



**Sacramento
Housing &
Redevelopment
Agency**

City Council, Housing Authority and
Redevelopment Agency of the City of Sacramento
Board of Supervisors, Housing Authority and
Redevelopment Agency of the County of Sacramento
Sacramento Housing and Redevelopment Commission

Honorable Members in Session:

I am pleased to transmit to you the Proposed 2009 Sacramento Housing and Redevelopment Agency Budget, including an outline of some of our commitments in the coming year to help improve communities throughout the City and County of Sacramento. The budget is balanced at \$294 million with 291 employees and represents an increase of six percent over last year. The increase in the Agency budget is the result of a one-time infusion of \$32 million in federal funds for the Neighborhood Stabilization Program to address the foreclosure crisis under the Housing and Economic Recovery Act of 2008. Without this one time funding, the Agency budget would have reflected a decrease of five percent compared with 2008.

The likely challenges and continued uncertainties of the coming year necessitate a fiscally conservative approach to budget preparation. Deliberate consideration is reflected in several major areas that support our budget: declining growth in tax increment revenue that supports reinvestment in redevelopment areas; continued under funding of the public housing program without any regulatory relief to the Housing Authority; the continued decline in federal funding for entitlement programs like the Community Development Block Grant (CDBG) and HOME; and the likelihood that the State budget deficit will continue and/or worsen, resulting in additional shifts of Agency tax increment to alleviate costs to the State budget.

Given the economic unknowns that face the Agency in the coming year, a mid year budget review will be conducted while the State and federal budgets are being vetted to determine whether it will be necessary for the Agency to implement additional measures to reduce operational expenses. In the meantime, we will continue to manage the organization with a focus on fiscal responsibility and customer service, and actively monitor revenue trends and overall resource utilization throughout the organization.

With your leadership and support of the Agency's efforts, the City and County continue to be recognized locally, regionally and nationally as leaders in issues concerning affordable housing. We continue to bring forward award-winning projects and to invest in community revitalization activities through effective partnerships that improve Sacramento's quality of life, especially in low income communities.

Sincerely,


La Shelle Dozier
Interim Executive Director