "project." (Cal. Code Regs., tit. 14, § 15378, subds. (b)(2), (b)4, (b)(5).)

Sustainability Considerations: Not applicable, administrative action.

Financial Considerations: There are nominal costs associated with the formation of SPFA that will be funded by available revenues. As a component unit of the City, on-going administration of SPFA is integrated into existing city resources.

Local Business Enterprise (LBE): Not applicable.

RESOLUTION NO. 2014-XXXX

Adopted by the Sacramento City Council

February 25, 2014

APPROVING A JOINT EXERCISE OF POWERS AGREEMENT CREATING THE SACRAMENTO PUBLIC FINANCING AUTHORITY, AND AUTHORIZING CERTAIN OTHER RELATED ACTIONS

BACKGROUND:

- A.** The Joint Exercise of Powers Act (Government Code section 6500 and following) (the "**Act**") authorizes two or more public agencies to enter into an agreement to jointly exercise any power common to them. The Act also authorizes the public agencies to provide in the agreement for the creation of a separate joint-powers authority that has the power to exercise any powers common to the agencies as specified in the agreement and to exercise the additional powers granted to the joint-powers authority by the Act or other applicable law.
- B.** The City and the Housing Authority of the City of Sacramento are public agencies under the Act, and they desire to create a joint-powers authority, to be known as the Sacramento Public Financing Authority (the "**Financing Authority**"), for the purposes of assisting any member agency of the Financing Authority (each a "**Member**") with the following: acquiring, constructing, improving, rehabilitating, or financing capital improvements or other assets; financing working capital and addressing other cash flow needs; refinancing any outstanding obligations; and making loans to or otherwise assisting with financings for entities (public or private) that are not Members but are either controlled by a Member or determined by a Member to be of benefit to the Member.
- C.** The City desires to enter into a joint-exercise-of-powers agreement that is substantially in the form on file with the City Clerk, a copy of which is attached to this resolution (the "**Agreement**"), for the purposes set forth in the Agreement and described above and to exercise the powers provided in the Agreement and under the Act and other applicable law. Among other things, the Agreement provides (1) that the Financing Authority will have the power to issue bonds under Government Code sections 6587 and 6588 (part of the Marks-Roos Local Bond Pooling Act of 1985), which authorize a joint-powers authority to issue bonds for one of the listed purposes even if that purpose is not a power held in common by the members of the authority; and (2) that the debts, liabilities, and obligations of the

Financing Authority will not constitute debts, liabilities, or obligations of the Members, individually or collectively.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

- Section 1.** The statements in paragraphs A, B, and C of the Background are true.
- Section 2.** The proposed form of the Agreement on file with the City Clerk is hereby approved. The Mayor, Vice Mayor, the City Manager, and the City Treasurer, or the designee of any of them (each an "**Authorized Officer**"), are each hereby authorized and directed, on the City's behalf, to sign and deliver the Agreement, which must be substantially in the form on file with the City Clerk, with such changes as the signing Authorized Officer may require or approve with the concurrence of the City Attorney or his designee, such approval to be conclusively evidenced by the execution and delivery of the Agreement.
- Section 3.** The City Clerk or her designee is hereby authorized to attest the signature of the Authorized Officer who signs the Agreement.
- Section 4.** Each Authorized Officer acting alone is hereby authorized and directed to do any and all things and to sign and deliver any documents they deem necessary or desirable to implement the Agreement and otherwise carry out, give effect to, and comply with this resolution; and all such actions previously taken by an Authorized Officer are hereby ratified.
- Section 5.** This resolution takes effect when adopted.

RESOLUTION NO. 2014-XXXX

Adopted by the Housing Authority of the City of Sacramento

February 25, 2014

APPROVING A JOINT EXERCISE OF POWERS AGREEMENT CREATING THE SACRAMENTO PUBLIC FINANCING AUTHORITY, AND AUTHORIZING CERTAIN OTHER RELATED ACTIONS

BACKGROUND:

- A.** The Joint Exercise of Powers Act (Government Code section 6500 and following) (the "**Act**") authorizes two or more public agencies to enter into an agreement to jointly exercise any power common to them. The Act also authorizes the public agencies to provide in the agreement for the creation of a separate joint-powers authority that has the power to exercise any powers common to the agencies as specified in the agreement and to exercise the additional powers granted to the joint-powers authority by the Act or other applicable law.
- B.** The Housing Authority and the City of Sacramento are public agencies under the Act, and they desire to create a joint-powers authority, to be known as the Sacramento Public Financing Authority (the "**Financing Authority**"), for the purposes of assisting any member agency of the Financing Authority (each a "**Member**") with the following: acquiring, constructing, improving, rehabilitating, or financing capital improvements or other assets; financing working capital and addressing other cash flow needs; refinancing any outstanding obligations; and making loans to or otherwise assisting with financings for entities (public or private) that are not Members but are either controlled by a Member or determined by a Member to be of benefit to the Member.
- C.** The Housing Authority desires to enter into a joint-powers agreement that is substantially in the form on file with the Clerk of the Sacramento Housing and Redevelopment Agency (the "**Clerk**"), a copy of which is attached to this resolution (the "**Agreement**"), for the purposes set forth in the Agreement and described above and to exercise the powers provided in the Agreement and under the Act and other applicable law. Among other things, the Agreement provides (1) that the Financing Authority will have the power to issue bonds under Government Code sections 6587 and 6588 (part of the Marks-Roos Local Bond Pooling Act of 1985), which authorize a joint-powers authority to issue bonds for one of the listed purposes even if that purpose is not a power held in common by the members of the authority; and (2) that the debts, liabilities, and obligations of the

Financing Authority will not constitute debts, liabilities, or obligations of the Members, individually or collectively.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY RESOLVES AS FOLLOWS:

Section 1. The Housing Authority finds that the statements in paragraphs A, B, and C of the Background are true.

Section 2. The proposed form of the Agreement on file with the Clerk is hereby approved. The Chairperson and the Executive Director of the Housing Authority, or the designee of either of them (each an "**Authorized Officer**"), are each hereby authorized and directed, on the Housing Authority's behalf, to sign and deliver the Agreement, which must be substantially in the form on file with the Clerk, with such changes as the signing Authorized Officer may require or approve with the concurrence of legal counsel to the Housing Authority, such approval to be conclusively evidenced by the execution and delivery of the Agreement.

Section 3. The Clerk or the Clerk's designee is hereby authorized to attest the signature of the Authorized Officer who signs the Agreement.

Section 4. Each Authorized Officer acting alone is hereby authorized and directed to do any and all things and to sign and deliver any documents he or she may deem necessary or desirable to implement the Agreement and otherwise carry out, give effect to, and comply with this resolution; and all such actions previously taken by an Authorized Officer are hereby ratified.

Section 5. This resolution takes effect when adopted.

JOINT EXERCISE OF POWERS AGREEMENT
between the
CITY OF SACRAMENTO
and the
HOUSING AUTHORITY OF THE CITY OF SACRAMENTO
creating the
SACRAMENTO PUBLIC FINANCING AUTHORITY

JOINT EXERCISE OF POWERS AGREEMENT

This Joint Exercise of Powers Agreement is between the CITY OF SACRAMENTO, a California municipal corporation (the “**City**”), and the HOUSING AUTHORITY OF THE CITY OF SACRAMENTO, a public corporation organized and existing under California law (the “**Housing Authority**”). The City, the Housing Authority, and any other public agency added to this Agreement under Section 17 are individually referred to as a “**Member**” and are collectively referred to as the “**Members.**” Capitalized terms used in this agreement have the meanings given them in Section 2 unless otherwise defined.

Background

Under the Act, two or more public agencies may by agreement jointly exercise any power common to them. Each Member is a “public agency” as that term is defined in section 6500 of the Act, and each is empowered by law to issue debt and to acquire and dispose of real property.

The Act authorizes the Members to create a joint-powers authority with the authority to exercise any powers common to the Members and to exercise the additional powers granted to it by the Act or other applicable law. By this Agreement, each Member desires to create and establish the Sacramento Public Financing Authority for the purposes set forth below and to exercise the powers provided below.

With these background facts in mind, the Members agree as follows:

1. **Purpose.** This Agreement is made pursuant to the Act relating to the joint exercise of powers common to public agencies. Each Member possesses the common power referred to in the Background above. This Agreement is entered into by each Member in order to provide for the exercise by the Authority of such common powers and to provide for the exercise of all additional powers given to a joint-powers authority under the Act, the Marks-Roos Act, or any other applicable law for purposes of assisting any Member in acquiring, constructing, improving, rehabilitating, or financing capital improvements or other assets; financing working capital and addressing other cash-flow needs; refinancing any outstanding obligations; and making loans to or otherwise assisting with financings for entities (public or private) that are not Members but are either controlled by a Member or determined by a Member to be of benefit to the Member.
2. **Definitions.**
 - (a) “**Act**” means the Joint Exercise of Powers Act (California Government Code section 6500 and following), as amended from time to time.
 - (b) “**Agreement**” means this Joint Exercise of Powers Agreement as it may, from time to time, be amended.

- (c) **“Authority”** means the Sacramento Public Financing Authority created by this Agreement.
 - (d) **“Board”** means the board of directors that serves as the governing body of the Authority.
 - (e) **“Bonds”** has the meaning given to such term in the Marks-Roos Act.
 - (f) **“Effective Date”** means the date identified in Section 21 below.
 - (g) **“Marks-Roos Act”** means the Marks-Roos Local Bond Pooling Act of 1985 (California Government Code section 6584 and following), as amended from time to time.
3. **Term.** This Agreement is effective as of the Effective Date and will continue in full force and effect for 50 years after the Effective Date or until it is terminated in writing by all the Members, subject to the following: in no event will this Agreement terminate while any Bonds or other obligations of the Authority remain outstanding under the terms of any indenture, trust agreement, contract, agreement, lease, sublease, or other instrument by which the Bonds are issued or other obligations are incurred. The Authority shall cause all records regarding its formation, existence, any Bonds issued by it, obligations incurred by it, and proceedings pertaining to its termination to be retained for at least six years following termination of the Authority or final payment of any Bonds issued by the Authority, whichever is later.
4. **Authority**
- (a) **Creation of Authority.** As authorized by the Act, there is hereby created an agency and public entity to be known as the Sacramento Public Financing Authority, which is a public entity separate and apart from the Members. The debts, liabilities, and obligations of the Authority will not constitute debts, liabilities, or obligations of the Members, individually or collectively.
 - (1) Within 30 days after the Effective Date or the date of any amendment to this Agreement, the Authority shall cause a notice of this Agreement or amendment to be prepared and filed with the office of the California Secretary of State in the manner set forth in section 6503.5 of the Act.
 - (2) Within 70 days after the Effective Date, and within 10 days after any change of facts required by section 53051(b) of the California Government Code to be stated, the Authority shall cause a notice to be prepared and filed with the office of the California Secretary of State and with the County Clerk of each county in which the Authority maintains an office, in the manner set forth in section 53051 of the California Government Code.
 - (b) **Board.** The Authority will be administered by the board of directors consisting of the members of the Sacramento City Council. The term of office of a director is

equivalent to the director’s term of office on the Sacramento City Council. Directors are not entitled to any compensation for serving on the Board but are entitled to reimbursement for any expenses actually incurred in connection with that service if the Board approves reimbursement and unencumbered funds are appropriated for that purpose.

(c) **Meetings of the Board**

- (1) *Legal Notice.* The Board shall call, notice, hold, and conduct its meetings subject to the Ralph M. Brown Act (California Government Code sections 54950 through 54962) or any successor legislation (the “**Brown Act**”).
- (2) *Regular Meetings.* The Board shall hold its regular meetings concurrently with the regular meetings of the Sacramento City Council unless the Board provides by resolution for the holding of regular meetings upon a different schedule. To the extent permitted by the Brown Act, the Board’s regular meetings may be held by teleconference.
- (3) *Special Meetings.* The Board may call special meetings as authorized by section 54956 of the California Government Code. To the extent permitted by the Brown Act, the Board’s special meetings may be held by teleconference.
- (4) *Minutes.* The Secretary of the Authority shall cause minutes of all meetings of the Board to be kept and shall cause a copy of the minutes to be forwarded to each member of the Board and to the Members as soon as possible after each meeting.
- (5) *Quorum.* A majority of the members of the Board constitutes a quorum for the transaction of business, except that less than a quorum may adjourn meetings from time to time.
- (6) *Bylaws.* The Board may adopt such bylaws, rules, and regulations as are necessary for the purposes of this Agreement.

(d) **Officers and their Duties**

- (1) The following City officers will serve ex officio as the officers of the Authority:

City Officer	Ex Officio Authority Officer
Mayor	Chair
Vice Mayor	Vice Chair
City Clerk	Secretary
City Treasurer	Treasurer
Director of Finance	Controller

- (2) Subject to the applicable provisions of any indenture, trust agreement, or resolution providing for a trustee or other fiscal agent, and except as may otherwise be specified by resolution of the Authority, the Treasurer is hereby designated as the depository of the Authority to have custody of all the money of the Authority, from whatever source, and has the powers, duties, and responsibilities of the treasurer of the Authority specified in sections 6505.5 and 6509.5 of the Act. The Treasurer shall draw checks to pay demands against the Authority when the demands have been approved by the Board.
- (3) Subject to the applicable provisions of any indenture, trust agreement, or resolution providing for a trustee or other fiscal agent, and except as may otherwise be specified by resolution of the Authority, the Controller is designated as the auditor and controller of the Authority and has the powers, duties, and responsibilities of the auditor or controller of the Authority specified in sections 6505 and 6505.5 of the Act.
- (4) The Board shall determine the charges to be made against the Authority for the services of the Treasurer and the Controller.
- (5) The Treasurer is hereby designated as the public officer or person who has charge of, handles, or has access to any property of the Authority, and the Treasurer shall file an official bond in the amount of \$25,000 as required by section 6505.1 of the Act, except as follows: a bond is not required if the Authority does not possess or own property or funds with an aggregate value of greater than \$500 (excluding amounts held by a trustee or other fiduciary in connection with any Bonds).
- (6) The Controller is hereby authorized and directed to prepare or cause to be prepared a special audit as required by section 6505 of the Act every year during the term of this Agreement unless the Board elects otherwise in accordance with the Act. The Controller is hereby directed to report in writing on the first day of July, October, January, and April of each year to the Board and the Members. The report must describe the amount of money held by the Treasurer for the Authority, the amount of receipts since the last such report, and the amount paid out since the last report (which may exclude amounts held by a trustee or other fiduciary in connection with any Bonds to the extent that such trustee or other fiduciary provides regular reports covering such amounts).
- (7) The Sacramento City Attorney shall serve as Legal Counsel to the Authority.
- (8) The Board is authorized to appoint such other officers and employees as it deems necessary and to retain special counsel, consultants, administrators, and accountants.

- (9) All of the privileges and immunities from liability; all exemptions from laws, ordinances, and rules; and all pension, relief, disability, workers' compensation, and other benefits that apply to the activities of officers, agents, or employees of the Members when performing their functions within the territorial limits of the respective Members will apply to them to the same degree and extent while they are performing any of their functions and duties extraterritorially under this Agreement.
- (10) A person directly employed by the Authority will not be deemed because of that employment to be employed by any Member or to be subject to any requirements of any Member.
- (11) The Members hereby confirm that, as provided in the Act and in Section 4(a) of this Agreement, the debts, liabilities, and obligations of the Authority will not constitute debts, liabilities, or obligations of the Members, and the Members do not intend by paragraphs (A), (B), and (C) of this section to impair this provision.
 - (A) The Members are jointly and severally liable upon any liability imposed for injury caused by a negligent or wrongful act or omission occurring in the performance of this Agreement, as provided in section 895.2 of the California Government Code.
 - (B) The Members may agree to provide for contribution or indemnification by any of the Members upon any liability arising out of the performance of this Agreement.
 - (C) Unless the Members agree otherwise, each party has a right to contribution, as provided in section 895.6 of the California Government Code, from any of the other Members.

5. Authority Powers.

- (a) The Authority has the power, in its own name, to exercise the common powers of the Members described above in Section 1 and to exercise all additional powers given to a joint-powers authority by the Act, the Marks-Roos Act, or any other applicable law for any purpose authorized under this Agreement. Without limiting the generality of the preceding sentence, the Authority has the power to make and enter into contracts; to employ agents and employees; to acquire, construct, manage, maintain, or operate any building, works, or improvements; to acquire, hold, or dispose of property; to incur debts, liabilities, or obligations; and to sue and be sued in its own name.
- (b) The Authority is authorized, in its own name, to do all acts necessary for the exercise of its powers for its authorized purposes.

- (c) The Authority's exercise of its powers is subject only to the restrictions upon the manner of exercising those powers that are imposed upon the City in the exercise of its similar powers, as provided in section 6509 of the Act, except that nothing in this Agreement limits the powers of the Authority under the Marks-Roos Act or other applicable law.
 - (d) Notwithstanding the foregoing, the Authority has any additional powers conferred under the Act, the Marks-Roos Act, or other applicable law insofar as the additional powers may be necessary to accomplish the purposes set forth above in Section 1.
6. **Termination of Powers.** The Authority will continue to exercise the powers conferred upon it until this Agreement is terminated under Section 3 above.
 7. **Fiscal Year.** Unless changed by resolution of the Board, the fiscal year of the Authority is the period from July 1 of each year to and including the following June 30, except for the first fiscal year, which is the period from the Effective Date to the following June 30.
 8. **Disposition of Assets.** After termination of this Agreement, any surplus money in possession of the Authority or on deposit in any fund or account of the Authority must be returned in proportion to any contributions made, as required by section 6512 of the Act, and all property of the Authority, both real and personal, is to be divided among the Members in the manner determined by the Board. The Board is vested with all powers of the Authority for the purpose of concluding and dissolving the business affairs of the Authority.
 9. **Contributions and Advances.** The Members may contribute or advance public funds and personnel, equipment, and property to the Authority for any of the purposes of this Agreement. Payment of public funds may be made to defray the cost of any such purposes. Any advance must be made subject to repayment, and must be repaid, in the manner agreed upon by the contributing Member and the Authority at the time of the advance. No Member is obligated to make contributions or advances to the Authority for the costs and expenses of administration of the Authority, even though any Member may do so. The Members may allow the use of personnel, equipment, or other items in lieu of other contributions or advances to the Authority.
 10. **Agreement Not Exclusive.** This Agreement is not exclusive and does not amend or alter the terms of other agreements between the Members, except as follows: if a conflict exists between this Agreement and any other agreement between the Members, then this Agreement will control.
 11. **Accounts and Reports.** The Authority shall establish and maintain funds and accounts as required by good accounting practice and shall strictly account for all funds and reports of all receipts and disbursements. The books and records of the Authority will be open to inspection at all reasonable times by the Members and their representatives.

12. **Conflict of Interest Code.** The Authority shall adopt a Conflict of Interest Code as required by law.
13. **Breach.** If a Member defaults on any covenant in this Agreement, then the default will not excuse the Member from fulfilling its obligations under this Agreement, and the Members will continue to be liable for the performance of all conditions in this Agreement. The Members hereby declare that this Agreement is entered into for the benefit of the Authority created hereby, and the Members hereby grant to the Authority the right to enforce, by whatever lawful means the Board deems appropriate, all of the obligations of each of the Members under this Agreement. Each of the remedies given to the Authority by this Agreement or by any law in effect on or after the Effective Date are cumulative, and the exercise of one right or remedy will not impair the right of the Authority to any other remedies. This Agreement does not create any indebtedness of any Member, and neither the tax revenues nor the faith and credit of any Member are pledged or encumbered by this Agreement.
14. **Successors and Assignment.** This Agreement binds and inures to the benefit of the successors of the Members. Except to the extent expressly provided herein, a Member may not assign any right or obligation under this Agreement without the consent of the other Members
15. **Amendments.** This Agreement may be amended only by another written agreement executed by the Members, subject to the following: the Members may terminate this Agreement only in accordance with Section 3 above.
16. **Form of Approvals.** Unless the context specifies otherwise, if this Agreement requires an approval, then, in the case of a Member, approval must be given by a resolution duly and regularly adopted by the governing body of the Member, and, in the case of the Authority, approval must be given by a resolution duly and regularly adopted by the Board. Whenever in this Agreement any consent or approval is required, the consent or approval may not be unreasonably withheld or conditioned.
17. **Withdrawal and Addition of Members.** A Member may withdraw from this Agreement by giving written notice to the Board, but a withdrawal will not result in dissolution of the Authority while any Bonds or other obligations of the Authority remain outstanding under the terms of any indenture, trust agreement, contract, agreement, lease, sublease, or other instrument by which the Bonds are issued or other obligations are incurred. Any withdrawal will be effective only when the Board receives written notice of the withdrawal, and the Board shall acknowledge receipt of the notice in writing and file the notice as an amendment to this Agreement effective upon filing with the California Secretary of State in accordance with Section 4 above. Additional public agencies may be added to this Agreement and become Members, subject to the terms and conditions imposed by the then-existing Members, upon both of the following: the filing by the public agency of an executed counterpart of this Agreement, together with a certified copy of the resolution of the public agency's governing body approving this Agreement

and the execution and delivery of it; and the adoption of a resolution of the Board approving the addition of the public agency as a Member. Upon satisfaction of these conditions, the Board shall file the executed counterpart as an amendment to this Agreement, effective upon filing with the office of the California Secretary of State in accordance with Section 4 above.

18. **Waiver of Personal Liability.** No member, officer, or employee of the Authority or of any Member will be individually or personally liable for any claims, losses, damages, costs, injury, and liability of any kind, nature, and description arising from the actions of the Authority or the actions undertaken under this Agreement. To the full extent permitted by law, the Board shall provide for indemnification by the Authority of any person who is or was a director on the Board or an officer, employee, or other agent of the Authority, and who was or is a party or is threatened to be made a party to a proceeding by reason of the fact that such person is or was such a director on the Board or an officer, employee, or other agent of the Authority, against expenses, judgments, fines, settlements, and other amounts actually and reasonably incurred in connection with the proceeding, if the person acted in good faith and in the course and scope of his or her office, employment, or agency. In the case of a criminal proceeding, the Board may provide for indemnification and defense of a director on the Board or an officer, employee, or other agent of the Authority to the extent permitted by law.
19. **Section Headings.** All section headings are for convenience of reference only and are not intended to define or limit the scope of any provision of this Agreement.
20. **Counterparts.** The Members may execute this Agreement in any number of counterparts, each of which will be considered an original, but all of which will together constitute the same Agreement.
21. **Effective Date.** This Agreement becomes effective on the day immediately before the day on which the notice of this Agreement is filed with the California Secretary of State.
22. **Severability.** If any court determines that any part, term, or provision of this Agreement is illegal or in conflict with any law of the State of California, or if any part, term or provision of this Agreement is otherwise rendered unenforceable or ineffectual, then the validity of the remaining parts, terms or provisions of this Agreement will not be affected.
23. **Entire Agreement.** This Agreement sets forth the Members' entire understanding regarding the matters set forth above and is intended to be their final, complete, and exclusive expression of those matters.

(Signature Page Follows)

City of Sacramento

Housing Authority of the City of Sacramento

By: _____

[Name]

[Title]

Date: _____, 2014

By: _____

[Name]

[Title]

Date: _____, 2014

Attest
Sacramento City Clerk

By: _____

[Name]

Approved as to Form
Sacramento City Attorney

By: _____

Joseph P. Cerullo
Senior Deputy City Attorney