



INVESTING IN COMMUNITIES

**Sacramento Housing and Redevelopment Agency
Sacramento, California**

Comprehensive Annual Financial Report

For the year ended December 31, 2016

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2016

ACKNOWLEDGEMENT

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COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Year Ended December 31, 2016

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Introductory Section



June 1, 2017

City Council, Housing Authority
of the City of Sacramento
Board of Supervisors, Housing Authority
of the County of Sacramento
Sacramento Housing and Redevelopment Commission
Sacramento Housing Development Corporation
Sacramento, California

State law requires that the Sacramento Housing and Redevelopment Agency (the Agency) publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) applied to governmental entities. The financial statements are to be audited by certified public accountants in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Agency for the year ended December 31, 2016.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, Agency management has established a comprehensive internal control framework that is designed both to protect the Agency's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Agency's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Agency's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Agency's financial statements have been audited by Macias Gini & O'Connell LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Agency as of and for the year ended December 31, 2016, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Agency's financial statements as of and for the year ended December 31, 2016, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report, which can be found on pages 1 and 2.

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Sacramento, CA 95814
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Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE AGENCY

The Agency is located in Sacramento, California. The City of Sacramento (City), established in 1849, serves as the capitol for the State of California and is the center of state government. Sacramento also serves as the seat of Sacramento County government. It is the sixth largest populated city in California and continues to see a migration of people from the San Francisco Bay Area and Southern California. The United States Census Bureau estimates the population on July 1, 2016 at 466,488 for the City and 1,418,788 for the County of Sacramento (County). Sacramento encompasses 99 square miles and is located in the northern section of California's burgeoning Central Valley. Sacramento is a charter city and operates under a Council-Manager form of government.

The Agency is a joint powers authority formally created in 1982 (but operating since 1973) to provide common professional staffing to the City and County of Sacramento to administer and manage its housing authorities and the city and county federal housing and community development entitlement funds. The Agency is a separate legal entity and is not a component unit of the City or County of Sacramento. The Agency receives no City or County general funds and is not included in the Comprehensive Annual Financial Report of either the City or County of Sacramento.

The members of the joint powers agency included the City and County of Sacramento, the Housing Authorities of the City and County of Sacramento and the Redevelopment Agencies of the City and County of Sacramento. On February 1, 2012, all Redevelopment Agencies in the State of California were eliminated and replaced with a Successor Agency responsible for the wind down of former redevelopment agency activities and obligations. On February 1, 2012, the legal and treasury functions related to the administration and management of the former redevelopment activities and payment of debt for the former redevelopment agencies of the City and County of Sacramento were assumed within the City and County management structure. However, all housing assets and housing functions of the former redevelopment agencies were assumed by the Housing Authority of the City and the Housing Authority of the County to be staffed, managed and administered by the Agency.

The Agency serves as the fiscal agent/administrator and provides the exclusive staffing for the Housing Authorities of the City and County of Sacramento. The Housing Authorities of the City and County were formed in July 1939 and June 1940, respectively. Additionally, since June of 1982 the Agency administers and manages the federal Community Development Block Grant Programs (CDBG) and Home Investment Partnership Programs (HOME) for the City and County of Sacramento. In 2012 with changes to federal regulations related to Homeless Continuum of Care funding, the Agency assumed administration of Housing Opportunities for Persons with AIDS (HOPWA), a federal grant program from the County of Sacramento. Also in 2012, the Agency assumed administration of the Emergency Solutions Grant (ESG) and Continuum of Care (Shelter Plus Care) programs from the County of Sacramento.

The governing board of the Agency is the Sacramento Housing and Redevelopment Commission (Commission). The Commission's authority to approve housing related projects, programs, and budgets is limited to what is delegated to them by the governing boards of the Agency members. The City Council serves as the City Housing Authority and the City Redevelopment Agency Successor Agency governing boards and retained the power to approve City housing related projects, programs and budgets. The County Board of Supervisors, serves as the County Housing Authority and the

County Redevelopment Agency Successor Agency governing boards and retained power to approve County related housing agenda items. The Commission also serves in an advisory capacity for each Agency member and the Commission has operational authority within the budget and policy direction approved by the City Council and County Board of Supervisors.

The Agency has defined its reporting entity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which provides guidance for determining which governmental activities, organizations, and functions should be included in its reporting entity. The component units discussed in the following paragraphs are included in the Agency's reporting entity because of the significance of their operational or financial relationships with the Agency. Blended component units, although legally separate entities are, in substance, part of the government's operations. The discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the Agency. Complete financial statements of individual component units can be obtained from the Finance Department of the Agency.

Blended Component Unit

Foundation Uniting Needs and Dollars (FUND, Inc.) - A nonprofit corporation established to maintain or aid charitable activities serving the public. It is a component unit of the Agency because the purpose of this corporation is to promote and support the activities and programs of the Agency. The Board of Directors of FUND, Inc. is comprised of the members of the Commission. Acting in its capacity as the Board of Directors, the Commission approves the FUND, Inc. budget. The Executive Director of the Agency serves as the Executive Director of FUND, Inc.

Discretely Presented Component Units

Sacramento Housing Development Corporation (SHDC) -A nonprofit public benefit corporation created to serve as the general partner of Riverview Plaza Associates (RPA). It is a component unit of the Agency because the governing board of the SHDC is comprised of the members of one of the governing boards of the Agency, the County Board of Supervisors. The Housing Authority of the City of Sacramento is legally obligated to finance any deficits of SHDC. Also, the Executive Director of the Agency serves as the Executive Director of SHDC. SHDC is the General Partner of the following limited partnership:

Riverview Plaza Associates (RPA) - A California limited partnership created to provide affordable housing to seniors with limited income. One of the governing boards of the Agency (the County Board of Supervisors) serves as the Board of Directors of the general partner. The Housing Authority of the City of Sacramento serves as the limited partner. Additionally, through contractual arrangement, the Agency is responsible for all financial matters including management of daily operations.

Shasta Hotel Corporation (Corporation) - A nonprofit corporation with a governing board comprised of Agency staff and representatives of selected nonprofit housing and social service entities. It is a component unit because the general partner's governing board members serve at the direction of the Executive Director of the Agency, and through contractual arrangements, the Agency is responsible for financial and operational matters of the Partnership. The Corporation is the General Partner of the following limited partnership:

Shasta Hotel Investors Partnership- A California limited partnership created for the purpose of constructing and operating an 80 unit rental housing project in Sacramento, California. The Partnership is comprised of the following two entities: (1) Shasta Hotel Corporation, as managing general partner and (2) Norwood Avenue Housing Corporation, a California nonprofit public benefit corporation as limited partner.

Norwood Avenue Housing Corporation (NAHC) - A nonprofit public benefit corporation with a governing board comprised of three Agency staff appointed by the Executive Director of the Agency and two community representatives. It is a component unit because through contractual arrangements, the Agency bears some responsibility for financial and operational matters of NAHC, as well as having the ability to impose its will on the NAHC.

Sacramento Housing Authority Asset Repositioning Program, Inc. - As a nonprofit public benefit corporation, the Sacramento Housing Authority Repositioning Program, Inc. (SHARP), was formed for the purpose of serving as the general partner of the entity that owns, rehabilitates and operates former public housing properties acquired through U.S. Department of Housing and Urban Development (HUD)'s assets demolition and disposition process. The purpose of SHARP is to allow the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento to leverage private sector capital to make improvements to housing inventory removed from the federal Public Housing program through HUD's asset disposition process. SHARP board members are appointed by the Agency's Executive Director. Assets transferred to SHARP are rehabilitated through various financing structures including the use of limited partnerships that are able to benefit from the use of tax credit financing.

Budget

The annual budget of the Agency, consisting of the operating and project budgets, is adopted on a calendar year basis. Prior to December 25th, the Executive Director submits a proposed operating budget to the governing bodies for review and approval. The budget is legally enacted through passage of resolutions prior to January 1 of each year. The budget adoption resolution specifies that the legal level of budgetary control is at the fund level. Budgeted expenditures represent original appropriations adjusted by supplemental budgetary appropriation amendments.

Annual operating budgets are adopted on a modified accrual basis for all debt service funds, Local Tax Special Revenue funds, Community Services and Housing Special Revenue funds, except for the City Housing Successor, County Housing Successor, State/Local Housing Trust, County Inclusionary Housing, City State/Local Housing Grants and FUND, Inc. Project budgets are adopted for the Agency's major special revenue funds, City and County HOME, for the duration of the project which may extend over several years. The adopted project budgets for the Community Development Special Revenue funds and for the Capital Project funds are adopted on a project length basis. Additionally, although not legally required, the Agency adopts annual budgets for the Enterprise, Internal Service, and certain Component Unit funds.

FACTORS AFFECTING ECONOMIC CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Agency operates.

Local Economy

Where rents and home prices are growing at about a 10% pace in most areas of California, inland markets such as Sacramento are growing faster than projected. As the long-anticipated Golden One Center opens in downtown Sacramento, the private sector in the capital region is showing signs of life while public sector growth slows though public sector salaries are rising. Overall wage growth in the Sacramento region continues to grow at a slower pace than the rest of the state mainly because 80% of the local labor market is growing at a slower pace than the rest of the state or is entrenched in structurally low growth industries, while only 20% of the job market is growing faster than statewide averages. The Sacramento Business Review's 2016 mid-year update projected that the Sacramento Region's unemployment rate would continue to stabilize in the 5-6% range during the next six-month period. The Sacramento region has now surpassed the national averages for post-2008 labor market and employment growth and has ranked near the middle of the nine California regions for employment growth, behind Southern California and the San Francisco Bay Area.

State Economy

The Center for Business and Policy Research indicates in its fall 2016 quarterly report that the California economy is maintaining steady growth. The unemployment rate is about 5.5% and is not projected to drop any further in this fall cycle. California has continued to add jobs at about a 2% pace throughout 2016, but the job growth is expected to recede to about a 1% pace over the next two years. The solid job growth is fueling increased demand for housing across California. It is expected that strong demand for housing will drive a significant increase in construction activity in 2017 and 2018.

Long-term Financial Planning

The Agency adopted conservative fiscal strategies during prior years in anticipation of a progressive decline in resources. Although the economy appears to be stabilizing on a national and local level, the Agency continues to actively seek out ways to continue to improve work processes and implement initiatives that streamline and consolidate services and functions to remain as cost effective and as efficient an organization as possible.

Some of the guiding principles used to develop the Agency's budget include:

- Protecting "core services" to the greatest extent possible, with delivery of housing programs, public services and capital projects being a major priority;
- Managing program activities by focusing on the efficiency of program delivery and the maximization of results;
- Consideration of the long-term financial sustainability;
- Using partnerships with community based organizations and private entities whenever practical; and
- Developing budget plans that deal with the immediate needs of the Agency and employ strategies that address the long-term needs of the communities we serve.

Relevant Financial Policies

The Agency is committed to increasing the supply of affordable housing and has worked closely with the City and County in the development of inclusionary ordinances, the development of a ten year plan to end chronic homelessness, and other policies that will help increase rental housing production and homeownership opportunities. As a lender and developer, the Agency strives to efficiently manage its

resources in order to address the range of need and reach special populations, the workforce population, and those who are moving out of the rental market and buying their first homes.

2016 Accomplishments

The Agency continues to employ strategies to address affordable housing needs, though not at the same volume as in the pre-redevelopment era. While federal and local funding remains a constant challenge, the Agency has been remarkably successful in securing competitive grants and developing public-private-nonprofit partnerships that provide significant leveraging ability and assist in accomplishing our goal to improve housing and communities. As such, our performance continues to be regarded as a model for best practices in affordable housing preservation and production. Those accomplishments are worthy of recognition.

Promise Zone

In 2015 the Agency received a federal Promise Zone designation as Sacramento's lead agency, one of only eight awarded in the U.S. and the only one on the west coast, which will provide federal technical resources and AmeriCorps assistance to support public-private partnerships and attract millions of dollars in investment to improve some of Sacramento's most distressed neighborhoods.

Since receiving the designation in April of 2015, more than \$50 million in federal and state funds have been awarded to organizations and agencies as a direct result of receiving bonus points or support from the Promise Zone.

- Welcomed five AmeriCorps VISTA Volunteers covering the areas of Education, Jobs and Economic Development, Health and Sustainability as well as the Federal Liaison assigned to Sacramento to support local efforts.
- In collaboration with HUD's Center for Faith-Based and Neighborhood Partnership, provided grant writing training to 80 partners.
- Hosted a U.S. Department of Agriculture (USDA) convening with County Department of Health and Human Services.
- Hosted a visit by the Federal Regional Director of Health and Human Services Department.
- Assisted in creating The Fathering Coalition – a faith-based initiative supporting My Brother's Keeper (MBK) mentoring efforts.
- Established the Alder Grove Medical Clinic.
- Hosted a USDA grant workshop.

Affordable Housing

- Awarded a new allocation of over \$15 million in new Mortgage Credit Certificates.

- Provided approximately \$12.6 million in Multifamily Loan assistance to four projects totaling 434 of affordable units:
 - Lavender Courtyard
 - Courtyard Inn
 - Pensione K
 - Bel-vue
- Completed renovation and/or construction of five multifamily developments totaling 504 newly affordable or preserved units:
 - Curtis Park Court Senior Apartments
 - Anton Arcade
 - Ethan Terrace
 - Foothill Farms
 - Land Park Woods
- Celebrated the grand openings of seven new or renovated construction projects:
 - Woodhaven
 - Los Olivos
 - Curtis Park Senior
 - Anton Arcade
 - Sierra Vista
 - Sutterview
 - Mather Veterans Village
- Monitored the rehabilitation and construction of affordable housing at 700 K Street and Sutter Place.
- Approved issuance of \$13.3 million in Mortgage Revenue Bonds for rehabilitation and construction of Pensione K & Bel-vue multifamily developments.
- Completed construction and sale of 11 new single family homes in Del Paso Nuevo Phase IV and 25 new homes in Phase V.
- Partnered with the City of Sacramento to review and update the Single Room Occupancy (SRO) and Housing Trust Fund Ordinances.
- Approved financing for 80 families for Home Buyer and Mortgage Credit Certificate programs.
- Managed a \$329 million portfolio of over 1,250 loans.
- Inspected over 2,350 resident units and files within the multifamily properties financed by the Agency which consists of over 22,500 units.
- Provided local rental subsidies to 208 extremely low households in supportive services developments.

Asset Repositioning

- Continued predevelopment planning and coordination in support of the Choice Neighborhoods Implementation Grant (CNI) for Twin Rivers to include preparing entitlement application and environmental clearance documents for both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA).
- Began the Section 106 Historical Preservation Consultation with HUD and the State Historical Preservation Officer to define the impacts that would need to be mitigated to eventually implement the redevelopment of the Marina Vista and Alder Grove communities.
- Continued the implementation of the Welcome Home Program (formerly known as the Property Resale Entity). A total of 76 vacant single family public housing units were purchased to renovate and sell. Fourteen single-family home rehabilitations have been completed and three sold. It is anticipated that the remaining 62 homes will be completed over the next two years.
- Completed the substantial rehabilitation of Sierra Vista and Sutterview high rise apartment buildings in midtown as part of the ongoing asset repositioning strategy employed by the Housing Authority.

Sustainable Communities

- Completed the installation of car charging stations at the Riverview and Marina Vista public housing communities.

Neighborhood Stabilization Program (NSP)

We continue to administer Sacramento's federal NSP 3 funds which are being used to rehabilitate homes in low income communities that were severely impacted by the housing crisis.

- Began the close-out process for the NSP program by identifying the final actions for seven land banked properties and 18 vacant or foreclosed properties yet to be rehabilitated.

Commercial/Infrastructure & Public Facilities (completed/under construction)

- Completed the architectural and engineering for Phase II of the Bing Kong Tong building in Isleton with construction anticipated to begin in the spring of 2017 to restore it to a community gathering place and museum of Chinese and Chinese American culture and history in the Delta.
- Completed circulation improvements in the unincorporated County to improve mobility of residents in low and moderate-income areas.
- Completed the Neighborhood Livability Initiative Avenues Streetlight Conversion project that included replacing existing High Pressure Sodium (HID) street lights with Light-emitting Diode (LED) fixtures between Franklin Boulevard and Highway 99.
- Completed the Neighborhood Livability Initiative Watt Avenue Pedestrian Enhancement project that included the installation of streetlights, sidewalks, curbs and gutters, and ramp repairs on the west side of Watt Avenue along Shady Lane and Sierra View Lane.

- Completed preliminary engineering and design for the 12th Street Complete Street project to include landscape elements and sidewalk improvements on the east side of 12th Street and the light rail tracks stretching from North B Street to Sproule Avenue.
- Completed the Meadowview/Manorside Traffic Signal to include the engineering, design, environmental and construction of a new traffic signal at the intersection along with the construction of ADA-compliant curb ramps, and modifications to traffic striping, markings and signage.
- Completed the El Camino and Clay intersection improvements to include a new traffic signal, crosswalks and signage to improve pedestrian, bike and vehicle safety.
- Renovated the playground at the 4th Avenue Park and replaced the playground at Hite Park.
- Completed cross-water connections at Valley-Hi, Chuckwagon, Robertson, Fremont and Woodbine Parks.

Public Service Programs

- The Agency's Emergency Solutions Grant Rapid Rehousing Program was recognized by the National Alliance to End Homelessness as an innovative best practice.
- The Meals on Wheels program will deliver an estimated 148,000 meals for 2,530 participants at the congregate sites and an additional 2,195 participants will receive 299,800 home delivered meals.
- Coordination of health and human services, crisis intervention, independent living skills, drug and alcohol recovery, and community building activities was provided for 175 residents living in downtown SRO's.
- Launched the Pilot Tenant-Based Rental Assistance program as part of the HOPWA program.
- Allocated funds to construct four permanent units dedicated for HOPWA participants as part of the Lavender Court project.
- Supported the year-round operation of the Salvation Army Shelter on North B Street and the Volunteers of America Shelter on North A Street.
- 150 households successfully transitioned into permanent housing as part of the Rapid Rehousing program supported by the Emergency Solutions Grant (ESG).
- Launched a countywide Fair Housing program in partnership with the Cities of Elk Grove, Rancho Cordova and Citrus Heights; administered by Legal Services of Northern California and Sacramento Self Help Housing.
- Completed the transition of the Comprehensive Alcohol Treatment Center program to the Agency.
- Began the implementation of the Coordinated Entry System in partnership with Sacramento Steps Forward.

- Created the Continuum-wide Rapid Rehousing Guidelines, based on the Agency's Emergency Solutions Grant Rapid Rehousing guidelines so that all Rapid Rehousing Programs have the same policies and procedures throughout the Continuum of Care.

Job Creation and Employment Opportunities

Our work to produce affordable housing and to revitalize communities also creates job opportunities in a range of positions at every step of the process from groundbreaking to grand opening.

It is the Agency's belief that residents who live in the communities where these projects are being completed should have an opportunity to compete for jobs on those projects and to receive the necessary training and certification to become qualified for employment.

Staff in the Resident Services Department assists residents in their efforts to obtain education, training and employment skills. The Housing Authority supports resident training programs in three areas: clerical, painting and janitorial. Approximately 30 residents currently work for the Housing Authority in one of the aforementioned areas and are receiving a wage while learning the technical skills of the program. After completion of the training program, graduates have had success transitioning into regular employment.

Housing Administration

The Agency serves as the Housing Authority for the City and the County of Sacramento. The Housing Authority provides rent assistance and affordable housing to more than 51,000 low income residents through the Housing Choice Voucher Program and the Conventional Public Housing Program.

Housing Choice Voucher (HCV) Program

After weathering the challenges of sequestration, the Agency continues to deliver a very successful HCV program. In 2016, the Agency is expected to maintain close to 99% leasing of our HUD vouchers, providing rental assistance to an estimated 12,101 families each month.

In 2016, HUD notified the Agency that the HCV program had received "High Performer" designation for receiving maximum Section 8 Management Assessment Plan (SEMAP) points. This is the assessment that HUD conducts to ensure that the program is run efficiently, and meets all 14 standards tested through this evaluation process. Staff will continue to assess quality control standards and focus on implementing the tools and technology needed to ensure that we are able to maintain these high standards.

- Received an award from HUD for being the HCV Program of the Year (Large PHA Division).
- Awarded additional vouchers from the Department of Veterans Affairs to provide housing opportunities for homeless, disabled veterans and their families; bringing the total vouchers to 437 administered by the Housing Authority.
- Awarded \$4.6 million through the Continuum of Care (Shelter Plus Care) program to serve 570 homeless, disabled individuals and families.
- Pulled 4,000 families from the various HCV waitlists.

Public Housing and Local Housing Programs

The Housing Authorities own and/or manage approximately 3,416 housing units within the City and County of Sacramento. Of these, 2,788 of the units were developed under the federal public housing program administered by HUD and are located throughout the Sacramento region with (1,700 units) in the City and (1,013 units) in the County. In addition to the public housing units, the Housing Authority manages another 498 units of local non-public housing.

In 2016, HUD notified the Agency that the City Housing Authority had received “High Performer” designation based upon 2015 operating results. Staff is continuing to streamline operations where possible and diligently monitoring operating activities to ensure that we continue to maintain these high standards of performance into the future. In addition, the Housing Authority:

- Launched the Jobs Plus Center focusing on supporting pathways to Employment & Self-Sufficiency for Public Housing residents at Alder Grove and Marina Vista.
- Consistently maintained a 99% rent collection rate.
- Maintained a 99% occupancy rate.
- Received overall favorable ratings from 80% of the residents that responded to the customer service survey; (51%) Excellent & (29%) Good.
- Implemented a new process for our maintenance staff that enables them to open and close work orders while they are in the field. This is the first step toward moving to paperless activities in public housing. Maintenance staff is able to see and respond to pending work orders while they are in the field; making their time much more efficient.

Family Self-Sufficiency (FSS)

- Received renewal funding from HUD for a City and County FSS Coordinator to develop the FSS program.
 - Enrolled 28 new families into the FSS program.
 - Over 60% of the total numbers of participants have accrued an escrow balance.
 - The average increase in earned income is \$6,695.
 - 45 participants received soft skills and employability training.
 - 41 participants attended Financial Education in a classroom setting.
 - A total of eight families successfully completed and graduated from the FSS Program.
 - Two graduating families entered into homeownership.
 - Three families started new small businesses.

Effective/Efficient Governance

- Deployment of DocuSign (electronic signature authorization) to streamline contract processing, automation and workflow; decreasing previous contract processing times of two to four weeks to approximately seven days or less.
- Provided internship opportunities through the City of Sacramento Summer at City Hall program for six high school students in our Public Information Office, Public Housing, Housing Choice Voucher, Finance, Community Development and Human Resources Departments.
- Implemented a Scantron scoring system for written exams significantly reducing the length of the recruitment cycle.
- Deployment of Box.com for project collaboration and the archival of Agency documentation.
- Implementation of Virtual Desktop Infrastructure (VDI) across the entire Agency including Windows 7 and Office 2010.

INITIATIVES

Over the last decade, the City and County of Sacramento have worked strategically in collaboration with the Agency to end homelessness. In early 2017, public workshops were held where the Agency's role was to strategize the alignment of federally-funded resources that offer housing assistance through HUD including HCV and Conventional Public Housing (Public Housing) Programs. In order to begin this new initiative, significant changes are required to the Housing Authorities' policy documents including changes to the Annual Plan and Admissions and Continued Occupancy Policy (ACOP). The Agency will continue to partner with the City and County of Sacramento to initiate projects and programs that maximize affordable housing opportunities for low-income, very low-income, and extremely low-income households and revitalize low-income communities.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Agency for its comprehensive annual financial report for the year ended December 31, 2015. This was the twenty-fourth consecutive year that the Agency has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Their dedication to professional excellence is reflected in an improved comprehensive annual financial report. We would also like to commend the Agency's Commission, the City Council, and the County Board of Supervisors for their interest, support of this substantial effort, and shared commitment to assuring the financial viability of the Agency which remains progressively committed to meeting the economic, redevelopment and housing needs of the communities we serve.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director



TINA MCKENNEY
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**Sacramento Housing and Redevelopment
Agency, California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
DIRECTORY OF OFFICIALS
December 31, 2016**

COUNTY HOUSING AUTHORITY

Phil Serna
District 1

Susan Peters
District 3

Patrick Kennedy
District 2

Sue Frost
District 4

Don Nottoli – District 5

CITY HOUSING AUTHORITY

Darrell Steinberg
Mayor

Angelique Ashby
District 1

Jay Schenirer
District 5

Allen Warren
District 2

Eric Guerra
District 6

Jeff Harris
District 3

Rick Jennings, II
District 7

Steve Hansen
District 4

Larry Carr
District 8

HOUSING AND REDEVELOPMENT COMMISSION

Michael Alcalay
Cathy Creswell
Mel Griffin
Matt Johnson
Tawny Macedo
Gale Morgan

Noah Painter
Jayne Raab
Michael Rios
Dana Simas
Staajabu

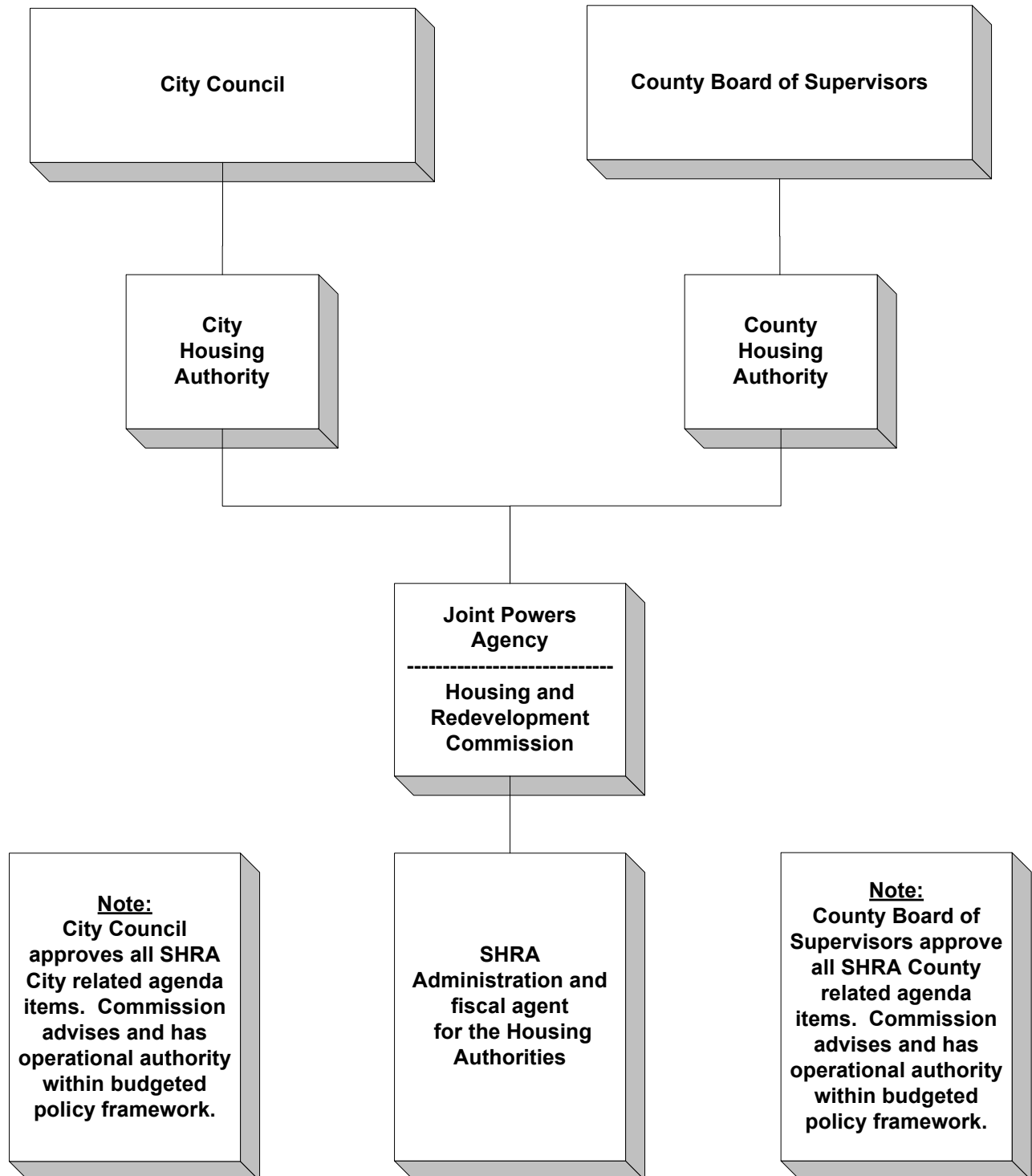
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

EXECUTIVE STAFF

Executive Director (Appointed)	La Shelle Dozier
Director of Administration	James Shields
Director of Finance... ..	Tina Mckenney
General Counsel	David Levin
Director of Development.....	Tyrone Roderick Williams
Assistant Director..... ..	Geoffrey Ross
Assistant Director..... ..	MaryLiz Paulson
Assistant Director..... ..	Sarah Thompson
Public Information Officer	Angela Jones

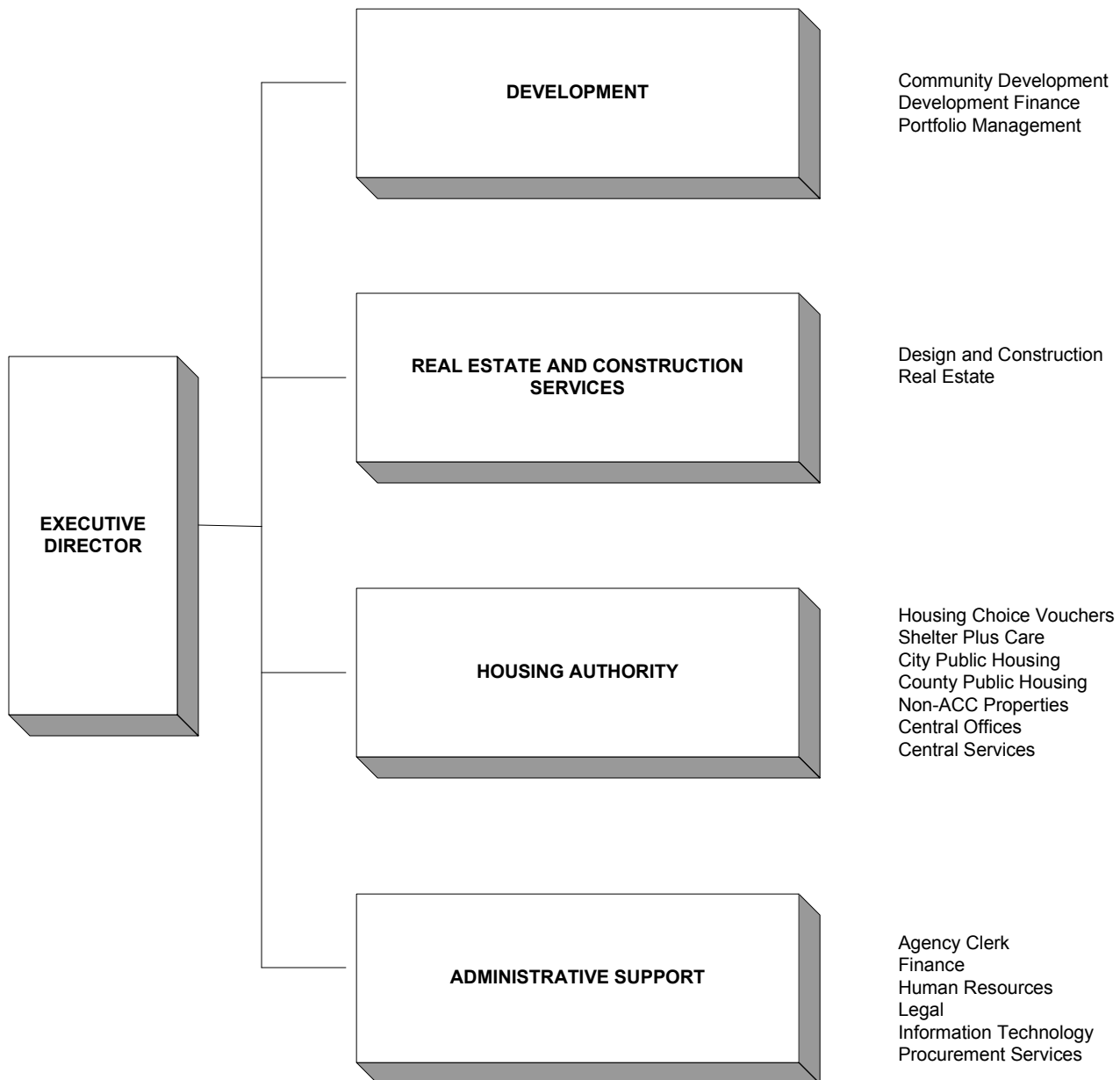
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

GOVERNING BODIES AND ADMINISTRATION ORGANIZATION CHART



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

DEPARTMENT/DIVISION ORGANIZATION CHART



Financial Section



Independent Auditor's Report

Honorable Members of the Sacramento
City Council, Housing Authority
of the City of Sacramento
County Board of Supervisors, Housing Authority
of the County of Sacramento and
Sacramento Housing and Redevelopment Commission
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Sacramento Housing and Redevelopment Agency (Agency), as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Shasta Hotel Corporation (Hotel) and the Norwood Avenue Housing Corporation (Corporation) discretely presented component units. The Hotel and Corporation represent 30.2 percent, 2.8 percent and 34.0 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hotel and Corporation, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Agency, as of December 31, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note I B to the basic financial statements, effective January 1, 2016, the Agency adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. As a result of the implementation of GASB Statement No. 72, the Agency disclosed its investments in accordance with the fair value hierarchy.

Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-27, and the schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of funding progress – other postemployment benefits, on pages 79-81, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section, combining and individual fund statements and schedules, Schedule of Annual Contribution Contracts for Capital Fund Program (CFP), ROSS Public Housing Self Sufficiency (FSS), ROSS Service Coordinator (SC) Programs, Choice Neighborhoods Initiative (CNI), Choice Neighborhoods Implementation and Jobs Plus Grant, Schedule of Purchase and Resale Entity (PRE) Sales Proceeds and Expenditures, statistical section, Actual Modernization Grant Cost Certificate, Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-City, and Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-County are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund statements and schedules, Schedule of Annual Contribution Contracts for Capital Fund Program (CFP), ROSS Public Housing Self Sufficiency (FSS), ROSS Service Coordinator

(SC) Programs, Choice Neighborhoods Initiative (CNI), Choice Neighborhoods Implementation and Jobs Plus Grant, and Schedule of Purchase and Resale Entity (PRE) Sales Proceeds and Expenditures are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules, Schedule of Annual Contribution Contracts for Capital Fund Program (CFP), ROSS Public Housing Self Sufficiency (FSS), ROSS Service Coordinator (SC) Programs, Choice Neighborhoods Initiative (CNI), Choice Neighborhoods Implementation and Jobs Plus Grant, and Schedule of Purchase and Resale Entity (PRE) Sales Proceeds and Expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section, statistical section, Actual Modernization Grant Cost Certificate, Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-City, and Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-County have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 31, 2017, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

A handwritten signature in dark ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

Sacramento, California
May 31, 2017

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*Management's
Discussion
and
Analysis*

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

This portion of the Sacramento Housing and Redevelopment Agency's (Agency) annual financial report presents a narrative overview and analysis of the Agency's financial activities for the year ended December 31, 2016. Please read this in conjunction with the transmittal letter at the beginning of this report and the Agency's financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

FINANCIAL HIGHLIGHTS

Net Position

	Governmental Activities	Business-type Activities	Total
Net position:			
Net investment in capital assets	\$ 25,938	\$ 156,568	\$ 182,506
Restricted	338,927	2,552	341,479
Unrestricted	(9,963)	56,330	46,367
Total net position	<u>\$ 354,902</u>	<u>\$ 215,450</u>	<u>\$ 570,352</u>

The assets and deferred outflows of resources of the Agency exceeded liabilities and deferred inflows of resources at the end of the 2016 year by \$570,352 (net position). A more detailed explanation of the major categories of the Agency's net position is discussed below:

- \$182,506 is the Agency's net investment in capital assets.
- \$341,479 is restricted to specific purposes (restricted net position). Of this amount \$753 was restricted for debt service, \$171,914 for housing operations, \$2,116 for Housing Choice Vouchers, \$164,149 for community development and \$2,547 for Community Services.
- The unrestricted net position of \$46,367 is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Agency's total government-wide net position, excluding the discretely presented component units, increased in the current year by \$16,535 primarily as a result of increased revenues in County Housing Choice Vouchers, the return of bond proceeds from the City Redevelopment Agency Successor Agency to the City Housing Successor Agency, proceeds from property sales, increases in developer and supplemental administration fees and loan repayments that were unspent in the current year.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statement is comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements are designed to provide readers with a broad overview of Agency finances, in a manner similar to a private-sector business.

The statement of net position presents information on all Agency assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The statement of activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., grant revenue, accounts payable and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the Agency that are principally supported by intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Agency include a variety of federal, state and local housing programs, community development programs funded by the federal government, including the City and County Community Development Block Grant Program (CDBG), community social service programs, and capital projects which include acquisition and construction of major capital facilities.

The business-type activities of the Agency consist of assisted housing, which includes public housing subsidized by the Department of Housing and Urban Development (HUD), locally funded housing projects, and units subsidized by the State of California's California Housing Finance Agency. In addition, the County Housing Authority operates the Housing Choice Voucher (formerly known as Section 8) Program.

Component units included as a separate column in the Agency's basic financial statements consist of legally separate entities whose inclusion is necessary for the fair presentation in accordance with generally accepted accounting principles. Included within this grouping are: Sacramento Housing Development Corporation, Shasta Hotel Corporation, Sacramento Housing Authority Repositioning Program, Inc., and the Norwood Avenue Housing Corporation.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

The government-wide financial statements can be found on pages 28 - 29 of this report.

Fund Financial Statements are groupings of related funds that are used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the Agency can be divided into two categories: governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Agency's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Agency maintains 66 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the City and County Home Investment Partnership (HOME) funds and the City and County Housing Successor funds as each is considered a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The governmental funds financial statements can be found on pages 30 - 33 of this report.

Proprietary funds include two different types of funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Agency uses enterprise funds to account for City and County Public Housing Authorities' operations, locally funded housing projects, units funded by the State of California's California Housing Finance Agency and the Housing Choice Vouchers program. The Agency maintains 27 individual enterprise funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Agency's various functions. The Agency uses internal service funds to

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

account for the internal support services of administrative divisions, payroll, the Agency's administration building and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included with *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The County Housing Choice Vouchers fund is considered to be major fund of the Agency.

The Agency's two internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the nonmajor enterprise funds and internal service funds are provided in the form of *combining statements* elsewhere in this report.

The proprietary funds financial statements can be found on pages 34 - 37 of this report.

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 40 - 78 of this report.

Required Supplementary Information. In addition to the financial statements and accompanying notes, this Report presents certain Required Supplementary Information which includes the schedule of changes in net pension liability and related ratios, schedule of contributions, notes to schedule of plan contributions and schedule of OPEB funding progress.

Other information. The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the Supplementary Information.

Combining and individual fund statements and schedules can be found on pages 84 - 164 of this report.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The government-wide financial statements provide long-term information about the Agency's overall financial condition. This analysis addresses the financial statements of the Agency as a whole.

Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Assets:						
Current and other assets	\$ 353,936	\$ 343,248	\$ 90,452	\$ 74,803	\$ 444,388	\$ 418,051
Capital assets	34,978	33,975	158,929	163,778	193,907	197,753
Total assets	388,914	377,223	249,381	238,581	638,295	615,804
Deferred Outflows of Resources *	3,357	553	4,062	781	7,419	1,334
Liabilities:						
Long-term liabilities	34,368	31,246	24,784	20,472	59,152	51,718
Other liabilities	2,873	4,357	13,056	4,042	15,929	8,399
Total liabilities	37,241	35,603	37,840	24,514	75,081	60,117
Deferred Inflows of Resources *	128	1,328	153	1,876	281	3,204
Net position:						
Net investment in capital assets	25,938	24,321	156,568	161,366	182,506	185,687
Restricted	338,927	325,230	2,552	1,141	341,479	326,371
Unrestricted	(9,963)	(8,706)	56,330	50,465	46,367	41,759
Total net position	\$ 354,902	\$ 340,845	\$ 215,450	\$ 212,972	\$ 570,352	\$ 553,817

*2015 Deferred Inflows and Outflows on this statement were restated to net the difference between projected and actual earnings on pension plan investments for consistency with the current year presentation.

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$570,352 at the close of the most recent fiscal year. Combined net position increased by 3% from 2015.

Governmental activities

Current and other assets of governmental activities had a net increase of \$10,688 from 2015. This is mainly due to the following:

- The County Affordable Housing and the City and County Housing Trust funds received more in developer fees than in the prior year and the majority of these revenues were not expended, this mainly resulted in an increase in cash of \$3,252.
- The Agency's financing of affordable housing projects in the City HOME, City Housing Successor and City and County CDBG, and first time Homebuyer loans in City and County CalHOME funds resulted in an increase in notes receivable of \$9,102.
- Assets held for resale decreased by \$897 due to sales of land and buildings.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

- Prepaid items decreased \$534 in the Internal Support and Self Insurance funds due to timing of payroll liability, insurance and bulk mailing payments.

Capital assets of governmental activities had a net increase of \$1,003 from 2015 due to the following:

- The City and County CDBG programs purchased land on 16th Street and on Sproule Avenue for \$2,572 and City CDBG NSP 3 program on Roanoke Avenue for \$50 for future development.
- \$1,904 of construction in progress was added to the City Capital Fund Program, \$681 was added to the County Capital Fund Program, and \$128 was added City Miscellaneous Development Grants fund.
- Construction in progress amounts from the City Capital Fund Program of \$1,243, County Capital Fund Program of \$779, and City Miscellaneous Development Grants fund of \$128 were transferred to buildings in the enterprise funds.
- Sales of land and buildings from the City Housing Successor funds in the amount of \$1,131, City Housing Trust fund in the amount of \$427, City CDBG NSP 1 in the amount of \$57, and City and County NSP 3 funds of \$228.
- Depreciation expense of \$339.

Deferred outflows of resources of governmental activities had a net increase of \$2,804 from the prior year. This is due to recognition of the pension related items, *difference between projected and actual earnings on pension plan investments* in the amount of \$2,708 and *employer contribution made subsequent to the measurement date* in the amount of \$649. Prior year amounts were \$0 and \$553, respectively.

Long-term liabilities of governmental activities had a net increase of \$3,122 compared with 2015 mainly due to the following:

- The net pension liability for Governmental Activities for the current year increased long-term liabilities by \$3,686.
- The overall costs of pollution remediation estimates increased by \$143.
- Increased compensated absences of \$493 due to an increased use in vacation, sick leave and management leave taken in in the current year.
- Decreases to long-term liabilities were scheduled debt service principal payments of \$1,200.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

Other liabilities of governmental activities had a net decrease of \$1,484 mainly due to the following:

- Accounts payable decreased due to unpaid invoices in City HOME in 2015 in the amount of \$291 for the Woodhaven Senior Residence that did not occur in the current year and accrued liabilities of \$161 in the Internal Support fund that decreased due to timing of payments for payroll liabilities.
- A decrease in unearned revenues of \$1,073 in unspent grant proceeds in the City Miscellaneous Grant fund and the City and County CalHOME funds were spent in the current year.

Deferred inflows of resources of governmental activities had a net decrease of \$1,200 from the prior year. This is due to recognition of the pension related items, *difference between projected and actual earnings on pension plan investments* in the amount of \$0, *changes of assumptions on pension plan* in the amount of \$1, and *difference between expected and actual experience* in the amount of \$127. Prior year amounts were \$494, \$475 & \$359, respectively.

\$182,506 of the Agency's net position reflects its investment in capital assets (e.g., land, buildings, property, and equipment); less any related debt used to acquire those assets that is still outstanding. The Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although this investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The amount invested in capital assets Agency-wide decreased by \$3,181 in the current year.

The amount invested in capital assets for governmental activities had a net increase of \$1,617 in the current year. A detailed listing of the net increase in the amount of \$1,003 is shown in a prior section. A reduction in debt related to capital assets of \$614 also increases the net investment in capital assets.

Restricted net position represents amounts that must be used in accordance with external restrictions. Restricted net position in governmental activities increased by a net of \$13,697 mainly due to the following:

- Restricted for Debt Services increased \$1 due to interest on the Del Paso Nuevo restricted cash account in the Internal Support fund.
- Restricted for Housing increased \$6,930. City Housing Successor increased \$4,181, due to bond proceeds that were returned from the City Redevelopment Successor Agency, proceeds from the sale of property, and loan repayments. City MIHO increased by \$548 from housing impact fees as this was the first year of operations, City Housing Trust increased \$2,317 and County Affordable Housing increased \$1,790 due to developer fees received but not spent in the current year.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

City and County Section 32 and Public Housing Homeownership programs had a net decrease of \$2,183 due to expending funds for the Welcome Home (aka PRE) program.

- Restricted for Community Development increased \$5,823 mainly due to unavailable revenues of \$3,990 mainly from new loans in the City and County CDBG and City HOME funds. Revenues received in the City and County HOME funds for loan repayments and investment earnings were greater than the operating expenses and resulted in a net increase of \$1,842.
- Restricted for Community Services increased \$943. City HOPWA received \$490 in sales proceeds from the Transforming Lives, Cultivating Success (TLCS) operating facility, City and County Supplemental Admin Fees increased \$1,064 due to higher fee revenues in the current year.

Unrestricted net position in governmental activities decreased by a net of \$1,257 mainly due to the following:

- Internal Support decreased due to spending prior year revenues for projects in the current year \$1,453.
- Self Insurance decreased due to a transfer of \$591 to the Internal Support fund to cover the Agency's cost of workers compensation.

Business type activities

Current and other assets of business-type activities had a net increase of \$15,649 from 2015 mainly due to the following:

- Cash and investments increased by \$2,556. This is mainly due to \$1,814 in Housing Choice Vouchers, \$302 in City COCC and \$593 in Mortgage Revenue bond. Housing Choice Vouchers received higher revenues due to an increase in vouchers leased in the current year. City COCC received more management fee revenues due to a HUD rate change. Mortgage revenue bond received higher administrative fee revenues.
- Restricted cash and investments increased by \$10,003 mainly in the County Housing Choice Vouchers fund. The Housing Assistance Payments (HAP) revenues increased and expenses decreased for a net of \$1,401 and the January 2017 HAP revenues of \$8,528 were received in December. County AMP 3 increased \$27 higher lease up of units.
- Receivables increased by \$815 mainly due to portable vouchers receipts of \$636 from other housing authorities not received until 2017. Asset repositioning had \$52 in outstanding reimbursements for payroll and other expenses for December.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

City Mod Rehab had \$29 due from HUD to reimburse expenditures. Mortgage Revenue Bond had \$139 in loan repayments due from AmeriNational Community Services, Inc.

- Internal balances increased by \$1,763. Phoenix Park repaid \$15 of advances to City CDBG and Norcade Circle repaid \$209 of advances to County CDBG. Locally funded projects and Mortgage revenue bond covered negative cash for other funds in the amount of \$1,539.
- Other long-term assets increased due to accrued interest of \$358 on Phoenix Park loans.
- Notes receivable increased \$383 due to \$582 in accrued interest added to the principal balance in the Asset Repositioning fund which was offset by loan repayments of \$199 in the Mortgage Revenue Bond fund.
- Advances to component units decreased by \$226. Phoenix Park was repaid \$125 and Mortgage Revenue bond was repaid \$101.

Capital assets for business-type activities had a net decrease of \$4,849 in the current year due to the following:

- An \$18 increase in buildings in the Villa De Novo fund related to the rehabilitation of the property.
- Transfers in of \$2,150 in added property value from governmental activities.
- Sales of land and buildings from the City and County AMPs to City and County Welcome Home (aka PRE) program of \$393 and NSP program of \$26.
- Demolition of Acacia Avenue property in City AMP 7 in the amount of \$103.
- \$6,495 in depreciation expense

Deferred outflows of resources of business-type activities had a net increase of \$3,281 from the prior year. This is due to recognition of the pension related items, *difference between projected and actual earnings on pension plan investments* in the amount of \$3,168 and *employer contribution made subsequent to the measurement date* in the amount of \$894. Prior year amounts were \$0 and \$781, respectively.

The net increase of \$4,312 in long-term liabilities of business-type activities was mainly due to the following:

- The Agency implemented GASB Statements No. 68 & 71 in 2015 which required the recording of net pension liability and pension related deferred inflows and outflows. The net pension liability for the current year increased long-term liabilities by \$4,363.

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Management's Discussion and Analysis (*Continued*)
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- Debt repayments decreased long-term liabilities by \$51.

The net increase in other liabilities of \$9,014 in business-type activities was mainly due to the following:

- Unearned revenue increased \$9,319 due to County Housing Choice Voucher administration and housing assistance payments that were received in the current year for January 2017.
- Accrued liabilities decreased \$374 due to salaries payable accruals.

Deferred inflows of resources of business-type activities had a net decrease of \$1,723 from the prior year. This is due to recognition of the pension related items, *difference between projected and actual earnings on pension plan investments* in the amount of \$0, *changes of assumptions on pension plan* in the amount of \$0, and *difference between expected and actual experience* in the amount of \$153. Prior year amounts were \$694, \$668 and \$514, respectively.

The amount invested in capital assets for business-type activities had a net decrease of \$4,798 in the current year. A detailed listing of the net decrease in capital assets in the amount of \$4,849 is shown in a prior section. A reduction in debt related to capital assets of \$50 increases the investment in capital assets.

Restricted net position for business-type activities increased by a net of \$1,411. County Housing Choice Vouchers increased \$1,406 due to receipt of more HAP revenues than what was expensed in vouchers. San Jose/Broadway had increased contributions of \$5 to the escrow account.

Unrestricted net position in Business-type activities increased by a net of \$5,865 mainly due to the following:

- County Housing Choice Vouchers Administration fees and portable voucher revenues increased and operating expenses were less than revenues for a net increase of \$2,395.
- Mortgage Revenue Bond had increased administrative fee revenues and operating expenses were less than revenues for a net increase of \$1,016.
- Phoenix Park increase \$419 due to the CalHFA loan repayment that was minimal in the current year compared to the prior year.
- City Asset Repositioning increased \$587 due to accrued interest on loans.
- The City and County AMPs had a net increase of \$612 mainly due to increased transfers from the capital fund program for operations, GASB 68 pension and capital asset adjustments.

Sacramento Housing and Redevelopment Agency
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- County Norcade Circle increased \$261 due to unspent revenues.
- City and County COCC increased \$517 due to increased management fees due to HUD rate increases.

The following table presents the changes in net position for governmental and business-type activities.

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Revenues:						
Program revenues:						
Charges for services	\$ 1,850	\$ 2,155	\$ 11,047	\$ 10,523	\$ 12,897	\$ 12,678
Operating grants and contributions	35,235	34,332	125,497	122,012	160,732	156,344
Capital grants and contributions	6,578	5,693	-	-	6,578	5,693
General revenues:						
Investment earnings	2,248	3,828	1,353	1,404	3,601	5,232
Miscellaneous	8,148	9,041	1,082	766	9,230	9,807
Total revenues	<u>54,059</u>	<u>55,049</u>	<u>138,979</u>	<u>134,705</u>	<u>193,038</u>	<u>189,754</u>
Expenses:						
Housing operations	12,985	8,740	-	-	12,985	8,740
Community development	17,914	23,495	-	-	17,914	23,495
Community social services	5,240	4,841	-	-	5,240	4,841
Interest expense	741	786	-	-	741	786
Local housing	-	-	4,636	4,022	4,636	4,022
Public housing	-	-	24,768	22,607	24,768	22,607
Housing choice vouchers	-	-	110,219	109,844	110,219	109,844
Total expenses	<u>36,880</u>	<u>37,862</u>	<u>139,623</u>	<u>136,473</u>	<u>176,503</u>	<u>174,335</u>
Increase (decrease) in net position before transfers and special item	17,179	17,187	(644)	(1,768)	16,535	15,419
Transfers	(3,122)	(2,978)	3,122	2,978	-	-
Increase (decrease) in net position	14,057	14,209	2,478	1,210	16,535	15,419
Net position - beginning	340,845	326,636	212,972	211,762	553,817	538,398
Net position - ending	<u>\$ 354,902</u>	<u>\$ 340,845</u>	<u>\$ 215,450</u>	<u>\$ 212,972</u>	<u>\$ 570,352</u>	<u>\$ 553,817</u>

Analysis of the changes in net position:

Total government-wide revenues of the primary government increased \$3,284, a 2% increase from the prior year, and total expenses increased \$2,168, a 1% increase from the prior year. These fluctuations are discussed in more detail below.

Governmental Activities

Total revenues for governmental activities decreased \$990, a 2% decrease from the prior year. Total expenses decreased \$982, a 3% decrease from the prior year, and net transfers out increased \$144 from the prior year. These fluctuations are discussed in more detail below.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
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Revenue

- Charges for services decreased by \$305 mainly due to less developer fees received in City and County Supplemental Admin Fee programs. The decrease above was offset by increased fees received in City Mixed Income Housing Ordinance (MIHO) and County Affordable Housing Ordinance (AHO) Monitoring. This is the first year of operating these two programs.
- Operating grants and contributions had a net increase of \$903 mainly due to increased expenditures and loan repayment revenue in the City and County CDBG entitlement funds and developer fee increases in both the City and County Housing Trust and County Affordable Housing funds. These increases were offset by State/Local Housing Trust fund which received a new grant in 2015 but none in the current year and decreased expenditures and loan repayment revenue in the City and County HOME funds.
- Capital grants and contributions increased by \$885 mainly due to capital related expenditures as well as revenues in the City and County CFP funds.
- Investment earnings decreased by \$1,580 mainly due to the prior year Woodhaven project accrued interest in the City Housing Successor fund and a fair value adjustment on investments. No interest was accrued in the current year.
- Miscellaneous income decreased by \$893 mainly due to prior year loan payoffs in the County HOME program that did not occur in the current year.

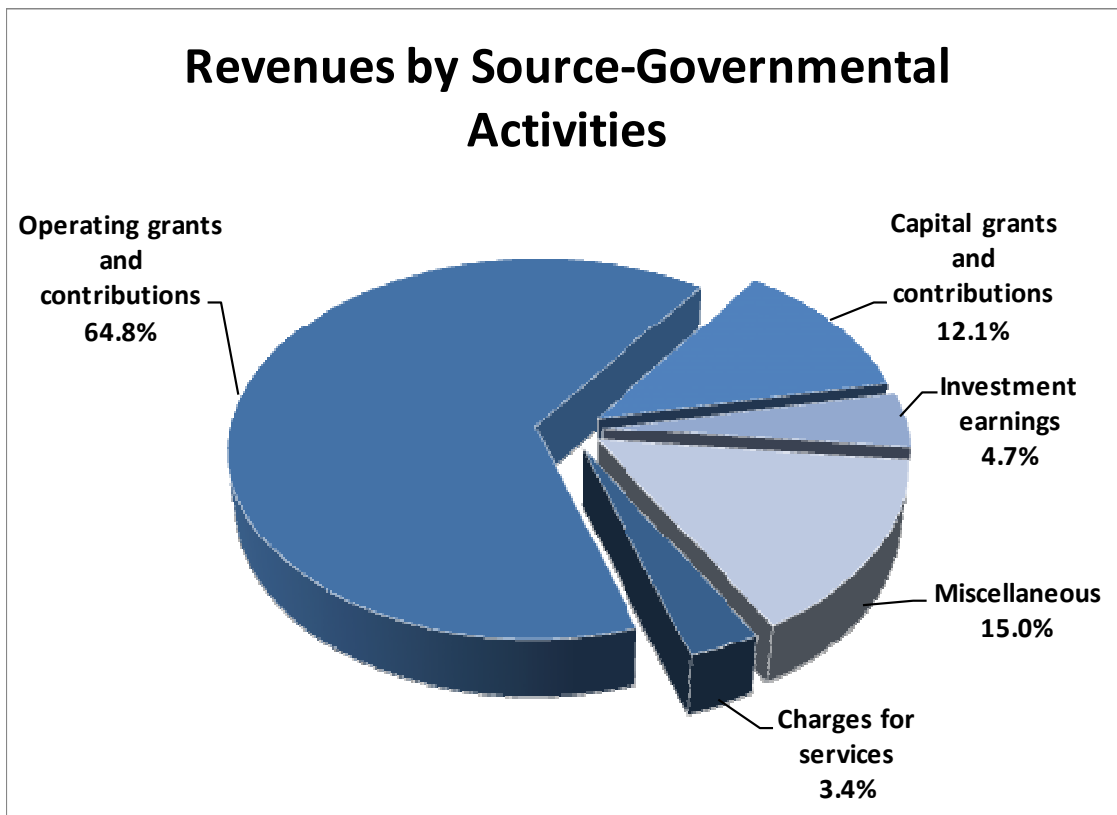
Expenses

- Housing operations increased by \$4,245 mainly due to expenditures for the Welcome Home (aka PRE) program in City and County Section 32 and Public Housing Homeownership programs. City and County Housing Trust increased in employee services, overhead and services and supplies. Sales of capital assets resulted in a loss to housing operations.
- Community development operations decreased by a net of \$5,581 mainly due to the completion or near completion of City and County HOME projects in 2015; Anton Arcade/Butuno Apartments, Greenway Village, Ethan Terrace Apartments, Township 9, Glen Ellen Estate Apartments, Washington Plaza Senior Apartments and Land Park Woods Apartments.
- Community social services increased by a net of \$399 mainly due to an increase in City Comprehensive Alcohol Treatment Center (CATC) for expenses on an emergency homeless shelter. The program started at the end of 2015 so expenses were much lower than the current year.
- Interest expense decreased by \$45 mainly due a reduction in amortized interest in the internal service and debt service funds.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2016
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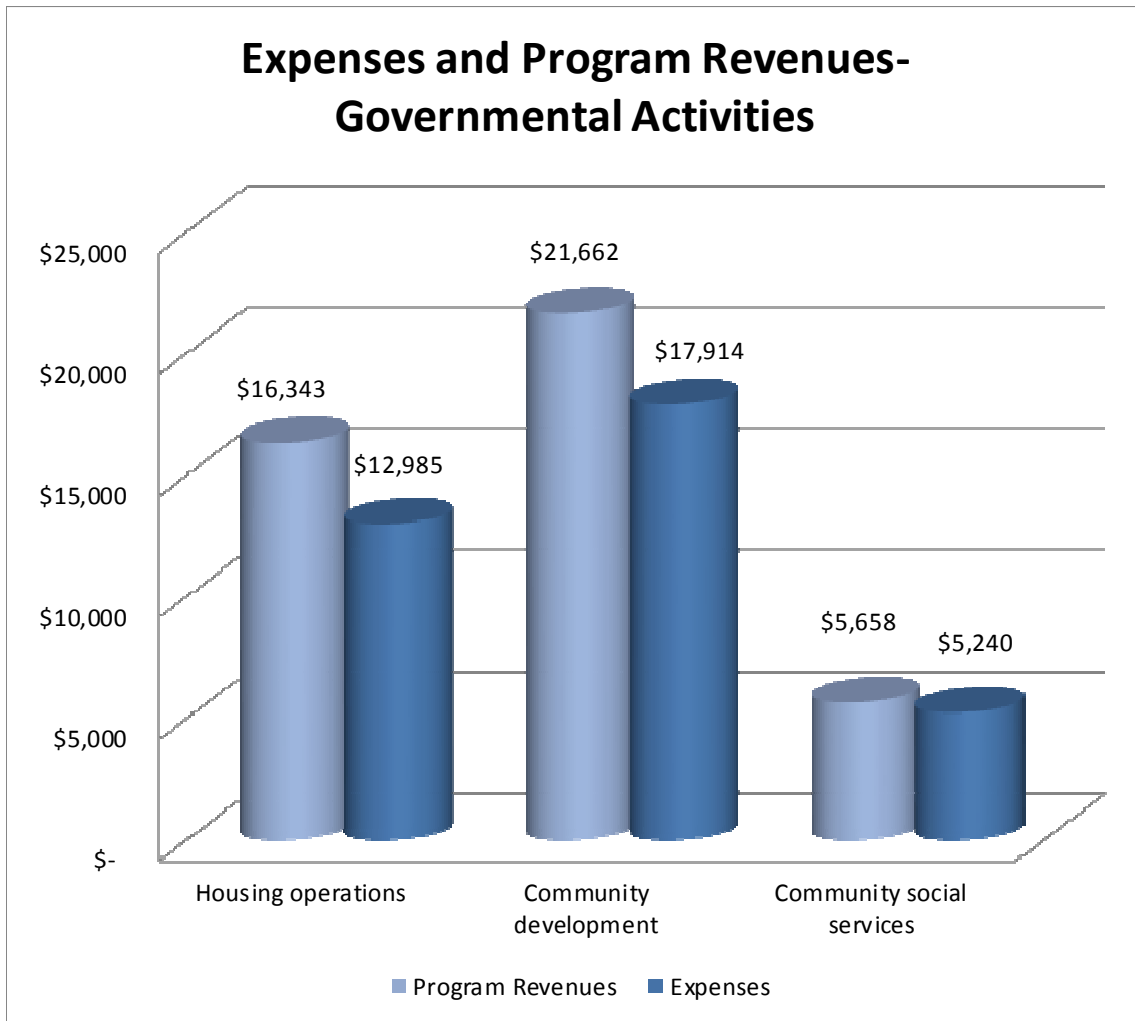
The net transfers of \$3,122 are mainly due to transfers of construction in progress from governmental activities to buildings in business-type activities for costs incurred in the City Capital Fund Program of \$1,243, County Capital Fund Program of \$779 and City Misc. Development Grants of \$128. Other transfers were to cover operating deficits in various funds.

The following graph shows the breakdown of revenue by source.



**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
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The following graph shows a comparison of expenses and program revenues for governmental activities.



The variance in Housing operations between revenues and expense is mainly due to increased developer fees and investment earnings in City and County Housing Trust and County Affordable Housing funds that have not been spent.

The variance in Community development between revenues and expense is mainly due to the City CDBG revenues that were used for property purchases that are not presented in community development expenses. The City and County HOME funds had unspent investment earnings and program income.

The variance in Community Social Services between revenues and expense is mainly due to the City and County Supplemental Admin Fee programs that had unspent fee revenues.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
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Business-type Activities.

Total revenues for business-type activities increased \$4,274, a 3% increase from the prior year. Total expenses increased \$3,150, a 2% increase, and net transfers to business-type activities increased \$144. These fluctuations are discussed in more detail below.

Revenue

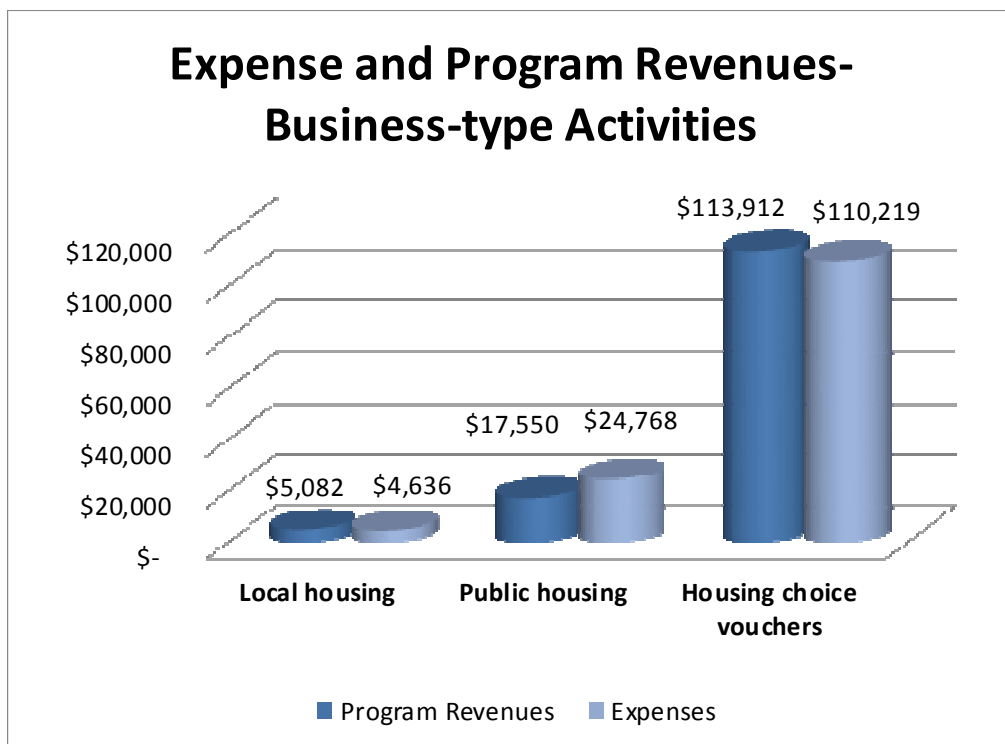
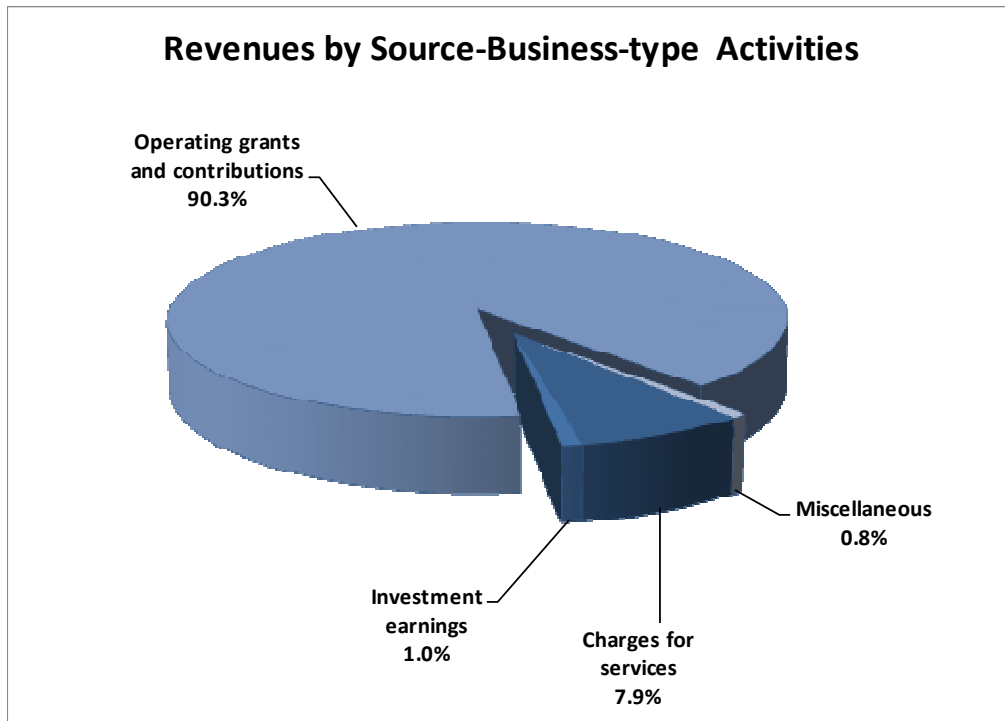
- Charges for services increased by \$524 mainly due to the following: the City COCC increased due to a HUD rate change in management fees that was retroactive back to the prior year, and Mortgage Revenue Bonds had higher administrative fees.
- Operating grants and contributions increased by \$3,485 mainly due to HUD proration increases for HAP revenues in County Housing Choice Vouchers and portable vouchers revenue increased collections from outside housing authorities. Operating subsidy increased for City AMPs 1, 2, 4 and 5 and County AMPs 1, 3 and 5.
- Miscellaneous income increased by \$316 mainly due to the Asset Repositioning fund. There were no expenditures to generate revenues in the prior year.
- Investment earnings decreased by \$51 mainly due to accrued interest in Asset Repositioning.

Expenses

- Local housing expenses increased by \$614 due mainly to increased overhead charges in City and County COCC to pay for administrative staff.
- Public housing expenses increased by \$2,161 due mainly to cost of living increases, a HUD rate change in management fees that was retroactive back to the prior year, increased services and supplies costs and loss on property sales.
- Housing choice vouchers expenses increased by \$375 mainly due to employee services cost of living and step increases and administrative services due to higher overhead costs.
- The net transfers of \$3,122 are mainly due to construction in progress from governmental activities to buildings for costs incurred by City Capital Fund Program of \$1,243, County Capital Fund Program of \$779 and City Misc. Development Grants of \$128. Other transfers were to cover operating deficits in various funds.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
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The following graphs show the breakdown of revenues by source and a comparison of expenses and program revenues for business-type activities.



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Management's Discussion and Analysis (*Continued*)
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In the second graph, the variance in the revenues and expenses in Local Housing is primarily due to excess administrative fee revenues related to the Mortgage Revenue Bond fund.

The variance in Public Housing is due to the Public Housing AMPs using prior year revenues to cover operating costs in the current year as well as transfers in for management improvement and operating costs from the Capital Fund Program.

The variance in Housing Choice Vouchers is due mainly to additional Administrative revenues received in 2016.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

As noted earlier, the Agency uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The general government functions are contained in the Special Revenue, Debt Service, and Capital Projects Funds. The Agency does not have a General Fund. The focus of the Agency's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, *fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. The governmental funds financial statements can be found on pages 30 - 33 of this report.

The Agency's governmental funds reported combined ending fund balances of \$189,191. There was a net increase of \$10,046 in comparison with the prior year. The major funds listed below are responsible for an increase of \$6,074 in the combined fund balances and the nonmajor funds are responsible for a \$3,972 increase.

The City HOME fund has a total fund balance of \$610, which is restricted for community development. The net increase in fund balance during the current year was \$379. This increase is mainly due to a reduction in expenditures due to completion of projects.

The County HOME fund has a total fund balance of \$1,882, which is restricted for community development. The net increase in fund balance during the current year was \$1,463. This increase is mainly due to a reduction in expenditures due to completion of projects.

The City Housing Successor fund has a total fund balance of \$74,502, which is restricted for housing activities. The net increase in fund balance during the current year was \$4,181. This increase is mainly due to bond proceeds returned from the City Redevelopment Agency Successor Agency and proceeds from property sales.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
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The County Housing Successor fund has a total fund balance of \$16,581, which is restricted for housing activities. The net increase in fund balance during the current year was \$51. This increase is mainly due to unspent investment earnings.

Proprietary funds. The Agency's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail (See Business-type Activities section on page 18).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Agency's investment in capital assets for its governmental and business-type activities as of December 31, 2016, amounted to \$193,907 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, property and equipment, and construction in progress.

Capital assets for the governmental and business-type activities are presented below.

	Capital Assets (net of depreciation)						Increase/ (Decrease) Percent of Change
	Governmental Activities		Business-type Activities		Total		
	2016	2015	2016	2015	2016	2015	
Land	\$ 19,183	\$ 18,061	\$ 15,716	\$ 15,767	\$ 34,899	\$ 33,828	3.17%
Building and improvements	9,600	10,250	143,024	147,628	152,624	157,878	-3.33%
Property and equipment	152	184	189	269	341	453	-24.72%
Construction in progress	6,043	5,480	-	114	6,043	5,594	8.03%
Total	\$ 34,978	\$ 33,975	\$ 158,929	\$ 163,778	\$ 193,907	\$ 197,753	-1.94%

In addition to the increases to capital assets mentioned previously, the items below also contributed to the increase in investment in capital assets under governmental activities of \$1,003:

- The increase in land in the governmental activities was due to the purchase of land for future development in the City and County CDBG programs on 16th Street and on Sproule Avenue and City CDBG NSP 3 program on Roanoke Avenue. Sales of land occurred in the City Housing Successor, City Housing Trust, City CDBG NSP 1 and City and County CDBG NSP 3 funds.
- The decrease in buildings and improvements was due to depreciation expense and sales in the City Housing Trust, City CDBG NSP 1 and City and County CDBG NSP 3 funds.
- The decrease in property and equipment was due to depreciation expense.
- Construction in progress increased in City Capital Fund program and decreased slightly in County Capital Fund Program. The construction in progress will be

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
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transferred to buildings in the Public Housing AMPs when the grants close.

In addition to the decrease to capital assets mentioned previously, the items below also contributed to the decrease in investment in capital assets under business-type activities of \$4,849:

- The decrease in land and buildings and improvements was due to depreciation expense and the sale of properties in City AMP 4 and City AMP 7. Increases to property values were added from governmental activities construction in progress transfers.
- Property and equipment decreased due to depreciation expense.
- Construction in progress decreased by adding the value to buildings.

Long-term Debt. At the end of December 31, 2016, the Agency had long-term debt outstanding of \$17,511. This is a net decrease of \$1,108 from the prior year total of \$18,619.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2016	2015	2016	2015	2016	2015
Notes payable	\$ 14,330	\$ 15,530	\$ 2,361	\$ 2,412	\$ 16,691	\$ 17,942
Pollution remediation	820	677	-	-	820	677
Total	<u>\$ 15,150</u>	<u>\$ 16,207</u>	<u>\$ 2,361</u>	<u>\$ 2,412</u>	<u>\$ 17,511</u>	<u>\$ 18,619</u>

Governmental activities notes payable decreased by \$1,200 due to scheduled debt service principal payments which reduced the year-end balances.

Pollution remediation obligations increased by \$143 mainly due to an increase in estimated costs.

Business-type activities notes payable decreased \$51 due to scheduled debt service principal payments which reduced the year-end balances. There were no notes issued in 2016.

Additional information about the Agency's capital assets and total long-term debt is presented in Note III.C. and Note III.F., respectively, to the financial statements on pages 57 - 58 and 63 - 68 of this report.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The Agency has both housing authority and Housing Successor Agency functions. As such, its revenues and expenditures are dependent on external factors such as the availability of federal funding.

BUDGET SUMMARY

The 2017 Proposed Budget recommends total expenses of \$190.5 million and is comprised of the Housing Assistance Payments (HAP) Budget of \$106 million; the Operating Budget of \$43 million; the Capital Projects Budget of \$31.5 million; the Public Services Budget of \$6 million; and the Debt Service and Financial Transactions Budget of \$4 million.

The 2017 Proposed Budget of \$190.5 million represents a \$10.9 million or 6.1 percent increase in net appropriations compared with the prior year. This change in annual budget appropriations is primarily the result of the following factors: 1) An increase in the operating budget due to increased workers compensation and retirement costs and the funding of prior year unfunded positions; 2) An increase in HAP funding for the HCV program; 3) A one-time increase in debt service payments in 2017 related to repayment of an internal loan from Housing Choice Voucher funding and 4) Capital projects increased mainly due to increases in Housing Trust Fund, Supplemental Admin Fees, HOME, Capital Fund, and CalHOME Revolving Loan fund revenues that were used to fund projects.

The Agency's funding sources are independent of the City or County's General Fund. In addition, eighty-four percent of the Agency's funding originates from federal appropriations allocated to HUD. Though the House & the Senate passed a continuing resolution to fund the federal government through December 9th, Congress has not yet approved a 2017 budget. Given the aforementioned factors, it was particularly prudent while preparing the budget to maintain a fiscally conservative approach in the funding outlook.

In addition to conveying the Mission, Vision & Goals of the Organization, the 2017 budget continues to focus on moving forward. As such:

- We will continue to maximize leasing of vouchers in the HCV program.
- We will continue to pursue new funding opportunities to decrease reliance on traditional funding sources for the creation and preservation of affordable housing.
- We will continue to focus on the rehabilitation and repositioning of former Public Housing properties.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2016
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Some of the guiding principles used to develop the Agency's budget include:

- Protecting core services to the greatest extent possible, with delivery of housing programs, public services and capital projects being a major priority;
- Managing program activities by focusing on the efficiency of program delivery and the maximization of results;
- Consideration of the overall financial health of the organization, not just the cash flow from year to year;
- Fostering partnerships with community based organizations and private entities whenever possible; and
- Developing budget plans that employ strategies to address the long-term needs of the communities we serve.

Federal Funding Trends

Beginning in 2011, Congress systematically began reducing federal spending for domestic programs, and in 2013 implemented the cuts required by the Sequestration Transparency Act of 2012. The vast majority of the spending cuts imposed by sequestration directly impacted the federal discretionary programs we administer on behalf of the City and County of Sacramento.

In 2014, the opening of the HCV waitlist resulted in over 46,000 applications in a two week period and underscored the continued need for affordable housing opportunities in the Sacramento region.

In 2014 and 2015, thanks to funding provided by Congress, state and local housing agencies were able to begin restoring assistance to families after the 2013 sequestration cuts eliminated 100,000 housing vouchers.

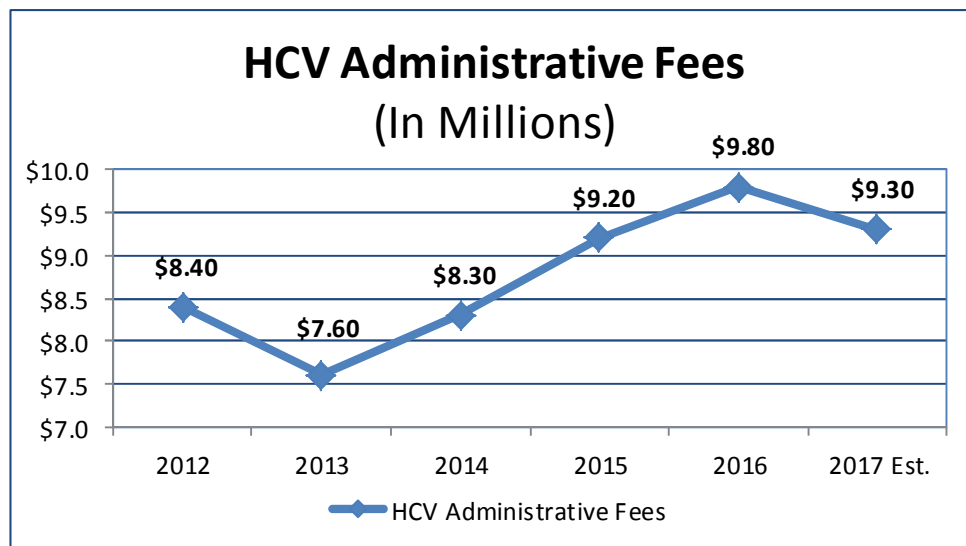
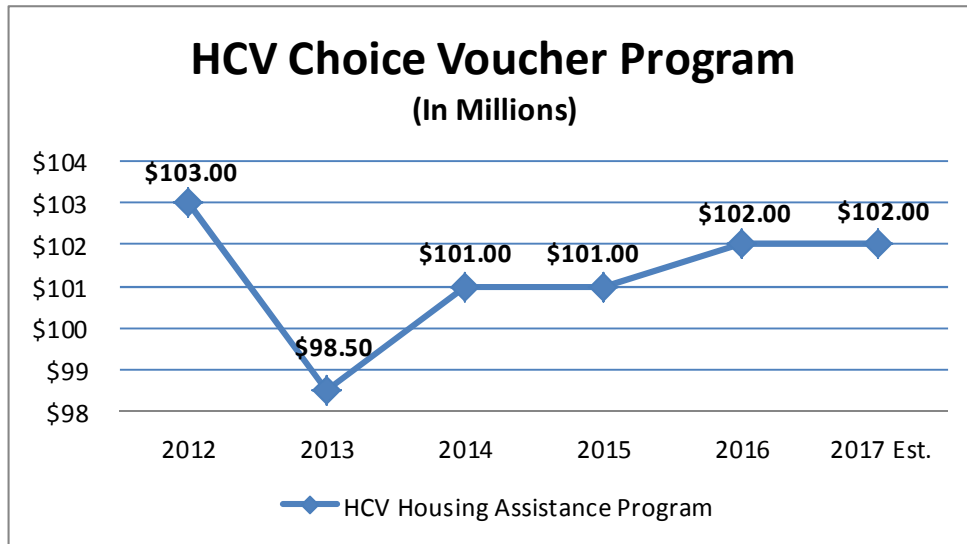
In 2016, an additional 67,000 vouchers were restored nationwide while the President's fiscal year 2016 budget continued to help restore the impact of sequestration cuts by renewing all vouchers currently in use.

The Bipartisan Budget Act of 2015 eliminated much of the sequestration budget cuts for non-defense discretionary programs for fiscal years 2016 and 2017. However, Federal programs such as CDBG and HOME have not seen much change in appropriation levels since the Sequestration cuts of 2013 and this has impacted the number of housing projects, public services and infrastructure improvements the Agency can fund. For 2017, it is expected that these programs will be funded at levels similar to 2016.

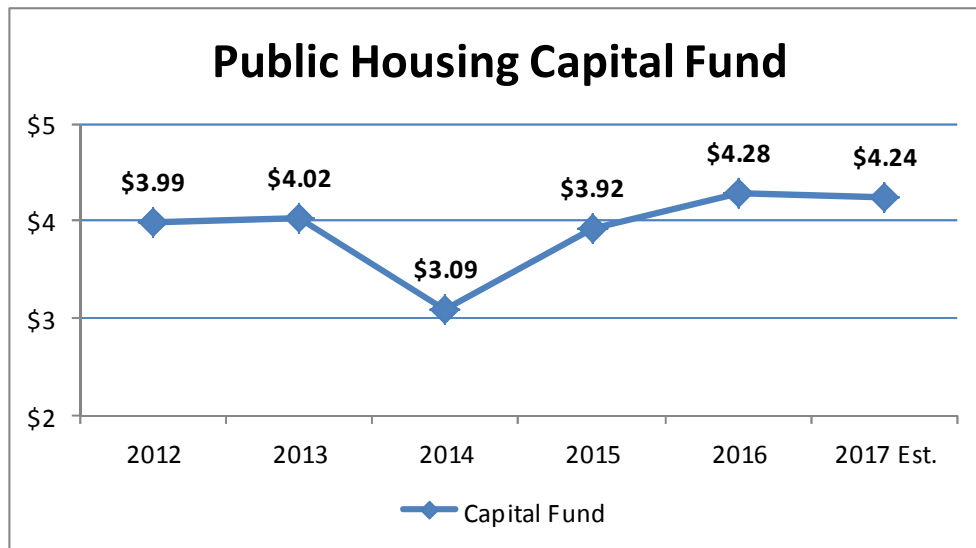
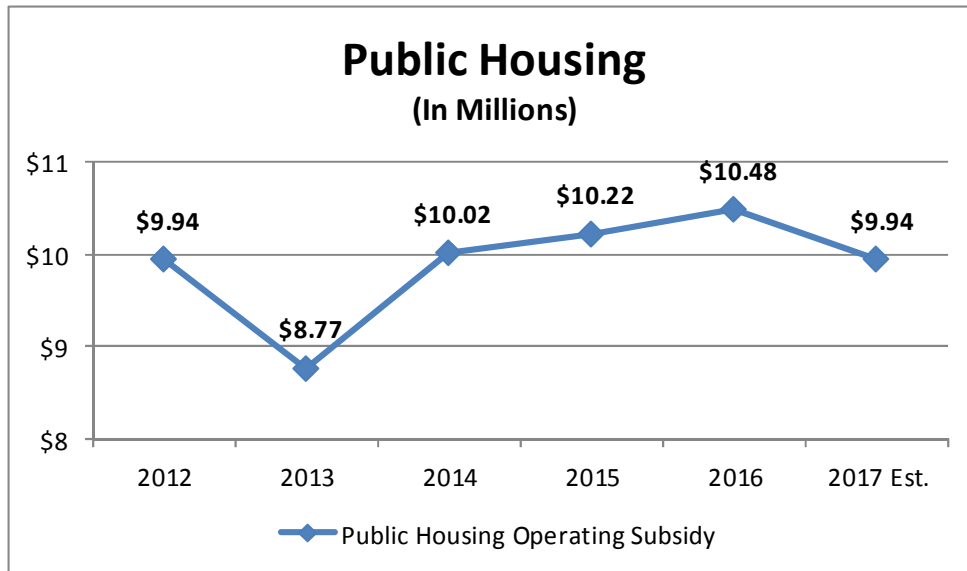
In conclusion, though the economy and conditions that led to sequestration appear to have stabilized since the Sequestration Transparency Act of 2012; the effects of these cuts, in addition to the loss of redevelopment, continue to impact the needs of our community. As such, and to the extent possible within these constraints, the budget continues to support your long-range vision for the community.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)**

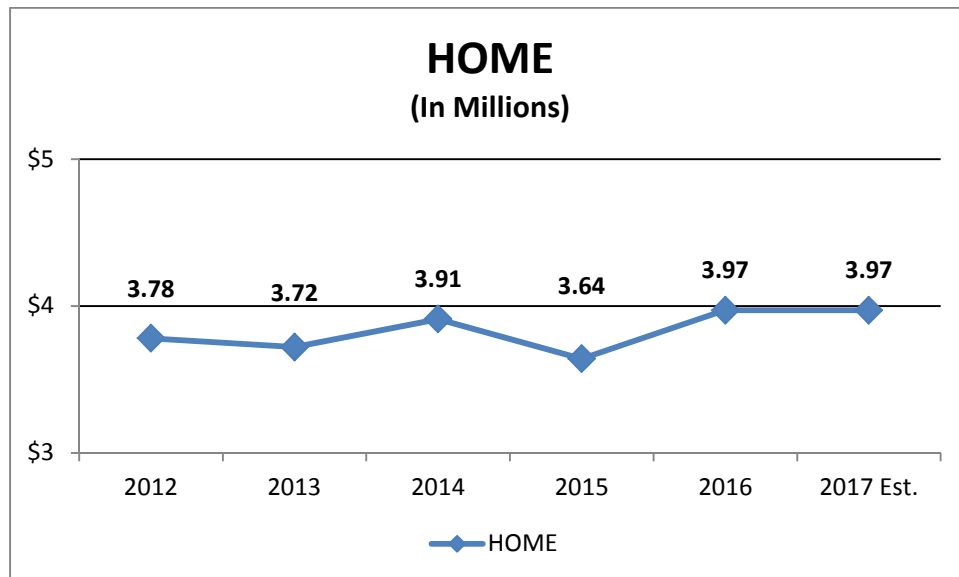
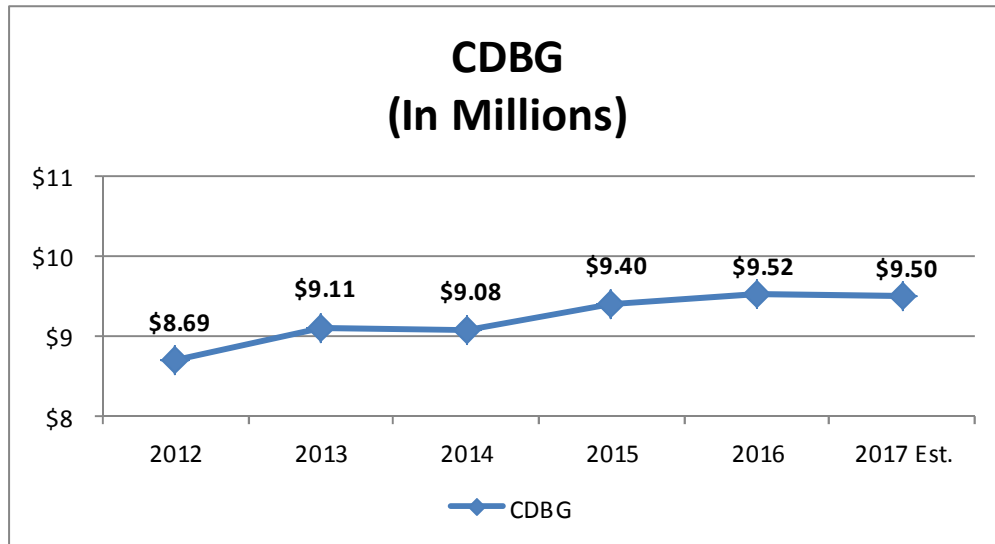
The charts on the following pages provide a visual representation of the trends of the major federal grant award funding administered by the Agency over the past several years. The amounts may not match the amounts in the CAFR.



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Management's Discussion and Analysis (Continued)
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(dollar amounts expressed in thousands)



**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)**



We are optimistic that we will continue to bring forth award-winning affordable housing projects and to invest in community revitalization activities through effective partnerships that improve Sacramento's quality of life.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Director of Finance, Sacramento Housing and Redevelopment Agency, 801 12th Street, Sacramento, California, 95814.

*Basic
Financial
Statements*

Sacramento Housing and Redevelopment Agency
Statement of Net Position
December 31, 2016

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
ASSETS				
Cash and investments	\$ 56,041	\$ 28,020	\$ 84,061	\$ 5,103
Receivables (net)	6,098	1,217	7,315	164
Internal balances	(9,802)	9,802	-	-
Prepaid items	141	1	142	17
Restricted cash and investments	630	13,953	14,583	273
Assets held for resale	6,895	-	6,895	-
Other long-term assets	-	5,064	5,064	2,155
Notes receivable (net)	285,742	30,035	315,777	241
Advances to component units	-	2,360	2,360	-
Advances to primary government	-	-	-	1,000
OPEB asset	8,191	-	8,191	-
Capital assets:				
Land and construction in progress	25,226	15,716	40,942	2,552
Depreciable buildings and improvements, and property and equipment, net	9,752	143,213	152,965	9,213
Total assets	388,914	249,381	638,295	20,718
DEFERRED OUTFLOWS OF RESOURCES				
Employer contribution made subsequent to the measurement date	649	894	1,543	12
Difference between projected and actual earnings on pension plan investments	2,708	3,168	5,876	44
Total deferred outflows of resources	3,357	4,062	7,419	56
LIABILITIES				
Accounts payable and accrued liabilities	1,687	681	2,368	136
Interest payable	105	-	105	-
Unearned revenue	-	9,493	9,493	14
Deposit and trust liability	81	2,882	2,963	167
Advances from component units	1,000	-	1,000	-
Advances from primary government	-	-	-	2,360
Long-term liabilities:				
Due within one year	3,433	56	3,489	-
Due in more than one year	14,464	2,305	16,769	5,100
Net pension liability	16,471	22,423	38,894	296
Total liabilities	37,241	37,840	75,081	8,073
DEFERRED INFLOWS OF RESOURCES				
Changes of assumptions on pension plan	1	-	1	-
Difference between expected and actual experience	127	153	280	-
Total deferred inflows of resources	128	153	281	-
NET POSITION				
Net investment in capital assets	25,938	156,568	182,506	8,832
Restricted for:				
Debt service	553	200	753	-
Housing	171,678	236	171,914	200
Housing choice vouchers	-	2,116	2,116	-
Community development	164,149	-	164,149	-
Community services	2,547	-	2,547	-
Unrestricted	(9,963)	56,330	46,367	3,669
Total net position	\$ 354,902	\$ 215,450	\$ 570,352	\$ 12,701

The notes to the basic financial statements are an integral part of this statement.

Sacramento Housing and Redevelopment Agency
Statement of Activities
For the Year Ended December 31, 2016
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
Housing operations	\$ 12,985	\$ 693	\$ 9,072	\$ 6,578	\$ 3,358
Community development	17,914	5	21,657	-	3,748
Community social services	5,240	1,152	4,506	-	418
Interest expense	741	-	-	-	(741)
Total governmental activities	<u>36,880</u>	<u>1,850</u>	<u>35,235</u>	<u>6,578</u>	<u>6,783</u>
Business-type activities:					
Local housing	4,636	3,974	1,108	-	446
Public housing	24,768	7,073	10,477	-	(7,218)
Housing choice vouchers	110,219	-	113,912	-	3,693
Total business-type activities	<u>139,623</u>	<u>11,047</u>	<u>125,497</u>	<u>-</u>	<u>(3,079)</u>
Total primary government	<u>\$ 176,503</u>	<u>\$ 12,897</u>	<u>\$ 160,732</u>	<u>\$ 6,578</u>	<u>\$ 3,704</u>
Component units:					
Local housing	<u>\$ 2,471</u>	<u>\$ 1,140</u>	<u>\$ 285</u>	<u>\$ -</u>	<u>\$ (1,046)</u>

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net revenue (expense)	<u>\$ 6,783</u>	<u>\$ (3,079)</u>	<u>\$ 3,704</u>	<u>\$ (1,046)</u>
General revenues:				
Investment earnings	2,248	1,353	3,601	51
Miscellaneous	8,148	1,082	9,230	929
Transfers, net	(3,122)	3,122	-	-
Total general revenues and transfers	<u>7,274</u>	<u>5,557</u>	<u>12,831</u>	<u>980</u>
Change in net position	14,057	2,478	16,535	(66)
Net position - beginning	340,845	212,972	553,817	12,767
Net position - ending	<u>\$ 354,902</u>	<u>\$ 215,450</u>	<u>\$ 570,352</u>	<u>\$ 12,701</u>

The notes to the basic financial statements are an integral part of this statement.

Sacramento Housing and Redevelopment Agency
Balance Sheet
Governmental Funds
December 31, 2016
(amounts expressed in thousands)

	City HOME	County HOME	City Housing Successor	County Housing Successor	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 464	\$ 1,740	\$ 15,810	\$ 711	\$ 29,749	\$ 48,474
Accounts receivable	56	142	44	-	219	461
Due from other funds	-	-	-	-	219	219
Due from other governments	90	-	-	-	5,547	5,637
Notes receivable (net)	51,543	60,370	58,573	15,872	99,280	285,638
Advances to other funds	-	-	170	-	2,079	2,249
Restricted cash and investments	-	-	33	-	47	80
Assets held for resale	-	-	-	-	6,895	6,895
Total assets	<u>\$ 52,153</u>	<u>\$ 62,252</u>	<u>\$ 74,630</u>	<u>\$ 16,583</u>	<u>\$ 144,035</u>	<u>\$ 349,653</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ 93	\$ -	\$ 791	\$ 884
Accrued liabilities	-	-	2	2	12	16
Contracts payable	-	-	-	-	129	129
Due to other funds	-	-	-	-	2,274	2,274
Due to other governments	-	-	-	-	147	147
Deposit and trust liability	-	-	33	-	48	81
Advances from other funds	-	-	-	-	9,996	9,996
Total liabilities	<u>-</u>	<u>-</u>	<u>128</u>	<u>2</u>	<u>13,397</u>	<u>13,527</u>
Deferred Inflows of Resources						
Unavailable revenue	<u>51,543</u>	<u>60,370</u>	<u>-</u>	<u>-</u>	<u>35,022</u>	<u>146,935</u>
Fund Balances (Deficits)						
Restricted for:						
Debt service	-	-	-	-	3	3
Housing	-	-	74,502	16,581	80,595	171,678
Community development	610	1,882	-	-	14,722	17,214
Community services	-	-	-	-	2,547	2,547
Unassigned	-	-	-	-	(2,251)	(2,251)
Total fund balances	<u>610</u>	<u>1,882</u>	<u>74,502</u>	<u>16,581</u>	<u>95,616</u>	<u>189,191</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 52,153</u>	<u>\$ 62,252</u>	<u>\$ 74,630</u>	<u>\$ 16,583</u>	<u>\$ 144,035</u>	<u>\$ 349,653</u>

The notes to the basic financial statements are an integral part of this statement.

Sacramento Housing and Redevelopment Agency
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2016
(amounts expressed in thousands)

Total fund balances of governmental funds (page 30)		\$ 189,191
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term assets that are not available to receive within current financial resources period and therefore, are considered deferred inflows of resources in governmental funds.		146,935
OPEB assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		8,191
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 24,004	
Less: accumulated depreciation	<u>(317)</u>	
		23,687
Internal service funds are used by management to charge the costs of administration to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		(2,278)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Interest payable		(105)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Notes payable	\$ (14,330)	
Net Pension Liability	(16,471)	
Deferred outflows	3,357	
Deferred inflows	(128)	
Pollution remediation payable	(820)	
Compensated absences	(2,747)	
Less internal service funds:		
Notes payable	9,040	
Net Pension Liability	10,640	
Deferred outflows	(2,087)	
Deferred inflows	80	
Compensated absences	<u>2,747</u>	
		<u>(10,719)</u>
Net position of governmental activities (page 28)		<u><u>\$ 354,902</u></u>

The notes to the basic financial statements are an integral part of this statement.

Sacramento Housing and Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	City HOME	County HOME	City Housing Successor	County Housing Successor	Other Governmental Funds	Total Governmental Funds
Revenues:						
Intergovernmental	\$ 2,923	\$ 735	\$ 1,693	\$ 446	\$ 32,026	\$ 37,823
Charges for services	-	-	-	-	1,850	1,850
Investment earnings	270	793	382	38	934	2,417
Miscellaneous	171	980	3,519	-	3,395	8,065
Total revenues	<u>3,364</u>	<u>2,508</u>	<u>5,594</u>	<u>484</u>	<u>38,205</u>	<u>50,155</u>
Expenditures:						
Current:						
Housing operations	-	-	1,487	433	9,328	11,248
Community development	2,985	1,045	-	-	12,073	16,103
Community social services	-	-	-	-	5,244	5,244
Capital outlay	-	-	-	-	5,336	5,336
Debt service:						
Principal retirement	-	-	251	-	388	639
Interest	-	-	212	-	51	263
Total expenditures	<u>2,985</u>	<u>1,045</u>	<u>1,950</u>	<u>433</u>	<u>32,420</u>	<u>38,833</u>
Excess of revenues over expenditures	<u>379</u>	<u>1,463</u>	<u>3,644</u>	<u>51</u>	<u>5,785</u>	<u>11,322</u>
Other financing sources (uses):						
Proceeds from sale of capital assets	-	-	537	-	246	783
Transfers in	-	-	-	-	597	597
Transfers out	-	-	-	-	(2,656)	(2,656)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>537</u>	<u>-</u>	<u>(1,813)</u>	<u>(1,276)</u>
Net change in fund balances	379	1,463	4,181	51	3,972	10,046
Fund balances, beginning	231	419	70,321	16,530	91,644	179,145
Fund balances, ending	<u>\$ 610</u>	<u>\$ 1,882</u>	<u>\$ 74,502</u>	<u>\$ 16,581</u>	<u>\$ 95,616</u>	<u>\$ 189,191</u>

The notes to the basic financial statements are an integral part of this statement.

**Sacramento Housing and Redevelopment Agency
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2016
(amounts expressed in thousands)**

Net change in fund balances - total governmental funds (page 32)	\$ 10,046
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:	
Capital outlay	\$ 5,336
Depreciation expense	<u>(46)</u>
	5,290
In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds received from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of the capital assets disposed of or sold.	(1,845)
Capital assets transferred from governmental activities to business-type activities are reported as transfers in the statement of activities. The transfers are not reported in the governmental funds because there has been no use of current financial resources.	(2,150)
The issuance of long-term debt (i.e., notes) provides current financial resources in the governmental funds, while the repayment of the principal on long-term debt is an expenditures in the governmental funds. But those transactions affect long-term liabilities in the statement of net position:	
Principal repayments on long-term debt - notes payable	639
The Agency has recorded an obligation and corresponding expense for pollution remediation activities which does not require the use of current financial resources, and therefore, is not reported as an expenditure in governmental funds.	(143)
A reduction in interest expense reported in the statement of activities does not provide or use current financial resources, and therefore, is not reported as a reduction in expenditures in governmental funds.	6
OPEB contributions made in excess of the annual required contribution are reported as expenditures in the governmental funds, however, in the statement of activities the excess contributions does not have any effect on net position, rather the OPEB asset increases.	659
Unavailable revenues not available to liquidate liabilities of the current period in governmental funds, but were recognized as revenue in the statement of activities.	3,990
Internal service funds are used by management to charge the costs of certain activities, such as administration to individual funds. The net expense of the internal service funds is reported with the governmental activities.	(2,513)
Net Pension Activity	78
Change in net position of governmental activities (page 29)	<u>\$ 14,057</u>

The notes to the basic financial statements are an integral part of this statement.

Sacramento Housing and Redevelopment Agency
Statement of Net Position
Proprietary Funds
December 31, 2016
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds			Governmental Activities-Internal Service Funds
	County Housing Choice Vouchers	Other Enterprise Funds	Total	
Assets				
Current assets:				
Cash and investments	\$ 6,823	\$ 21,197	\$ 28,020	\$ 7,567
Restricted cash and investments	225	2,657	2,882	-
Accounts receivable (net)	720	468	1,188	-
Due from other funds	-	2,176	2,176	-
Due from other governments	-	29	29	-
Prepaid items	-	1	1	141
Total current assets	<u>7,768</u>	<u>26,528</u>	<u>34,296</u>	<u>7,708</u>
Noncurrent assets:				
Restricted cash and investments	10,635	436	11,071	550
Other long-term assets	-	5,064	5,064	-
Notes receivable	-	30,035	30,035	104
Advances to other funds	-	10,826	10,826	-
Advances to component units	-	2,360	2,360	-
	<u>10,635</u>	<u>48,721</u>	<u>59,356</u>	<u>654</u>
Capital assets:				
Land	-	15,716	15,716	2,040
Buildings and improvements	-	257,138	257,138	11,510
Property and equipment	48	1,256	1,304	664
Less accumulated depreciation	(48)	(115,181)	(115,229)	(2,923)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>158,929</u>	<u>158,929</u>	<u>11,291</u>
Total noncurrent assets	<u>10,635</u>	<u>207,650</u>	<u>218,285</u>	<u>11,945</u>
Total assets	<u>18,403</u>	<u>234,178</u>	<u>252,581</u>	<u>19,653</u>
Deferred Outflows of Resources				
Employer contribution made subsequent to the measurement date	329	565	894	421
Difference between projected and actual earnings on pension plan investments	1,147	2,021	3,168	1,666
Total deferred outflows of resources	<u>1,476</u>	<u>2,586</u>	<u>4,062</u>	<u>2,087</u>
Liabilities				
Current liabilities:				
Accounts payable	83	492	575	184
Accrued liabilities	7	81	88	327
Due to other funds	-	121	121	-
Compensated absences	-	-	-	1,920
Due to other governments	-	18	18	-
Unearned revenue	9,362	131	9,493	-
Current portion of long-term debt	-	56	56	591
Current liabilities payable from restricted assets:				
Deposit and trust liability	225	2,657	2,882	-
Total current liabilities	<u>9,677</u>	<u>3,556</u>	<u>13,233</u>	<u>3,022</u>
Noncurrent liabilities:				
Compensated absences	-	-	-	827
Mortgage notes payable	-	2,305	2,305	8,449
Advances from other funds	1,000	2,079	3,079	-
Advances from primary government	-	-	-	1,000
Net pension liability	8,247	14,176	22,423	10,640
Total noncurrent liabilities	<u>9,247</u>	<u>18,560</u>	<u>27,807</u>	<u>20,916</u>
Total liabilities	<u>18,924</u>	<u>22,116</u>	<u>41,040</u>	<u>23,938</u>
Deferred Inflows of Resources				
Difference between expected and actual experience	56	97	153	80
Net Position				
Net investment in capital assets	-	156,568	156,568	2,251
Restricted for debt service	-	200	200	550
Restricted for housing operations	-	236	236	-
Restricted for housing choice vouchers	2,116	-	2,116	-
Unrestricted	(1,217)	57,547	56,330	(5,079)
Total net position	<u>\$ 899</u>	<u>\$ 214,551</u>	<u>\$ 215,450</u>	<u>\$ (2,278)</u>

The notes to the basic financial statements are an integral part of this statement.

Sacramento Housing and Redevelopment Agency
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds				Governmental Activities-Internal Service Funds
	County Housing Choice Vouchers	Other Enterprise Funds	Eliminations	Total	
Operating revenues:					
Charges for services	\$ -	\$ 17,707	\$ (6,660)	\$ 11,047	\$ 6,857
Miscellaneous	-	1,082	-	1,082	83
Total operating revenues	-	18,789	(6,660)	12,129	6,940
Operating expenses:					
Employee services	3,697	6,995	-	10,692	6,592
Administrative services	1,961	8,215	(6,660)	3,516	-
Services and supplies	1,916	10,390	-	12,306	2,890
Utilities	-	3,190	-	3,190	113
Claims and judgments	-	9	-	9	-
Depreciation	-	6,495	-	6,495	292
Housing assistance payments	102,645	222	-	102,867	-
Total operating expenses	110,219	35,516	(6,660)	139,075	9,887
Operating loss	(110,219)	(16,727)	-	(126,946)	(2,947)
Nonoperating revenues (expenses):					
Intergovernmental	113,912	11,585	-	125,497	-
Investment earnings	76	1,277	-	1,353	(169)
Interest expense	-	(27)	-	(27)	(484)
Loss on disposal of capital assets	-	(521)	-	(521)	-
Total nonoperating revenues (expenses)	113,988	12,314	-	126,302	(653)
Income (loss) before capital contributions, and transfers	3,769	(4,413)	-	(644)	(3,600)
Capital contributions	-	2,150	-	2,150	-
Transfers in	32	1,293	-	1,325	1,678
Transfers out	-	(353)	-	(353)	(591)
Change in net position	3,801	(1,323)	-	2,478	(2,513)
Net position, beginning	(2,902)	215,874	-	212,972	235
Net position, ending	\$ 899	\$ 214,551	\$ -	\$ 215,450	\$ (2,278)

The notes to the basic financial statements are an integral part of this statement.

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds			Governmental Activities-Internal Service Funds
	County Housing Choice Vouchers	Other Enterprise Funds	Total	
Cash flows from operating activities:				
Cash receipts from tenants	\$ 200	\$ 17,699	\$ 17,899	\$ -
Cash receipts from interfund services provided	-	-	-	7,333
Cash paid to tenants	-	(36)	(36)	-
Cash paid to suppliers for goods and services	(2,306)	(13,774)	(16,080)	(2,833)
Cash paid to employees for services	(4,050)	(7,632)	(11,682)	(6,500)
Cash paid for administrative expense	(1,961)	(8,215)	(10,176)	-
Cash paid for housing assistance payment	(102,645)	(194)	(102,839)	-
Cash paid for claims and judgment	-	(9)	(9)	-
Net cash used in operating activities	(110,762)	(12,161)	(122,923)	(2,000)
Cash flows from noncapital financing activities:				
Transfers in	32	1,189	1,221	1,678
Transfers out	-	(249)	(249)	(591)
Intergovernmental revenue received	122,440	11,557	133,997	-
Net cash provided by noncapital financing activities	122,472	12,497	134,969	1,087
Cash flows from capital and related financing activities:				
Purchase of capital assets	-	(18)	(18)	-
Payments on long-term liabilities	-	(51)	(51)	(561)
Interest paid	-	(27)	(27)	(484)
Net cash provided by (used in) capital and related financing activities	-	(96)	(96)	(1,045)
Cash flows from investing activities:				
Payments received on notes receivable	-	199	199	6
Interest received	76	337	413	(169)
Net cash provided by investing activities	76	536	612	(163)
Net increase (decrease) in cash and cash equivalents	11,786	776	12,562	(2,121)
Cash and cash equivalents, beginning	5,897	23,514	29,411	10,238
Cash and cash equivalents, ending	\$ 17,683	\$ 24,290	\$ 41,973	\$ 8,117
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and investments	\$ 6,823	\$ 21,197	\$ 28,020	\$ 7,567
Restricted cash and investments	10,860	3,093	13,953	550
Total	\$ 17,683	\$ 24,290	\$ 41,973	\$ 8,117

The notes to the basic financial statements are an integral part of this statement.

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds			Governmental Activities-Internal Service Funds
	County Housing Choice Vouchers	Other Enterprise Funds	Total	
Reconciliation of operating loss to net cash used in operating activities:				
Operating loss	\$ (110,219)	\$ (16,727)	\$ (126,946)	\$ (2,947)
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	-	6,495	6,495	292
Change in assets and liabilities:				
Accounts receivable	(636)	(150)	(786)	-
Due from other funds	-	(1,000)	(1,000)	12
Prepaid items	-	3	3	534
Deferred outflows	(147)	(313)	(460)	(419)
Accounts payable	12	(47)	(35)	17
Accrued liabilities	(110)	(217)	(327)	(161)
Due to other funds	(400)	(163)	(563)	-
Due to other governments	(2)	18	16	-
Unearned revenue	793	(2)	791	-
Deposit and trust liability	43	26	69	-
Compensated absences	-	-	-	493
Net pension liability	1,581	2,782	4,363	2,274
Deferred inflows	(1,677)	(2,866)	(4,543)	(2,095)
Total adjustments	<u>(543)</u>	<u>4,566</u>	<u>4,023</u>	<u>947</u>
Net cash used in operating activities	<u>\$ (110,762)</u>	<u>\$ (12,161)</u>	<u>\$ (122,923)</u>	<u>\$ (2,000)</u>
Noncash Investing, Capital and Financing Activities:				
Capital assets transferred from governmental funds	\$ -	\$ 2,150	\$ 2,150	\$ -
Capital assets transferred from other enterprise funds	-	622	622	-
Capital assets transferred to other enterprise funds	-	(622)	(622)	-
Accrued interest on note receivable	-	940	940	-

The notes to the basic financial statements are an integral part of this statement.

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Component Units
December 31, 2016
(amounts expressed in thousands)

	Sacramento Housing Development Corporation	Shasta Hotel Corporation	Norwood Avenue Housing Corporation	Sacramento Housing Authority Repositioning Program, Inc.	Total Component Units
ASSETS					
Cash and investments	\$ 196	\$ 197	\$ 552	\$ 4,158	\$ 5,103
Receivables (net)	2	7	-	155	164
Prepaid items	-	17	-	-	17
Restricted cash and investments	253	20	-	-	273
Other long-term assets	-	-	1,901	254	2,155
Notes receivable (net)	-	-	-	241	241
Advances to primary government	1,000	-	-	-	1,000
Capital assets:					
Land and construction in progress	-	-	2,552	-	2,552
Depreciable buildings and improvements, and property and equipment, net	8,193	903	117	-	9,213
Total assets	<u>9,644</u>	<u>1,144</u>	<u>5,122</u>	<u>4,808</u>	<u>20,718</u>
Deferred Outflows of Resources					
Employer contribution made subsequent to the measurement date	12	-	-	-	12
Difference between projected and actual earnings on pension plan investments	44	-	-	-	44
Total deferred outflows of resources	<u>56</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56</u>
LIABILITIES					
Accounts payable and accrued liabilities	16	47	-	73	136
Unearned revenue	8	6	-	-	14
Deposit and trust liability	58	109	-	-	167
Advances from primary government	-	-	2,360	-	2,360
Long-term liabilities:					
Due in more than one year	1,716	3,384	-	-	5,100
Net pension liability	296	-	-	-	296
Total liabilities	<u>2,094</u>	<u>3,546</u>	<u>2,360</u>	<u>73</u>	<u>8,073</u>
Net Position					
Net investment in capital assets	7,260	(1,097)	2,669	-	8,832
Restricted for:					
Housing	200	-	-	-	200
Unrestricted (deficit)	146	(1,305)	93	4,735	3,669
Total net position (deficit)	<u>\$ 7,606</u>	<u>\$ (2,402)</u>	<u>\$ 2,762</u>	<u>\$ 4,735</u>	<u>\$ 12,701</u>

The notes to the basic financial statements are an integral part of this statement.

Sacramento Housing and Redevelopment Agency
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2016
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Business-type activities:					
Sacramento Housing Development Corporation					
Local Housing	\$ 1,323	\$ 600	\$ 135	\$ -	\$ (588)
Shasta Hotel Corporation					
Local Housing	779	479	150	-	(150)
Norwood Avenue Housing Corporation					
Local Housing	122	-	-	-	(122)
Sacramento Housing Authority Repositioning Program, Inc.					
Local Housing	247	61	-	-	(186)
Total component units	<u>\$ 2,471</u>	<u>\$ 1,140</u>	<u>\$ 285</u>	<u>\$ -</u>	<u>\$ (1,046)</u>

	Sacramento Housing Development Corporation	Shasta Hotel Corporation	Norwood Avenue Housing Corporation	Sacramento Housing Authority Repositioning Program, Inc.	Total Component Units
Change in net position:					
Net expense (revenue)	\$ (588)	\$ (150)	\$ (122)	\$ (186)	\$ (1,046)
General revenues:					
Investment earnings	3	-	-	48	51
Miscellaneous	102	4	185	638	929
Total general revenues	<u>105</u>	<u>4</u>	<u>185</u>	<u>686</u>	<u>980</u>
Change in net position	(483)	(146)	63	500	(66)
Net position (deficits) - beginning	8,089	(2,256)	2,699	4,235	12,767
Net position (deficits)- ending	<u>\$ 7,606</u>	<u>\$ (2,402)</u>	<u>\$ 2,762</u>	<u>\$ 4,735</u>	<u>\$ 12,701</u>

The notes to the basic financial statements are an integral part of this statement.

***Notes to the Basic
Financial Statements***

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Sacramento Housing and Redevelopment Agency (Agency) is a joint powers authority formally created in 1982 (but operating since 1973) to provide common professional staffing to the City of Sacramento (City) and County of Sacramento (County) to administer and manage its housing authorities, redevelopment agencies and the city and county federal housing and community development entitlement funds. The Agency is a separate legal entity and is not a component unit of the City or County of Sacramento. The Agency receives no City or County general funds and the Agency is not included in the Comprehensive Annual Financial Report of either the City or County of Sacramento.

The members of the joint powers authority included the City and County of Sacramento, the Housing Authorities of the City and County of Sacramento and the Redevelopment Agencies of the City and County of Sacramento (or their Successor Agency). On February 1, 2012, all Redevelopment Agencies in the State of California were eliminated and replaced with a Successor Agency responsible for the wind down of former redevelopment agency activities and debt. On February 1, 2012, the legal and treasury functions related to the administration and management of the former redevelopment activities and payment of debt for the former redevelopment agencies of the City and County of Sacramento were assumed within the City and County management structure. However, all housing assets and housing functions of the former redevelopment agencies were assumed by the Housing Authority of the City and the Housing Authority of the County to be staffed, managed and administered by the Agency.

The Agency serves as the fiscal agent/administrator and provides the exclusive staffing for the Housing Authorities of the City and County of Sacramento. The Housing Authorities of the City and County were formed in July 1939 and June 1940, respectively. Additionally, since June of 1982 the Agency has administered and managed the federal Community Development Block Grant Program (CDBG) and Home Investment Partnership Program (HOME) for the City and County of Sacramento. In 2012 and 2013 with changes to federal regulations related to Homeless Continuum of Care funding, the Agency assumed administration of several federal grant programs from the County of Sacramento including Housing Opportunities for Persons with AIDS (HOPWA), Shelter Plus Care and Emergency Solutions Grants (ESG).

The governing board of the Agency is the Sacramento Housing and Redevelopment Commission (Commission). The Commission's authority to approve housing related projects, programs and budgets is limited to what is delegated to them by the governing boards of the Agency members. The City Council serves as the governing board for the City Housing Authority and the City Redevelopment Agency Successor Agency and has retained the power to approve City housing related projects, programs and budgets. The County Board of Supervisors serves as the governing board for the County Housing Authority and the County Redevelopment Agency Successor Agency and has retained power to approve County related housing agenda items. The Commission also serves in an advisory capacity for each Agency member and the Commission has operational authority within the budget and policy direction approved by the City Council and County Board of Supervisors.

The Agency has defined its reporting entity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which provides guidance for determining which governmental activities, organizations, and functions should be included in its reporting entity. The component units discussed in the following paragraphs are included in the Agency's reporting entity because of the significance of their operational or financial relationships with the Agency. Blended component units, although legally separate entities are, in substance, part of the government's operations. The discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the Agency. Complete financial statements of individual component units can be obtained from the Finance Department of the Agency.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

Blended Component Unit

Foundation Uniting Needs and Dollars (FUND, Inc.) - A nonprofit corporation established to maintain or aid charitable activities serving the public. FUND, Inc. is a component unit of the Agency because the purpose of this corporation is to promote and support the activities and programs of the Sacramento Housing and Redevelopment Agency. The Board of Directors of FUND, Inc. is comprised of the members of the Commission. Acting in its capacity as the Board of Directors, the Commission approves the FUND, Inc. budget. The Executive Director of the Agency serves as the Executive Director of FUND, Inc.

Discretely Presented Component Units

Sacramento Housing Development Corporation (SHDC) - A nonprofit public benefit corporation created to serve as the general partner of Riverview Plaza Associates (RPA). SHDC is a component unit of the Agency because the governing board of the SHDC is comprised of the members of one of the governing boards of the Agency, the County Board of Supervisors; the Agency is legally obligated to finance any deficits of SHDC; and the Executive Director of the Agency also serves as the Executive Director of SHDC. SHDC is the General Partner of the following limited partnership:

Riverview Plaza Associates (RPA) - A California limited partnership created to provide affordable housing to seniors with limited income. One of the governing boards of the Agency (the County Board of Supervisors) serves as the Board of Directors of the general partner. The Housing Authority of the City of Sacramento serves as the limited partner. Additionally, through contractual arrangement, the Agency is responsible for all financial matters including management of daily operations. Finally, the Agency has historically contributed funds to cover obligations of the RPA, to the extent that RPA revenues are inadequate. During the year ended December 31, 2016, the Agency did not contribute to RPA.

Shasta Hotel Corporation (Corporation) - A nonprofit public benefit corporation with a governing board comprised of Agency staff and representatives of selected nonprofit housing and social service entities. The Corporation is a component unit because the general partner's governing board members serve at the direction of the Executive Director of the Agency, and through contractual arrangements, the Agency is responsible for financial and operational matters of the Shasta Hotel Investors Partnership (Partnership). The Corporation is the General Partner of the following limited partnership:

Shasta Hotel Investors Partnership - A California limited partnership created for the purpose of constructing and operating an 80 unit rental housing project in Sacramento, California. The Partnership is comprised of the following two entities: (1) Shasta Hotel Corporation, as managing general partner and (2) Norwood Avenue Housing Corporation, a California nonprofit public benefit corporation as limited partner.

Norwood Avenue Housing Corporation (NAHC) - A nonprofit public benefit corporation with a governing board comprised of three Agency staff appointed by the Executive Director of the Agency and two community representatives. NAHC is a component unit because through contractual arrangements, the Agency bears some responsibility for financial and operational matters of NAHC, as well as having the ability to impose its will on the NAHC by appointing and removing its board members.

Sacramento Housing Authority Asset Repositioning Program, Inc. - As a nonprofit public benefit corporation, the Sacramento Housing Authority Repositioning Program, Inc. (SHARP), was formed for the purpose of serving as the general partner of the entity that owns, rehabilitates and operates former public housing properties acquired through HUD's assets demolition and disposition process. The purpose of SHARP is to allow the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento to leverage private sector capital to make improvements to housing inventory removed from the federal Public Housing program through HUD's asset disposition process. The SHARP board members are appointed by the Agency's Executive Director. Assets transferred to SHARP are rehabilitated through various financing structures including the use of limited partnerships that are able to benefit from the use of tax credit financing.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

B. New Pronouncements

For the year ended December 31, 2016, the Agency adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*, which addresses the accounting and financial reporting issues related to fair value measurements and defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Implementation of GASB Statement No. 72 allows consistency for valuing investments among all governmental agencies and requires disclosures to be made about fair value measurement, the level of fair value hierarchy and valuation techniques.

For the year ended December 31, 2016, the Agency also adopted the provisions of GASB Statement No. 82, *Pension Issues – An amendment of GASB Statements No. 67, No. 68 and No. 73* which requires the presentation of covered payroll, defined as the payroll on which contributions to a pension plan are based, instead of covered-employee payroll, defined as payroll of employees that are provided with pensions through the pension plan. This statement will improve financial reporting by enhancing consistency in the application of financial reporting requirements to certain pension plans.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the Agency and its component units. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental and proprietary funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

D. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Investment earnings, and certain state and federal grants and charges for services are accrued when their receipt occurs within 60 days after the end of the accounting period so as to be both measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the Agency.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

The Agency reports the following major governmental funds:

The *City and County Home Investment Partnerships Act (HOME) special revenue funds* account for the activities of programs/projects to provide more units of low-income housing in the City and County of Sacramento. HOME reports federal grant revenues and program income receipts from loan repayments.

The *City and County Housing Successor special revenue funds* account for the low and moderate capital improvement activity remaining after the dissolution of redevelopment. The only funding is from the City and County Redevelopment Agency Successor Agencies for items that were previously approved on the Recognized Obligations Payment Schedule (ROPS).

The Agency reports the following major enterprise fund:

The *County Housing Choice Vouchers fund* accounts for various U.S. Department of Housing and Urban Development programs that subsidize private landlords to house low-income households within the County of Sacramento.

Additionally, the Agency reports the following fund type:

Internal service funds are used to account for the costs of insurance and accumulated funds for catastrophic events and the financing of goods or services provided among and between Agency departments and to other governmental units.

Eliminations have been made to minimize the double counting of internal activities in the government-wide financial statements. Interfund services provided and used are not eliminated in the process of consolidation.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Agency's enterprise funds are rental income (i.e. charges for services) from its public housing units. Operating expenses for enterprise funds include employee services, services and supplies, administrative expenses, utilities, depreciation on capital assets, claims and judgments and housing assistance payments to landlords. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When an expenditure is incurred, which is not already covered by committed or restricted fund balance, it shall be the policy of the Agency to consider assigned amounts to have been reduced first followed by committed then restricted amounts.

E. Assets, Liabilities and Net Position or Fund Balance

1. Cash and Investments

Under the terms of the joint powers agreement the Agency's Director of Finance is the treasurer of the joint powers agency. However, since 1980 the City Treasurer manages the Agency's cash and investments, except those that must be legally segregated. The share of each fund in the pooled cash accounts is separately accounted for and investment earnings is apportioned monthly to funds that are legally required to receive interest based on the relationship of a fund's average daily balance to the total pooled cash and investments. The balance of pooled cash is maintained at a level sufficient to meet current operating requirements. Cash in excess of current requirements is invested. Investments for the Agency are stated at fair value.

The City Treasurer is responsible for the regulatory oversight of its pool. The Agency formally requested that the City invest the Agency's funds in compliance with Section 53601 of the California Government Code and the City Council adopted a revised investment policy to accommodate the Agency's request.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
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Investment of funds serves to maximize investment income and is accomplished by various custodial financial institutions vested with responsibility for administering funds under the control of the City Treasurer. The fair value of investments is determined monthly.

Investment earnings on bond proceeds are recorded in the City and County Housing Successor funds.

2. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of inter-fund loans) or “advances to/from other funds” (i.e., the non-current portion of inter-fund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as “internal balances.”

Notes receivable amounts primarily represent loans made for redevelopment, economic development and property rehabilitation. The Agency has created an allowance for loan losses for receivables that the Agency has identified as potentially uncollectible. If the amounts become uncollectible, they will be written-off and charged against the allowance when the determination is made. The allowance for loan losses as of December 31, 2016 was \$1,423 for governmental activities and \$31 for business-type activities.

Accounts receivable amounts primarily represent rental revenues from housing authority tenants and fraud recovery revenues in the Housing Choice Vouchers program. The Agency has created an allowance for tenant accounts receivable that the Agency has identified as potentially uncollectible. If the amounts become uncollectible, they will be written-off and charged against the allowance when the determination is made. The allowance for accounts receivable as of December 31, 2016 was \$199.

Amounts reported as due from other governments represent receivables from federal, state, and local governments for various programs.

3. Prepaid Items

Prepaid items represent costs for goods and/or services, which will benefit periods beyond December 31, 2016.

4. Restricted Cash and Investments

Certain proceeds of debt issuances, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position and balance sheet because their use is limited by applicable debt covenants. In addition, certain cash and investments are restricted by grantors for replacement, tenant security deposits and insurance impounds. The total restricted assets on the government-wide statement of net position equals \$14,856 of which \$753 represents cash and investments restricted by debt covenants, \$10,635 is restricted for the Housing Choice Voucher program, \$433 is for replacement and operating reserves, \$1,483 is for deposit and trust liabilities, \$525 is for the Family Self Sufficiency program (FSS), \$1,022 is for tenant security deposits and \$5 is for insurance impounds.

5. Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, and property and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and the proprietary funds financial statements. Capital assets are recorded at the lower of actual historical cost or fair market value (as of the date donated for contributed assets). Capital assets are depreciated using the straight-line method over the following estimated useful lives: 40 years for buildings and improvements, and 5 to 10 years for property and equipment. It is the policy of the Agency to capitalize all land, construction in progress, buildings and improvements, and property and equipment with an initial, individual cost of more than \$5. Interest incurred during the construction phase of capital assets of business-type activities and component units is reflected in the capitalized value of the asset constructed, net of

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
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interest earned on the invested proceeds over the same period. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

In the government-wide financial statements and in the proprietary funds financial statements, costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related fund. In governmental funds, the proceeds of the sale of general capital assets are reported in the statement of revenues, expenditures and changes in fund balances.

6. Assets Held for Resale

The Agency implemented a Purchase and Resale Entity (PRE) program to preserve, renovate and sell 76 vacant single-family houses in the Section 32 homeownership public housing program to low-income families. The Agency acted as the PRE by purchasing vacant single-family houses in the Section 32 program for fair market value based on external appraisals given their “as-is” conditions and utilizing seller financing. Prior to commencing service as PRE, the Agency entered into an agreement with the City and County Housing Authorities to fulfill all HUD regulatory requirements for operation as a PRE under Title 24 Section 906.19 of the Code of Federal Regulations. The Agency is also responsible for identifying and preparing qualified low-income families who are ready for homeownership and want to purchase the houses. Rehabilitation and sales are anticipated to take place in three phases over a two to three year period. Any Section 32 houses not sold by the PRE within that time shall have ownership revert to the originating housing authority.

Of the 76 homes purchased 54 are in the City and 22 are in the County. The 54 City homes were purchased for a total amount of \$5,241 and the County for \$2,551. In the current year, eight homes were sold in the city and none in the county. See below for adjustments to assets held for resale amounts:

	Beginning Balance	Purchases	Sales	Ending Balance
City	\$ 5,241	\$ -	\$ 897	\$ 4,344
County	2,551	-	-	2,551
Total	<u>\$ 7,792</u>	<u>\$ -</u>	<u>\$ 897</u>	<u>\$ 6,895</u>

7. Deferred Outflows and Inflows of Resources

The Agency recognizes deferred outflows and inflows of resources. A deferred outflow of resources is defined as a consumption of net assets by the government that is applicable to a future reporting period. A deferred inflow of resources is defined as an acquisition of net assets by the government that is applicable to a future reporting period.

Deferred outflows of resources for pension contributions represent the deferral of the Agency’s 2016 contributions to the pension plan. Using the measurement date of June 30, 2016 per the June 30, 2015 actuarial report produced by the California Public Employees Retirement System (CalPERS), one half of the contributions were not factored in to the calculation of the Net Pension Liability. The deferred outflows of resources for unamortized actuarial losses represent the impact of investment losses and are recognized over a period of five years. The deferred inflows of resources for unamortized actuarial gains represent the impact of investment gains, changes in actuarial assumption, and differences between actual and expected actuarial experience. The deferred inflows of resources for unamortized actuarial gains are recognized over a period of five years, and for unamortized changes in actuarial assumption and differences between actual and expected actuarial experience are recognized over a period of three years.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
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8. Compensated Absences

An employee accumulates vacation time in accordance with the employee's respective Memorandum of Understanding. The amount of vacation vested and accrued depends on years of service and date of hire. Vacation vested may be accumulated up to various maximum hours and is paid in full upon retirement. Sick leave time may be accumulated without limit.

Annually, employees with accrued sick leave of 500 hours or more, and who have used twenty-four (24) hours or less of sick leave by December 1 of the current calendar year, may cash out up to sixteen (16) hours sick leave in pay period 26 by submitting a written request to Human Resources. Sick leave used for any reason protected by law is not considered in determining eligibility for this cash out.

At retirement with less than fifteen (15) years of service, Represented, Confidential, and Exempt employees may convert all accrued but unused sick leave to retirement service credit pursuant to Section 20965 of the Government Code; or at retirement with fifteen (15) or more years of service, may cash out up to thirty-three and one third (33 1/3%) percent of 1,040 hours of accrued but unused sick leave and convert the balance to retirement service credit or convert all accrued but unused sick leave to retirement service credit.

In the government-wide and proprietary funds financial statements, accrued vacation and sick pay are charged as an expense in the period earned. Compensated absences are generally liquidated by the Agency's internal service funds. The related liability is recorded in the Internal Support Internal Service Fund.

9. Unavailable and Unearned Revenue

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be collectible within the availability period.

Unearned revenue represents resources received before the Agency has a legal claim to them and the earnings process has not completed. Monies are collected prior to providing the goods and/or services to satisfy the obligations.

10. Long-Term Obligations

In the government-wide and proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary funds statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs. The face amount of debt and bond premiums received on debt issuances are reported as other financing sources. Discounts on debt issuances are reported as other financing uses. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bonds payable are reported net of the applicable bond premium or discount. Principal and interest repayments are shown as debt service expenditures in the fund financial statements.

11. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Agency's CalPERS plan (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

12. Net Position/Fund Balance

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

Net investment in capital assets - This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted net position – This category consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. This net position is mainly restricted by HUD and the Health and Safety Code.

Unrestricted net position – This category represents the net position of the Agency, not restricted for any project or other purpose.

In the fund financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned based on the extent to which the Agency is bound to honor constraints on how resources can be spent.

- **Nonspendable fund balance**-amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance**-amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.
- **Committed fund balance**-amounts that can only be used for specific purposes determined by formal action of the Agency's highest level of decision making authorities; (1) the Commission has authority to approve housing related projects, programs and budgets and is limited to what is delegated to them by the governing boards of the Agency members; (2) The City Council serves as the City Housing Authority and the City Redevelopment Agency Successor Agency governing boards and has retained the power to approve City housing related projects, programs and budgets; (3) The County Board of Supervisors serves as the County Housing Authority and the County Redevelopment Agency Successor Agency governing boards and has retained power to approve County related housing agenda items. These actions result in a formal resolution that remains binding unless removed in the same manner. The underlying action that imposed the limitation must occur prior to the close of the reporting period; however, the amount which will be subject to the constraint may be determined in a subsequent period. The Commission, City Council or County Board of Supervisors establishes, modifies or rescinds fund balance commitments by passage of a resolution.
- **Assigned fund balance**-amounts that are constrained by the Agency's intent to be used for specific purposes. The intent can be established at either the highest level of decision making or by a body or an official designated for that purpose. The City Council and County Board of Supervisors have given the Executive Director authorization to assign fund balances that meet the purposes of the respective funds. Agency management can assign fund balance to be used for specific purposes in accordance with the Agency's fund balance policy.
- **Unassigned fund balance**-the residual classification for the general fund. However, the Agency does not have a general fund so it may only use this classification if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, and it is necessary to report a negative unassigned fund balance.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

The Agency considers restricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Committed and assigned amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

13. Statement of Cash Flows

For the purposes of the statement of cash flows, cash and cash equivalents have been defined as all highly liquid investments (including restricted cash and investments) with a maturity of three months or less from the date of purchase and pooled cash and investments.

14. Estimates

The preparation of the basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

II. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

The annual budget of the Agency is adopted on a calendar year basis. Prior to December 31, the Executive Director submits a proposed operating budget to the governing bodies for review and approval. The budget is legally enacted through passage of a resolution prior to January 1. The budget adoption resolution specifies that the Agency budget is controlled at the fund level and that no expenditure will exceed the approved budget. Budgeted expenditures represent original appropriations adjusted by supplemental budgetary appropriation amendments. Management has the authority to over expend appropriations at the function or department level without additional approval of the governing bodies as long as the total appropriations for the fund are not exceeded.

Encumbrance accounting is used during the year for budgetary control. Encumbrances outstanding at year-end do not constitute expenditures or liabilities, but rather, a commitment of fund balance. The Agency honors contracts represented by year-end encumbrances in the subsequent year's appropriations provided that the Agency has adequate funding to complete these transactions. Encumbrance appropriation carryovers are limited to the balance remaining of operating budget appropriations. All other operating budget appropriations and encumbrances lapse at year-end.

Annual operating budgets are adopted on a modified accrual basis for all debt service funds, Local Tax Special Revenue funds, Community Services and Housing Special Revenue funds, except for the City Housing Successor, County Housing Successor, State/Local Housing Trust, County Inclusionary, City State/Local Housing Grants, and FUND, Inc. Project budgets are adopted for the Agency's major special revenue funds, City and County HOME and City and County Housing Successor, for the duration of the project which may extend over several years. The adopted project budgets for the Community Development Special Revenue funds and for the capital project funds are adopted on a project length basis. Additionally, although not legally required, the Agency adopts annual budgets for the enterprise, internal service, and certain component unit funds.

For financial reporting purposes, budgetary information is presented on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America for those special revenue funds and debt service funds which have annual budgets.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

B. Deficit Fund Balances/Net Position

The following funds have deficit fund balances/net position:

Special Revenue:	
County CNI Grant	\$ 554
County Misc Development Grants	1,489
City Local Tax	29
Enterprise:	
City San Jose/Broadway	46
City Mod Rehab	15
City COCC	511
County COCC	123
Internal Service:	
Internal Support	5,269

The deficit fund balance in the County CNI Grant special revenue fund was due to problems with the HUD application and budget so the revenues were not able to be drawn down. The deficit will be eliminated once the revenues can be drawn from the HUD system. The deficit fund balance of the County Misc Development Grants special revenue fund is due to a debt payment that occurred in 2011 for the Auburn/Garfield project. This fund received an advance of cash to cover the payment which will be repaid by sales proceeds from the Auburn/Garfield property. The deficit fund balance in the City Local Tax special revenue fund was a result of lower revenues than estimated and the deficit will be paid with future revenues. The deficit in the San Jose/Broadway enterprise fund was due to repairs that will be reimbursed by the reserve account when complete. The City Mod Rehab enterprise fund transferred funds to the County Housing Choice Vouchers fund to cover administrative costs and the deficit will be covered with future revenues. The deficit in the City and County COCC enterprise fund and the Internal Support internal service fund was due to the implementation of GASB Statement No. 68. The net pension liability of these funds is now included in the statement of net position and will cause these funds to have a deficit net position.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

III. Detailed Notes on All Funds

A. Cash and Investments

At December 31, 2016, total Agency cash and investments at fair value were as follows:

	Primary Government	Component Units	Total
Cash and investments	\$ 84,061	\$ 5,103	\$ 89,164
Restricted cash and investments	<u>14,583</u>	<u>273</u>	<u>14,856</u>
Total cash and investments	<u><u>\$ 98,644</u></u>	<u><u>\$ 5,376</u></u>	<u><u>\$ 104,020</u></u>

At December 31, 2016, the Agency's pooled cash and investments consist of the following:

Cash in bank-Primary Government	\$ 17,846
Investments-Primary Government	<u>80,798</u>
Subtotal Cash and investments-Primary Government	98,644
Cash in bank-Component Units	<u>5,376</u>
Total cash and investments	<u><u>\$ 104,020</u></u>

The table below identifies the investment types that are authorized for the Agency, including its discretely presented component units, by California Government Code Section 53601 and pursuant to the Agency's investment policy. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the Agency's investment policy.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
Local Agency Bonds	5 years	No limit	No limit	None
U.S. Treasury Obligations	5 years	No limit	No limit	None
U.S. Agency Securities	5 years	No limit	No limit	None
Bankers Acceptance	180 days	40%	30%	None
Commercial Paper	270 days	25%	10%	A1/P1
Negotiable Certificates of Deposit	5 years	30%	30%	None
Repurchase Agreements	1 year	No limit	No limit	None
Reverse Repurchase Agreements	92 days	20%	No limit	None
Medium Term Notes (Corporate & Depository debt securities)	5 years	30%	No limit	A
Mutual Funds (that invest in allowable securities)	N/A	20%	10%	AAA
Money Market Mutual Funds	N/A	20%	10%	AAA
Collateralized Bank Deposits	5 years	No limit	No limit	None
Mortgage Pass-through Securities	5 years	20%	No limit	AA
Time Deposits	5 years	No limit	No limit	None
County Pooled Investment	N/A	No limit	No limit	None
Joint Powers Authority Pool	N/A	No limit	No limit	None
Local Agency Investment Fund (LAIF)	N/A	No limit	No limit	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the City Treasurer manages the Agency's exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio. At December 31, 2016, the carrying amount of the Agency's deposits is \$17,846 and the bank balance is \$19,732. Of the bank balance, \$1,192 is covered by federal depository insurance, and \$18,540 is collateralized with securities held by the pledging financial institution, in accordance with the State of California Government Code. At December 31, 2016, the carrying amount of the Agency's discretely presented component units deposits is \$5,376 and the bank balance is \$5,376. Of the bank balance, \$467 is covered by federal depository insurance, \$4,608 is collateralized with

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
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securities held by the pledging financial institution, and \$301 is uninsured and uncollateralized. Those amounts which are uninsured and uncollateralized are held with state and federal agencies.

Concentration of Credit Risk

11.18%, or \$11,025, of the Agency's investment portfolio at year-end are in U.S. Agency Securities. There is no limitation on amounts invested in U.S. Agency Securities. Of the \$34,229, or 34.6%, of the Agency's investment portfolio invested in corporate bonds and municipal bonds, no investment in a single issuer exceeded 5%. There were no investments in any one issuer (other than CalTrust, an external investment pool) that represents 5% or more of the Agency's total investments.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the Agency's policy to purchase investments with the minimum ratings required by the California Government Code.

Participation in External Investment Pools

The Agency is also a voluntary participant in the Investment Trust of California (CalTRUST) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST, and selects and supervises the activities of the Investment Manager and other agents. As of December 31, 2016, the Agency's investment in CalTRUST is \$31,628, of which \$2,975 was invested in the Money Market Fund and \$28,653 in the Short-Term pool. The fair value of the position in the pool is the same as the value of the pooled shares.

Sacramento Housing and Redevelopment Agency
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As of December 31, 2016, the Agency's pooled investments and credit ratings are as follows:

	Credit Rating (S&P/Moody's)	Remaining Maturity in Years		Fair Value
		Under 1	1-5	
Cash in banks		\$ -	\$ -	\$ 19,231
Certificates of Deposits (non-negotiable)	Not Rated	501	-	501
Less Outstanding Checks		-	-	(1,886)
		<u>501</u>	<u>-</u>	<u>17,846</u>
CalTrust	Not Rated	31,628	-	31,628
Money Market Mutual Funds	Not Rated	916	-	916
Commercial Paper	A-1/P1	3,000	-	3,000
U.S Agency Securities	AA+/AAA	-	2,000	2,000
U.S Agency Securities	AA+/Aaa	-	876	876
U.S Agency Securities	AA+/Aaa	2,002	2,988	4,990
U.S Agency Securities	AA-/Aaa	-	3,159	3,159
Municipal Bonds	AA-/Aa3	2,010	1,958	3,968
Municipal Bonds	Not Rated	-	45	45
Municipal Bonds	AA/Aa2	1,044	1,917	2,961
Municipal Bonds	AA-/AA2	-	500	500
Municipal Bonds	AA/AA1	-	192	192
Municipal Bonds	AAA	-	1,966	1,966
Municipal Bonds	/A3	-	2,313	2,313
Municipal Bonds	AA	-	147	147
Corporate Bonds	A/A1	-	4,426	4,426
Corporate Bonds	A-2/Aa3	752	-	752
Corporate Bonds	AA-/A1	1,014	1,973	2,987
Corporate Bonds	A+/A1	-	3,527	3,527
Corporate Bonds	AA/A1	-	1,981	1,981
Corporate Bonds	AAA/Aaa	-	1,066	1,066
Corporate Bonds (Variable Rate Securities)	A-/A1	2,008	-	2,008
Corporate Bonds (Variable Rate Securities)	AA-/Aa3	-	3,427	3,427
Corporate Bonds (Variable Rate Securities)	A+/Aa3	-	498	498
Corporate Bonds (Variable Rate Securities)	A+	-	1,465	1,465
Total Cash and Investments-Primary Government		<u>\$ 44,875</u>	<u>\$ 36,424</u>	<u>\$ 98,644</u>

As of December 31, 2016, the cash and investments of the discretely presented component units of the Agency are as follows:

	<u>Fair Value</u>
Cash in banks	<u>\$ 5,376</u>

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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Fair Value Measurement and Application

The City Treasurer manages the Agency's cash and investments in an exclusive external pool and categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used, need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the City's management in accordance with the revised investment policy adopted by the City Council to accommodate the Agency's request that the City invest the Agency's funds in accordance with Section 53601 of the California Government Code. City management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City management's perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The City's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

Money market mutual funds held by the City on behalf of the Agency are at \$1 net asset value (NAV) per share. The total fair value of these are \$915 at December 31, 2016 with \$0 unfunded commitments. The redemption frequently is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury and government agency securities.

Deposits and withdrawals in governmental investment pools, such as CalTRUST Investment Pools, are made on the basis of \$1 and not fair value. Accordingly, the Agency's measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input.

The following is a description of the valuation methods and assumptions used by the City to estimate the fair value of the Agency's investments:

- When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
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- For investments classified within Level 2 of the fair value hierarchy, the City's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.
- The Agency has commercial paper held with the City, which is reported using the cost approach. This investment is measured using Level 3 inputs because there is no observable input and no active market.

There have been no changes in the methods and assumptions used at December 31, 2016. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The Agency has the following recurring fair value measurements as of December 31, 2016:

	Balance at December 31, 2016	Fair Value Measurement on a Recurring Basis Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by Fair Value Level</u>				
Certificates of Deposit	\$ 501	\$ -	\$ 501	\$ -
Commercial Paper	3,000	-	3,000	-
Corporate bonds/notes	22,137	-	22,137	-
Municipal bonds	12,092	-	12,092	-
U.S. agency securities	11,025	-	11,025	-
Total Investments by Fair Value Level	<u>48,755</u>	<u>\$ -</u>	<u>\$ 48,755</u>	<u>\$ -</u>
<u>Investments Measured at Net Asset Value</u>				
Mutual Funds	<u>916</u>			
<u>Investments Not Categorized</u>				
Investment Trust of California (CalTRUST)	<u>31,628</u>			
Total Agency Pooled Investments	<u>\$ 81,299</u>			

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
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B. Receivables

Receivables as of December 31, 2016 for the Agency's governmental activities are as follows:

	Accounts receivable	Due from other governments	Total receivables	Gross notes receivable	Allowance for loan losses	Net notes receivable
City HOME	\$ 56	\$ 90	\$ 146	\$ 51,919	\$ (376)	\$ 51,543
County HOME	142	-	142	60,742	(372)	60,370
City Housing Successor	44	-	44	58,573	-	58,573
County Housing Successor	-	-	-	15,872	-	15,872
Other Governmental Funds	219	5,547	5,766	99,955	(675)	99,280
Internal Service	-	-	-	104	-	104
Total	<u>\$ 461</u>	<u>\$ 5,637</u>	<u>\$ 6,098</u>	<u>\$ 287,165</u>	<u>\$ (1,423)</u>	<u>\$ 285,742</u>

Generally notes receivable are not expected to be collected within one year.

Receivables as of December 31, 2016 for the Agency's business-type activities are as follows:

	Gross accounts receivable	Allowance for uncollectibles	Net accounts receivable	Gross notes receivable	Allowance for loan losses	Notes receivable
County Housing Choice Vouchers	\$ 895	\$ (175)	\$ 720	\$ -	\$ -	\$ -
Other Enterprise Funds	<u>492</u>	<u>(24)</u>	<u>468</u>	<u>30,066</u>	<u>(31)</u>	<u>30,035</u>
Total	<u>\$ 1,387</u>	<u>\$ (199)</u>	<u>\$ 1,188</u>	<u>\$ 30,066</u>	<u>\$ (31)</u>	<u>\$ 30,035</u>

The notes receivable in the business-type activities are from 1) notes received for the sale of property in the San Carlos Shelter Plus Care (\$295); 2) notes for the Washington Plaza, Sutterview and Sierra Vista housing projects (\$20,714); 3) notes for construction projects in the Mortgage Revenue Bond Program (\$557); 4) notes for Phoenix Park I (\$2,671) and 5) notes for Phoenix Park II (\$5,798). Repayment of principal and interest are not expected for 55 years.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
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C. Capital Assets

Capital asset activity for the year ended December 31, 2016, was as follows:

	January 1, 2016	Increases	Decreases	Transfers In/Out	December 31, 2016
<u>Governmental activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 18,061	\$ 2,623	\$ (1,501)	\$ -	\$ 19,183
Construction in progress	5,480	2,713	-	(2,150)	6,043
Total capital assets, not being depreciated	<u>23,541</u>	<u>5,336</u>	<u>(1,501)</u>	<u>(2,150)</u>	<u>25,226</u>
Capital assets, being depreciated:					
Buildings and improvements	12,598	-	(458)	-	12,140
Property and equipment	852	-	-	-	852
Total capital assets being depreciated	<u>13,450</u>	<u>-</u>	<u>(458)</u>	<u>-</u>	<u>12,992</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,348)	(306)	114	-	(2,540)
Property and equipment	(668)	(32)	-	-	(700)
Total accumulated depreciation	<u>(3,016)</u>	<u>(338)</u>	<u>114</u>	<u>-</u>	<u>(3,240)</u>
Total capital assets, being depreciated, net	<u>10,434</u>	<u>(338)</u>	<u>(344)</u>	<u>-</u>	<u>9,752</u>
Governmental activities capital assets, net	<u>\$ 33,975</u>	<u>\$ 4,998</u>	<u>\$ (1,845)</u>	<u>\$ (2,150)</u>	<u>\$ 34,978</u>
<u>Business-type activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 15,767	\$ -	\$ (51)	\$ -	\$ 15,716
Construction in progress	114	-	-	(114)	-
Total capital assets, not being depreciated	<u>15,881</u>	<u>-</u>	<u>(51)</u>	<u>(114)</u>	<u>15,716</u>
Capital assets, being depreciated:					
Buildings and improvements	256,212	18	(1,031)	1,939	257,138
Property and equipment	1,305	-	(1)	-	1,304
Total capital assets, being depreciated	<u>257,517</u>	<u>18</u>	<u>(1,032)</u>	<u>1,939</u>	<u>258,442</u>
Less accumulated depreciation for:					
Buildings and improvements	(108,584)	(6,416)	561	325	(114,114)
Property and equipment	(1,036)	(79)	-	-	(1,115)
Total accumulated depreciation	<u>(109,620)</u>	<u>(6,495)</u>	<u>561</u>	<u>325</u>	<u>(115,229)</u>
Total capital assets, being depreciated, net	<u>147,897</u>	<u>(6,477)</u>	<u>(471)</u>	<u>2,264</u>	<u>143,213</u>
Business-type activities capital assets, net	<u>\$ 163,778</u>	<u>\$ (6,477)</u>	<u>\$ (522)</u>	<u>\$ 2,150</u>	<u>\$ 158,929</u>

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Housing Operations	\$ 35
Community Development	11
Internal Service - capital assets held by the Agency's internal service funds are charged to the various functions based on their usage of the assets.	292
Total depreciation expense - governmental activities	<u>\$ 338</u>

Business-type activities:

Local Housing	\$ 562
Public Housing	5,933
Total depreciation expense - business-type activities	<u>\$ 6,495</u>

Component unit capital asset activity for the year ended December 31, 2016, was as follows:

<u>Component unit activities:</u>	January 1, 2016	Increases	Decreases	December 31, 2016
Capital assets, not being depreciated:				
Land	\$ 2,552	\$ -	\$ -	\$ 2,552
Capital assets, being depreciated:				
Buildings and improvements	23,329	-	-	23,329
Property and equipment	34	-	-	34
Total capital assets, being depreciated	<u>23,363</u>	<u>-</u>	<u>-</u>	<u>23,363</u>
Less accumulated depreciation for:				
Buildings and improvements	(13,470)	(650)	-	(14,120)
Property and equipment	(27)	(3)	-	(30)
Total accumulated depreciation	<u>(13,497)</u>	<u>(653)</u>	<u>-</u>	<u>(14,150)</u>
Total capital assets, being depreciated, net	<u>9,866</u>	<u>(653)</u>	<u>-</u>	<u>9,213</u>
Component unit activities capital assets, net	<u>\$ 12,418</u>	<u>\$ (653)</u>	<u>\$ -</u>	<u>\$ 11,765</u>

Depreciation expense was charged to functions/programs as follows:

Component unit activities:

Local Housing	\$ 653
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Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
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D. Payables

Payables as of December 31, 2016 for the Agency's governmental activities are summarized as follows:

	Accounts payable	Accrued liabilities	Contracts payable	Due to other governments	Net total payables
City Housing Successor	\$ 93	\$ 2	\$ -	\$ -	\$ 95
County Housing Successor	-	2	-	-	2
Other Governmental Funds	791	12	129	147	1,079
Internal Service	184	327	-	-	511
Total	<u>\$ 1,068</u>	<u>\$ 343</u>	<u>\$ 129</u>	<u>\$ 147</u>	<u>\$ 1,687</u>

Payables as of December 31, 2016 for the Agency's business-type activities are summarized as follows:

	Accounts payable	Accrued liabilities	Due to other governments	Net total payables
County Housing Choice Vouchers	\$ 83	\$ 7	\$ -	\$ 90
Other Enterprise Funds	492	81	18	591
Total	<u>\$ 575</u>	<u>\$ 88</u>	<u>\$ 18</u>	<u>\$ 681</u>

E. Interfund Transactions

The composition of interfund balances as of December 31, 2016, is as follows:

Due to/from other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental	Other Governmental	\$ 219
Other Enterprise	Other Governmental	2,055
	Other Enterprise	121
		<u>2,176</u>
Total		<u>\$ 2,395</u>

The due to/from other funds amounts represent negative cash reclassifications.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
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Advances from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
City Housing Successor	Other Governmental	\$ 170
Other Governmental	Other Enterprise	2,079
Other Enterprise	County Housing Choice Vouchers	1,000
	Other Governmental	9,826
		<u>10,826</u>
Total		<u>\$ 13,075</u>

Advances from/to other funds:

Amount

\$170 advance from the former City Low/Mod Merged Downtown capital projects fund which now resides with the City Housing Successor special revenue fund to the Local Housing Revenue special revenue fund, authorized and issued in August 2006, with no annual payments due until January 2017, with interest accruing at 4%, due in annual installments of \$5 thru December 2036. Repayment will occur only if the project can receive Housing Choice Vouchers. If no project-based contract is obtained, the advance will be forgiven at the end of 30 years.	\$170
\$2,000 advance from the Mortgage Revenue Bond enterprise fund to the County Housing Choice Vouchers enterprise fund, authorized and issued December 2010, with annual installments of \$200 beginning January 2013 and continuing until December 2019, to be repaid with administrative revenue with 0% interest, for the purpose of providing funds for tenant improvements. An additional \$200 was paid in 2016 to reduce the principal balance.	1,000
\$320 advance from the City CDBG special revenue fund to the Phoenix Park enterprise fund, authorized and issued in April 2005, with monthly payments beginning October 2006, with 4% interest, due in monthly installments of \$1 thru April 2026, to be repaid with rents, for the rehabilitation of 16 units at Phoenix Park.	203
\$390 advance from the City Housing Trust special revenue fund to the City Locally Funded Projects enterprise fund, authorized and issued in 2005. The note was restructured in 2006, adding \$20 to the principal amount, with no interest, payments deferred for 50 years, for the purpose of acquiring and rehabilitating 31-37 Coral Gables Court.	410
\$2,034 advance from the Mortgage Revenue Bond enterprise fund to the County Miscellaneous Development Grant special revenue fund, authorized and issued June 2011, with no annual installments, to be repaid by sales proceeds from the Auburn Garfield development.	2,034
\$2,094 advance from the County CDBG NSP 3 and County CDBG Revolving Loan special revenue funds to the City Norcade Circle enterprise fund, authorized and issued September 2011, with 0% interest and no annual payments.- Loan shall be forgiven in equal installments annually over a 10 year term beginning October 2014.	1,466

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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Advances from/to other funds (continued):	<u>Amount</u>
\$5,241 advance from City AMP 4 (\$3,170), City AMP 5 (\$1,158) and City AMP 7 (\$913) enterprise funds to the City Purchase and Resale Entity (PRE) Capital Projects fund, authorized and issued September 1, 2015, with 1% interest and no annual payments. Total unpaid principal and accrued interest shall be payable in lump sum on the maturity date of September 1, 2020 from sales proceeds.	\$5,241
\$2,551 advance from County AMP 2 (\$732) and County AMP 3 (\$1,819) enterprise funds to the County Purchase and Resale Entity (PRE) Capital Projects fund, authorized and issued September 1, 2015, with 1% interest and no annual payments. Total unpaid principal and accrued interest shall be payable in lump sum on the maturity date of September 1, 2020 from sales proceeds.	<u>2,551</u>
Total Advances from/to other funds	<u>\$13,075</u>

Advances to/from primary government and component units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary Government-Other Enterprise Funds	Component Unit-NAHC	\$ 2,360
Component Unit-SHDC	Internal Service Funds	<u>1,000</u>
Total		<u><u>\$ 3,360</u></u>

Advances to/from primary government and component units:	<u>Amount</u>
\$1,430 advance from the Phoenix Park enterprise fund to the Norwood Avenue Housing Corporation component unit fund at 0% interest. Payments shall be made annually in an amount equal to the annual aggregate Phoenix Park I, L.P. ground lease payments, if any, that are received by the borrower payable on or before March 1 of each year from residual receipts. The unpaid balance of the note is due and payable in 2059, including without limitation all unpaid principal, interest, fees and charges. The note is secured by a deed of trust.	\$1,430
\$1,122 advance from the Phoenix Park enterprise fund to the Norwood Avenue Housing Corporation component unit fund at 0% interest. Payments shall be made on or before the sixtieth (60th) day following borrower's receipt of each of the Phoenix Park II, L.P. ground lease payments in an amount equal to the Phoenix Park II, L.P. ground lease payments that are received by borrower from residual receipts. The unpaid balance of the note is due and payable in 2059, including without limitation all unpaid principal, interest, fees and charges. The note is secured by a deed of trust.	930

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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Advances to/from primary government and component units (continued): Amount

\$1,000 advance from the SHDC component unit fund to the Internal Support internal service fund at 0% interest, for the purpose of providing equity to the general partner of Riverview Plaza Associates for start-up capital. The amount is to be 10% of the amount of total contributions and shall be outstanding throughout the term of the partnership. The partnership may replace the demand note at any time with other acceptable assets equivalent to 10% of the capital contributions, so long as assets comply with State and Federal laws concerning net worth requirements of limited partnerships. \$1,000

Total Advances to/from primary government and component units \$3,586

Transfers:

Transfers report the nonreciprocal contribution of resources from one fund to another. They represent funding for capital projects, debt service payments and subsidies of various Agency operations. The following is a summary of transfers for the year ended December 31, 2016:

<u>Transfers in:</u>	<u>Transfers out:</u>	<u>Amount</u>
Other Governmental Funds	Other Governmental Funds	\$ 543
	Other Enterprise Funds	54
		<u>597</u>
County Housing Choice Vouchers		
Enterprise Fund	Other Enterprise Funds	32
Other Enterprise Funds	Other Governmental Funds	1,026
	Other Enterprise Funds	267
		<u>1,293</u>
Internal Service Funds	Other Governmental Funds	1,087
	Internal Service Funds	591
		<u>1,678</u>
Total Transfers		<u>\$ 3,600</u>

Sacramento Housing and Redevelopment Agency
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F. Long-Term Debt

Long-term debt payable at December 31, 2016 for the Agency and component units is comprised of the following individual issues:

	<u>Interest Rates</u>	<u>Balance</u> <u>Dec. 31, 2016</u>
<u>Governmental activities – Notes Payable:</u>		
City B-97-MC-06-0003	5.28% - 5.46%	\$ 300
City B-97-MC-06-0003	5.70% - 6.67%	1,280
City B-05-MC-06-0003	4.96% - 5.77%	3,560
*801 12 th Street Bank of America	5.17%	9,040
County of Sacramento	3.25%	150
Total Governmental activities notes payable		<u>14,330</u>
<u>Business-type activities – Mortgage Notes Payable:</u>		
County Public Housing (AMP 3) – City of Citrus Heights (HCD)	1.00%	1,000
County Public Housing (AMP 3) – City of Citrus Heights (HTF)	0.00%	1,173
San Jose/Broadway	8.38%	188
Total business-type activities		<u>2,361</u>
<u>Component unit activities – Bonds and Notes Payable:</u>		
SHDC - Riverview Plaza Associates	3.00%	933
Shasta Hotel Corporation (HCD)	3.00%	2,000
Total component unit activities bonds and notes payable		<u>2,933</u>
<u>Other Debt:</u>		
Component unit activities - Accrued interest due in future years		<u>2,167</u>
Total long-term debt		<u>\$21,791</u>

* Capital-related debts

GOVERNMENTAL ACTIVITIES:

<u>Notes Payable:</u>	<u>Amount</u>
\$2,320 Community Development Block Grant Note Payable authorized and issued September 3, 1998, due in installments of \$80 to \$155 from August 1999 through August 2018 with interest payable semiannually at 5.28% to 5.46% for the purpose of financing the Del Paso Nuevo project. This note is collateralized by and payable from future CDBG entitlements.	\$300
\$3,125 Community Development Block Grant Note Payable authorized and issued August 9, 2001, due in installments of \$85 to \$300 from February 2002 through August 2021 with interest payable semiannually at 5.70% to 6.67% for the purpose of financing the Del Paso Nuevo project. This note is collateralized by and payable from future CDBG entitlements.	1,280
\$5,500 Community Development Block Grant Note Payable authorized and issued September 14, 2006, due in installments of \$146 to \$461 from February 2007 through August 2026 with interest payable semiannually at 4.96% to 5.77% for the purpose of financing the Globe Mills project. This note is collateralized by and payable from the City Redevelopment Successor Agency.	3,560

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<u>Notes Payable (continued):</u>	<u>Amount</u>
\$13,000 Bank of America Note Payable authorized and issued June 2008, due in installments of \$87 from July 2008 through June 2028 with interest payable monthly at 5.17% for the purpose of financing the Agency's administration building at 801 12th street.	\$9,040
\$150 County of Sacramento Note Payable authorized and issued April 2016. The entire outstanding principal balance together with all accrued but unpaid interest, 3.25% annually, shall be due and payable in full no later than June 30, 2017, for the purpose of providing a loan to Mercy Housing California for predevelopment costs on 3425 Orange Grove Avenue.	<u>150</u>
Total notes payable	14,330
Less current portion	<u>(1,343)</u>
Total notes payable, long-term	<u>\$12,987</u>

BUSINESS-TYPE ACTIVITIES

<u>Mortgage Notes Payable:</u>	<u>Amount</u>
\$1 million County Public Housing (AMP 3) Note Payable to the City of Citrus Heights (California Housing and Community Development Housing Trust Fund (HCD)). Loan Payments on the HCD Loan shall equal 75% of project residual receipts, but only to the extent that the project has excess cash flow. One percent (1.00%) simple interest shall accrue on the HCD Loan. The HCD Loan shall be for a term of thirty (30) years. There is no amortization requirement on the HCD loan other than the repayment of residual receipts as noted above. Any remaining balance shall be forgiven on the thirtieth (30th) anniversary from the Effective Date of September 2009. This loan is to significantly rehabilitate and provide security improvements to two county public housing developments.	\$1,000
\$1.2 million County Public Housing (AMP 3) Note Payable to the City of Citrus Heights (Housing Trust Fund). The loan shall be for a term of fifty-five (55) years with no interest. Provided that the loan is not in default, no repayment is due to the lender. The remaining balance shall be forgiven on the fifty-fifth (55 th) anniversary of the Effective Date of September 2009. This loan is to significantly rehabilitate and provide security improvements to two county public housing developments.	1,173
\$787 San Jose/Broadway Mortgage Note Payable authorized and issued May 1984, due in monthly installments of \$6 through February 2020 with interest payable monthly at 8.38%. This note is collateralized by land and building.	<u>188</u>
Total mortgage notes payable	2,361
Less current portion	<u>(56)</u>
Mortgage notes payable, long-term	<u>\$2,305</u>

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COMPONENT UNITS:

<u>Bonds and Notes Payable:</u>	<u>Amount</u>
\$933 SHDC Riverview Plaza Associates Mortgage Note Payable authorized and issued October 1988, principal and interest due in full December 2019 with interest payable at 3.00%, for the purpose of financing the construction of multiple unit housing. This note is collateralized by land and building. The note was restructured to extend the due date to 2019.	\$933
\$2,000 Shasta Hotel Corporation Note Payable to the Department of Housing and Community Development principal and interest due in full March 2043 with interest payable at 3.00%, for the purpose of financing the construction of a multiple single room occupancy unit. This note is collateralized by land and building.	<u>2,000</u>
Total bonds and notes payable	2,933
Less current portion	(-)
Total bonds and notes payable, long-term	<u>\$2,933</u>

Other Long-Term Obligations:

Accrued interest on \$933 SHDC Riverview Plaza Associates mortgage notes payable from available surplus cash. Due in full in December 2019.	\$783
Accrued interest on \$2,000 Shasta Hotel Corporation mortgage notes payable from available surplus cash. Due in full January 2043.	<u>1,384</u>
Total other long-term obligations	<u>\$ 2,167</u>

The following is a summary of changes in long-term liabilities for the fiscal year ended December 31, 2016:

	January 1, 2016	Additions	Retirements	December 31, 2016	Amounts Due Within One Year
Governmental activities:					
Notes payable	\$ 15,530	\$ -	\$ (1,200)	\$ 14,330	\$ 1,343
Pollution remediation	677	143	-	820	170
Compensated absences	2,254	2,080	(1,587)	2,747	1,920
Total governmental activities					
-long-term liabilities	<u>\$ 18,461</u>	<u>\$ 2,223</u>	<u>\$ (2,787)</u>	<u>\$ 17,897</u>	<u>\$ 3,433</u>

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	January 1, 2016	Additions	Retirements	December 31, 2016	Amounts Due Within One Year
Business-type activities:					
Notes payable	\$ 2,412	\$ -	\$ (51)	\$ 2,361	\$ 56
Component unit activities:					
Bonds and notes payable	\$ 2,933	\$ -	\$ -	\$ 2,933	\$ -
Other long-term obligations	2,080	87	-	2,167	-
Total component unit activities					
-long-term liabilities	\$ 5,013	\$ 87	\$ -	\$ 5,100	\$ -

Annual debt service requirements of governmental activities to maturity are as follows:

<u>Year ending December 31</u>	<u>Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 1,343	\$ 705
2018	1,251	639
2019	1,256	581
2020	1,310	523
2021	1,366	462
2022 - 2026	6,299	1,338
2027 - 2028	1,505	62
Totals	\$ 14,330	\$ 4,310

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Annual debt service requirements of business-type activities to maturity are as follows:

<u>Year ending December 31</u>	<u>Mortgage Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2017	\$ 56	\$ 14
2018	61	8
2019	65	4
2020	6	-
2021	-	-
2022 - 2026	-	-
2027 - 2031	-	-
2032 - 2036	-	-
2037 - 2041	1,000	-
2042 - 2046	-	-
2047 - 2051	-	-
2052 - 2056	-	-
2057 - 2061	-	-
2062 - 2065	1,173	-
Totals	<u>\$ 2,361</u>	<u>\$ 26</u>

Annual debt service requirements of component unit activities to maturity are as follows:

<u>Year ending December 31</u>	<u>Bonds and Notes Payable</u>		<u>Other Long-term Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2017	\$ -	\$ -	\$ -	\$ -
2018	-	-	-	-
2019	933	-	-	783
2020	-	-	-	-
2021	-	-	-	-
2022 - 2026	-	-	-	-
2027 - 2031	-	-	-	-
2032 - 2036	-	-	-	-
2037 - 2041	-	-	-	-
2042 - 2043	2,000	-	-	1,384
Total	<u>\$ 2,933</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,167</u>

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Pollution Remediation Obligations

The Agency has obligated itself to commence environmental assessment and remediation activities on three projects. The nature and source of pollutants on these projects are petroleum and metals including arsenic, cadmium and lead. The total estimated costs of \$1,820 for remediation of these projects were derived by environmental remediation consultants. These estimates may change resulting from the Sacramento County Environmental Management Department (SCEMD) input and also from price increases or reductions. Estimated recoveries of \$1,000 will reduce the cost of remediation. The source of these estimated recoveries will be from an EPA Grant, Mortgage Revenue Bond and CDBG funding. The estimated costs are recorded as long-term liabilities on the governmental activities statement of net position.

Pledged Revenues

The Agency pledged a portion of future Community Development Block Grant (CDBG) entitlement and program income revenues to repay all Section 108 notes payable (City B-97-MC-06-0003 and City B-06-MC-06-0003). The Section 108 notes are payable from CDBG and Redevelopment Agency Successor Agency (RASA) fund revenues through August 2026. The RASA is reimbursing the Agency for the Globe Mills loan as this was located in the old redevelopment areas. CDBG entitlement funds will still back these loan payments in the event the RASA ends the reimbursement. As of December 31, 2016, the total remaining principal and interest on the notes was \$6,465. For the current year, principal and interest paid from CDBG entitlement funds was \$385, and the RASA contributed \$463. CDBG revenue was \$8,057. Detailed information on the Section 108 notes begins on page 63.

IV. Other Information

A. Risk Management

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries and illnesses of employees; wrongful employment practices; and natural disasters. The Agency maintains an internal service fund to account for and finance its risks of loss. Under these programs the Agency maintains a deductible for the following risks up to the maximum amount per claim as follows: general liability, \$25; property, \$50; auto liability, \$0; and employment practice liability, \$50.

For general liability, the Agency covers the first \$25 per claim. Excess liability coverage is obtained from a national housing authority insurance pool and is provided through the pool up to \$5,000 for each occurrence. Settled claims have not exceeded this commercial coverage in any of the past ten years.

For property, the Agency covers the first \$50 per claim. Excess property coverage is obtained from a national housing authority insurance pool and covers up to maximum limit of \$100,000 per occurrence. Settled claims have not exceeded this commercial coverage in any of the past ten years.

For automotive insurance the Agency obtains automotive liability coverage from a national housing authority insurance group up to \$5,000. The insurance group contracts with Travelers for auto physical damage and collision. The Agency covers the first five hundred dollars per claim on the collision.

For this policy year, the Agency has purchased employment liability insurance from Arthur Gallagher Insurance Brokers. The policy provides a maximum of \$2 million per occurrence/aggregate per policy year with a \$50 retention/deductible for indemnifiable claims. Workers compensation insurance is provided through California Housing Workers Compensation Authority (CHWCA), a risk sharing pool. For worker's compensation claims, the pool covers the Agency's claims within the statutory limit. Should actual losses among participants be greater than anticipated, the Agency will be assessed its pro rata share per that deficiency. Conversely, if the actual losses are less than anticipated, the Agency will be refunded its pro rata share of the excess.

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The operating funds no longer make contributions to the internal service fund based on historical cost and/or actuarial estimates of amounts needed to pay prior and current year claims. The accrued amount in the Self Insurance internal service fund will remain as a reserve for future catastrophic claims that cannot be paid by a single department.

Claim estimates were made in accordance with the requirements of Governmental Accounting Standards Board Statement Nos.10 and 30, and include claims incurred but not reported and allocated loss adjustment expenses as of December 31. Changes in the Self Insurance fund claims liability during the years ended December 31, 2016 and 2015 were as follows:

	Claims Liability January 1	Claims and Changes in Estimates	Current Year Claims Payments	Claims Liability December 31
2015	\$ 301	\$ 1	\$ (1)	\$ 301
2016	301	5	(5)	301

B. Pension Plans

1. General Information about the Pension Plans

Plan Descriptions – All qualified permanent and probationary employees are eligible to participate in the Agency’s Miscellaneous Plan, an agent multiple-employer public employee defined benefit pension plan administered by the California Public Employees’ Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits for employees who are not “new members” under the California Public Employees Pension Reform Act of 2013 (“PEPRA”) are part of the 2% at 55 CalPERS retirement formula. Accordingly, all new employees hired on or after January 1, 2013, who are considered “new members” under the PEPRA are part of the 2% at 62 CalPERS retirement formula described in PEPRA. In addition, “new members” are subject to the equal sharing and contribution requirements of California Government Code Section 7522.30(a) and (c) and must pay at least 50% of the normal cost of their pension benefit.

All full-time Agency employees are required to participate in CalPERS. Benefits for employees who are not “new members” vest after five years of credited service. Employees who retire at or after age 50 with five years of credited service are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 1.426% to 2.418% of their average salary, during their highest year of employment, for each year of credited service. Benefits for “new members” vest after five years of credited service. New members who retire at or after age 52 with five years of credited service are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 1.0% to 2.5% of their average salary, during the highest three years of employment, for each year of credited service. These benefit provisions and all other requirements are established by state statute within the Public Employees’ Retirement Law and Agency resolution. CalPERS issues a separate comprehensive annual financial report.

All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law.

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Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814. A separate report for the Agency's plan is not available.

The Plans' provisions and benefits in effect at December 31, 2016, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7%	6.5%
Required employer contribution rates	23.295%	23.295%

Employees Covered – At December 31, 2016, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	456
Inactive employees entitled to but not yet receiving benefits	-
Active employees	183
Total	639

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Agency is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

2. Net Pension Liability

The Agency's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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Actuarial Assumptions – The June 30, 2015 valuation was rolled forward to determine the June 30, 2016 total pension liabilities based on the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.2% - 12.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	2014 CalPERS Experience Study (3)

(1) Depending on age, service and type of employment

(2) Net of pension plan investment and administrative expenses, including inflation

(3) The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.

Pre-retirement and Post-retirement mortality rates include 20 years of mortality improvement using Scale BB published by the Society of Actuaries. Further details of the 2014 Experience Study can found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1-10(a)	Real Return Years 11+(b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	1.0%	(0.55%)	(1.05%)
Total	100%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

3. Changes in the Net Pension Liability

The changes in the Net Pension Liability for each Plan follows:

Miscellaneous Plan:

	Total Pension Liability	Increase (Decrease) Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	\$ 144,947	\$ 113,869	\$ 31,078
Changes in the year:			
Service cost	1,767	-	1,767
Interest on the total pension liability	10,801	-	10,801
Differences between actual and expected experience	(638)	-	(638)
Changes in assumptions	-	-	-
Contribution - employer	-	2,358	(2,358)
Contribution - employee	-	921	(921)
Net investment income	-	608	(608)
Administrative expenses	-	(69)	69
Benefit payments, including refunds of employee contributions	(7,996)	(7,996)	-
Net changes	<u>3,934</u>	<u>(4,178)</u>	<u>8,112</u>
Balance at June 30, 2016	<u>\$ 148,881</u>	<u>\$ 109,691</u>	<u>\$ 39,190</u>

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Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Agency for each Plan, calculated using the discount rate for each Plan, as well as what the Agency's net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	6.65%
Net Pension Liability	\$57,497
Current Discount Rate	7.65%
Net Pension Liability	\$39,190
1% Increase	8.65%
Net Pension Liability	\$23,940

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

4. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

There was an unamortized investment gain of approximately \$6,048 remaining from the 2014 measurement year. Approximately \$2,016 of that gain was recognized in the current year and an equal amount will be recognized in each of the next two years, resulting in deferred inflow of resources of \$4,032. From the 2015 measurement year, there was an unamortized investment loss of approximately \$4,851. Approximately \$1,213 of that loss was recognized in the current year and an equal amount will be recognized in each of the next three years, resulting in deferred outflow of resources of \$3,639. For the 2016 measurement year, there was an investment loss in the amount of \$7,897, of which \$1,579 was recognized in the current year and the remaining loss of \$6,313 expected to be recognized in equal amounts in each of the next four years. There was also a gain in changes of assumptions for \$1,152 and a gain in the difference between expected and actual experience for \$879, which were both fully recognized in the current year. For the current measurement year, there was a gain in the difference between expected and actual experience for \$642. Approximately \$357 of that gain was recognized in the current year, leaving a deferred inflow of resources balance of \$281, which will be fully recognized in the following year.

For the year ended December 31, 2016, the Agency recognized pension expense of \$1,600. At December 31, 2016, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,555	\$ -
Differences between actual and expected experience	-	(280)
Changes in assumptions	-	(1)
Net differences between projected and actual earnings on plan investments	<u>5,920</u>	<u>-</u>
Total	<u>\$ 7,475</u>	<u>\$ (281)</u>

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\$1,555 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amount
2017	\$ 491
2018	776
2019	2,792
2020	1,580
2021	-
Thereafter	-

C. Postemployment Health Benefits

1. Plan Description

The Agency's defined benefit postemployment healthcare plan, provides premium coverage for medical and dental benefits to eligible retired agency employees and their families up to a maximum that depends on the participant's unit and/or coverage level. The Agency established an irrevocable trust to prefund the other post employment benefits annual required contribution through the California Employer's Retiree Benefit Trust Program (CERBT). The funds in the CERBT are held in trust and administered by the California Public Employees' Retirement System (CalPERS) as an agent multiple-employer plan (plan). Benefit provisions are established and may be amended by Agency labor agreements which are approved by the City Council and County Board of Supervisors. The Agency's Other Postemployment Benefits (OPEB) plan financial statements are included in the CalPERS CAFR. Copies of the CalPERS' CAFR may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814.

The Agency provides allowances for health benefits for all employees who retire from the Agency and for their survivors and dependents. Participants have the choice of enrolling in one of several health plans and one of two dental plans. Postemployment health benefits for the Agency range from \$360 to \$605 (in actual dollars, not thousands) per month per participant, depending on the participant's job classification at the time of retirement. The Agency covers the participant's health and dental benefits under these plans up to the allotted benefit allowance.

The maximum allowances are shown in the following table:

Unit	Maximum Premium Coverage: Current Retirees
1 & 2	\$605/month
3 & 4	\$585/month
5	\$430/month
6	\$360/month

Coverage level for current retirees is set and assumed not to increase. Coverage continues at the participant's level for the spouse and any eligible dependents after the participant's death.

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2. Funding Policy

The obligation of the Agency to contribute to the plan is established and may be amended by the City Council and County Board of Supervisors.

Employees are not required to contribute to the plan. The Agency is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. In order to provide adequate funding for post retirement medical benefits, the Agency consistently contributes the full ARC to the CERBT fund and has periodically paid additional amounts into the CERBT when available. Further, the Agency has not yet elected to use the CERBT to pay current retiree benefits but instead pays current retiree costs directly. The Agency may elect to change this process in future years. The current ARC rate is 3.5% of annual covered payroll.

3. Annual OPEB Cost and Net OPEB Asset

For the year ended December 31, 2016, the Agency's annual OPEB cost (expense) was \$547. The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for the last three years were as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Asset
12/31/2014	\$ 979	114%	\$ 6,997
12/31/2015	653	182%	7,532
12/31/2016	547	221%	8,191

The following table shows the components of the Agency's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Agency's net OPEB asset for the Retiree Health Plan:

Annual required contribution	\$ 474
Interest on net OPEB asset	(565)
Adjustment to annual required contribution	638
Annual OPEB cost (expense)	<u>547</u>
Contributions made	<u>(1,206)</u>
Increase in net OPEB asset	(659)
Net OPEB asset-beginning of year	<u>(7,532)</u>
Net OPEB asset-end of year	<u><u>\$ (8,191)</u></u>

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

4. Funded Status and Funding Progress

The funded status of the plan as of the most recent valuation date, June 30, 2015, was as follows:

Actuarial accrued liability (AAL)	\$ 19,275
Actuarial value of plan assets	<u>11,166</u>
Unfunded actuarial accrued liability (UAAL)	<u>\$ 8,109</u>
Funded ratio (actuarial value of plan assets/AAL)	57.93%
Covered payroll (active plan members)	\$ 11,836
UAAL as a percentage of covered payroll	68.51%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

5. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the June 30, 2013 actuarial valuation, the entry age normal cost, level percent of pay method was used. The actuarial assumptions utilized a 3.0% inflation rate, a 7.5% investment rate of return, (net of administrative expenses) and an annual blended healthcare cost trend rate of 8.5% beginning in 2016, reduced by decrements to an ultimate rate of 4.64% for years 2025 and later. The June 30, 2013 actuarial valuation was used for the calculation of the ARC for the year ended December 31, 2016.

In the June 30, 2015 actuarial valuation, the entry age normal cost, level percent of pay method was used. The actuarial assumptions utilized a 3.0% inflation rate, a 7.25% investment rate of return, (net of administrative expenses) and an annual blended healthcare cost trend rate of 7.5% beginning in 2017, reduced by decrements to an ultimate rate of 4.5% for years 2023 and later. The June 30, 2015 actuarial valuation was used to calculate the funded ratio and funding progress and annual OPEB cost and net OPEB asset for the year ended December 31, 2016.

The minimum required contribution and dental premiums are each assumed to increase annually by 4.5%. The UAAL is being amortized as a level percentage of payroll each year over the employees career. The Entry Age Normal (EAN) cost method spreads plan costs for each participant from entry date to the expected retirement date. Under the EAN cost method the plan's normal cost is developed as a level amount over the participants' working lifetime. The AAL is the cumulative value, on the valuation date, of prior service costs. For retirees, the AAL is the present value of all projected benefits.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

The ARC under this method equals the normal cost plus the amortization of the unfunded AAL over a thirty (30) year period. The Plan costs are derived by making certain specific assumptions as to the rates of interest, mortality, turnover, and the like, which are assumed to hold for many years into the future. Actual experience may differ somewhat from the assumptions and the effect of such differences is spread over all periods. Due to these differences, the costs determined by the valuation must be regarded as estimates of the true Plan costs.

D. Commitments and Contingencies

1. Mortgage Insured Bonds

The City and the County of Sacramento, between 1980 and 2016, issued multifamily mortgage bonds totaling \$897,464. The bonds were issued to provide funds for the purchase of home mortgages in the Sacramento County area. The Agency was appointed by the City and the County of Sacramento to administer the mortgage revenue bond program. As a public entity, the Agency can issue tax-exempt bonds, the proceeds of which can provide acquisition, construction, and permanent financing for multi-family housing projects. Interest paid on the bonds is exempt from federal and state income tax, so bondholders will accept a below-market yield from the bonds. These savings are, in turn, passed on to the project owner in the form of a below-market rate loan, with interest rates approximately one to two percent below prevailing market rates. As a conduit issuer, the bonds do not constitute a liability of the Agency, but are instead secured solely by the project financed with the bonds.

2. Litigation

The Agency is a defendant in various matters of litigation. Of these matters, management and the Agency's legal counsel do not anticipate any material effect to the December 31, 2016 financial statements if there was an unfavorable outcome against the Agency as a result of the litigation.

3. Contractual Obligations

At December 31, 2016, the outstanding contractual obligations for the Agency's governmental and business-type activities are as follows:

	<u>Encumbrances</u>
City HOME	\$ 1,773
County HOME	367
City Housing Successor	469
Other Governmental Funds	10,863
Other Enterprise Funds	<u>584</u>
Total	<u>\$ 14,056</u>

These obligations are primarily for housing project site improvements and structural rehabilitation. The encumbrances are included in the appropriate fund balance classification for the funding source with the exception of the funds that do not have a fund balance on the governmental funds balance sheet.

4. Contingent Liabilities

The Agency receives funding from a number of federal, state, and local assistance programs, comprised principally of Community Development Block Grants and Housing and Urban Development Housing Programs. These programs are subject to financial and compliance review by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Agency expects such amounts, if any, to be immaterial. Receipt of these federal, state, and local grant revenues is not assured in the future.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (*Continued*)
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

E. Subsequent Event

On May 17, 2017, the California Department of Finance (DOF) denied the Agency's request for reimbursement through the Recognized Obligation Payment Schedule (ROPS), for both the City and County Redevelopment Agency Successor Agencies, for the cost of PERS and OPEB for former redevelopment agency employees. This denial will result in a loss of approximately \$400 in total reimbursable costs for calendar year 2017. This amount will increase/decrease in relation to the increase/decrease in the unfunded actuarial liability of the annual actuarial valuations for each retirement benefit in future years. The Agency's General Counsel is currently working with the general counsels of the City of Sacramento and County of Sacramento, who both serve as the redevelopment agency successor agencies for each respective jurisdiction, to file a Petition for Writ of Mandate and Complaint for Declaratory and Injunctive Relief against the California Department of Finance. The outcome of the writ and any future actions cannot be currently determined.

Sacramento Housing and Redevelopment Agency
Required Supplementary Information
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

Schedule of Changes in the Net Pension Liability and Related Ratios

As of June 30, 2016

Last 10 Years*

Measurement Period	2014	2015	2016
TOTAL PENSION LIABILITY:			
Service Cost	\$ 2,014	\$ 1,786	\$ 1,767
Interest on Total Pension Liability	10,259	10,507	10,801
Changes of Assumptions	-	(2,432)	-
Difference between Expected and Actual Experience	-	(1,856)	(638)
Benefit Payments, Including Refunds of Employee Contributions	(7,010)	(7,603)	(7,996)
Net Change in Total Pension Liability	5,263	402	3,934
Total Pension Liability – Beginning	139,282	144,545	144,947
Total Pension Liability – Ending (a)	\$ 144,545	\$ 144,947	\$ 148,881
PLAN FIDUCIARY NET POSITION			
Contributions – Employer	\$ 1,698	\$ 1,976	\$ 2,358
Contributions – Employee	1,259	814	921
Net Investment Income	17,601	2,611	608
Benefit Payments, Including Refunds of Employee Contributions	(7,010)	(7,603)	(7,996)
Administrative Expense	-	(128)	(69)
Net Change in Fiduciary Net Position	13,548	(2,330)	(4,178)
Plan Fiduciary Net Position – Beginning	102,651	116,199	113,869
Plan Fiduciary Net Position – Ending (b)	\$ 116,199	\$ 113,869	\$ 109,691
Plan Net Pension Liability/(Asset) – (a)-(b)	\$ 28,346	\$ 31,078	\$ 39,190
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.39%	78.56%	73.68%
Covered-Employee Payroll	\$ 12,819	\$ 11,897	\$ 11,807
Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll	221.13%	261.22%	331.92%

Notes to Schedule of Changes in Net Pension Liability and Related Ratios:

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2016, there were no changes. In 2015, the discount rate was changed from 7.5 percent (net of administrative expense) to 7.65 percent. 2014 amounts were based on a 7.5 percent discount rate.

* Fiscal year 2015 was the 1st year of implementation for the Agency due to the calendar year end, however 2014 information was available and will be included.

Sacramento Housing and Redevelopment Agency
Required Supplementary Information
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

Schedule of Contributions

As of June 30, 2016
Last 10 Years*

	2014	2015	2016
Actuarially determined contribution ¹	\$1,698	\$1,976	\$2,358
Contributions in relation to the actuarially determined contributions ¹	(1,698)	(1,976)	(2,358)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered - employee payroll ²	\$12,819	\$11,897	\$11,807
Contributions as a percentage of covered employee payroll ²	13.25%	16.61%	19.97%

¹ Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

² Includes one year's payroll growth using 3.00 percent payroll assumption.

* Fiscal year 2015 was the 1st year of implementation for the Agency due to the calendar year end, however 2014 information was available and will be included.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for the years ended December 31, 2014 through December 31, 2016 are as follows:

Actuarial Cost Method	Entry Age Normal
Amortization Method	Level percent of payroll.
Asset Valuation Method	Funding valuation report ending June 30, 2013 used market value of assets. Funding valuation report ending June 30, 2012 and 2011 used actuarial value of assets.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50 Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

Sacramento Housing and Redevelopment Agency
Required Supplementary Information
For the Year Ended December 31, 2016
(dollar amounts expressed in thousands)

Schedule of Funding Progress - Other Postemployment Benefits

	A	B	C	D	E	F
Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL) Entry Age	Unfunded AAL (UAAL) [B - A]	Funded Ratio [A / B]	Covered Payroll	UAAL as Percentage of Covered Payroll [(B - A) / E]
6/30/2011	\$ 6,913	\$ 14,928	\$ 8,015	46.31%	\$ 16,653	48.13%
6/30/2013	8,727	15,687	6,960	55.63%	12,255	56.79%
6/30/2015	11,166	19,275	8,109	57.93%	11,836	68.51%

Sacramento Housing and Redevelopment Agency
Other Supplementary Information
For the Year Ended December 31, 2016

Below is the Schedule of Annual Contribution Contracts for Capital Fund Program (CFP), ROSS Public Housing Self Sufficiency (FSS), ROSS Service Coordinator (SC) programs, Choice Neighborhoods Initiative (CNI), Choice Neighborhoods Implementation and Jobs Plus grants.

		Funds Expended								Total Funds Expended	Balance of Funds Approved
Project Number	Funds Approved	2010	2011	2012	2013	2014	2015	2016			
City CFP:											
CA30P00550112	\$ 2,559,332	\$ -	\$ -	\$ 7,001	\$ 1,371,888	\$ 1,001,237	\$ 179,206	\$ -	\$ 2,559,332	\$ -	
CA30P00550113	* 2,636,416	-	-	-	9,705	798,979	1,395,112	382,983	2,586,779	49,637	
CA30P00550114	* 2,534,660	-	-	-	-	22,550	787,360	1,412,280	2,222,190	312,470	
CA30P00550115	* 2,500,996	-	-	-	-	-	18,957	684,645	703,602	1,797,394	
CA30P00550116	2,742,697	-	-	-	-	-	-	158,667	158,667	2,584,030	
Total City CFP	\$ 12,974,101	\$ -	\$ -	\$ 7,001	\$ 1,381,593	\$ 1,822,766	\$ 2,380,635	\$ 2,638,575	\$ 8,230,570	\$ 4,743,531	
City ROSS Public Housing Family Self Sufficiency (FSS)											
CA005RFS116A011	\$ 69,000	\$ -	\$ -	\$ 21,781	\$ 46,869	\$ 350	\$ -	\$ -	\$ 69,000	\$ -	
CA005RFS159A012	69,000	-	-	-	-	56,698	12,302	-	69,000	-	
CA005RFS033A013	¹ 58,054	-	-	-	-	-	58,006	48	58,054	-	
CA005FSH693A015	69,000	-	-	-	-	-	-	68,734	68,734	266	
Total City ROSS	\$ 265,054	\$ -	\$ -	\$ 21,781	\$ 46,869	\$ 57,048	\$ 70,308	\$ 68,782	\$ 264,788	\$ 266	
City ROSS Service Coordinator (SC)											
CA005RPS273A011	¹ \$ 479,270	\$ -	\$ 34,341	\$ 215,075	\$ 136,152	\$ 93,702	\$ -	\$ -	\$ 479,270	\$ -	
CA005RPS081A014	492,000	-	-	-	-	-	67,086	100,978	168,064	323,936	
Total City SC	\$ 971,270	\$ -	\$ 34,341	\$ 215,075	\$ 136,152	\$ 93,702	\$ 67,086	\$ 100,978	\$ 647,334	\$ 323,936	
County CFP:											
CA30P00750110	\$ 1,882,271	\$ 193,659	\$ 851,322	\$ 568,432	\$ 268,858	\$ -	\$ -	\$ -	\$ 1,882,271	\$ -	
CA30P00750112	1,438,555	-	-	55,080	1,079,519	297,124	-	6,832	1,438,555	-	
CA30P00750113	1,382,203	-	-	-	71,510	797,111	227,182	164,644	1,260,447	121,756	
CA30P00750114	* 1,420,898	-	-	-	-	89,957	645,815	593,662	1,329,434	91,464	
CA30P00750115	* 1,405,011	-	-	-	-	-	73,422	638,941	712,363	692,648	
CA30P00750116	1,540,822	-	-	-	-	-	-	155,828	155,828	1,384,994	
Total County CFP	\$ 9,069,760	\$ 193,659	\$ 851,322	\$ 623,512	\$ 1,419,887	\$ 1,184,192	\$ 946,419	\$ 1,559,907	\$ 6,778,898	\$ 2,290,862	
County ROSS Public Housing Family Self Sufficiency (FSS)											
CA007RFS174A011	\$ 69,000	\$ -	\$ -	\$ 5,602	\$ 49,018	\$ 14,380	\$ -	\$ -	\$ 69,000	\$ -	
CA007RFS169A012	¹ 57,360	-	-	-	-	57,360	-	-	57,360	-	
CA007FSH072A014	¹ 117,951	-	-	-	-	407	117,544	-	117,951	-	
CA007FSH694A015	138,000	-	-	-	-	-	-	116,142	116,142	21,858	
Total County FSS	\$ 382,311	\$ -	\$ -	\$ 5,602	\$ 49,018	\$ 72,147	\$ 117,544	\$ 116,142	\$ 360,453	\$ 21,858	
City Choice Neighborhood Initiative (CNI)											
CA9G005CNP113	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ 120,109	\$ 301,253	\$ 17,793	\$ 439,155	\$ 60,845	
County Choice Neighborhood Implementation (CNI)											
	\$ 30,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 554,481	\$ 554,481	\$ 29,445,519	
Jobs Plus											
	\$ 2,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,031	\$ 107,031	\$ 2,592,969	

* The following grants had accrued retention for CAFR presentation that is not included in the amounts above.

CA30P00550113	\$ 23,453
CA30P00550114	\$ 45,853
CA30P00550115	\$ 8,786
CA30P00750114	\$ 13,769
CA30P00750115	\$ 7,634

Note 1: These grants had amounts recaptured. See HUD letters in other supplemental information section.

**Sacramento Housing and Redevelopment Agency
Other Supplementary Information
For the Year Ended December 31, 2016**

Below is the Schedule of Purchase and Resale Entity (PRE) Sales Proceeds and Expenditures.

Program	Sales Proceeds	Expenditures Budgeted	2015 Expended*	2016 Expended*	Total Expended	Balance of Funds Budgeted
City Public Housing Homeownership	\$ -	\$ 1,008,266	\$ 160,138	\$ 848,128	\$ 1,008,266	\$ -
County Public Housing Homeownership	-	598,852	44,610	501,881	546,491	52,361
City Section 32	-	1,182,840	-	1,061,093	1,061,093	121,747
County Section 32	-	458,000	-	181,733	181,733	276,267
City Purchase and Resale Entity (PRE)	731,403	734,631	-	106,126	106,126	628,505
Totals	<u>\$ 731,403</u>	<u>\$ 3,982,589</u>	<u>\$ 204,748</u>	<u>\$ 2,698,961</u>	<u>\$ 2,903,709</u>	<u>\$ 1,078,880</u>

*The PRE expenditures (shown here) are just one of the projects within each PRE fund. As such, the expenditure amounts in this table do not agree to the fund financial statements.

*Nonmajor
Governmental
Funds*

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2016
(amounts expressed in thousands)

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 25,595	\$ -	\$ 4,154	\$ 29,749
Accounts receivable	144	-	75	219
Due from other funds	219	-	-	219
Due from other governments	4,393	-	1,154	5,547
Notes receivable (net)	95,183	-	4,097	99,280
Advances to other funds	2,079	-	-	2,079
Restricted cash and investments	47	-	-	47
Assets held for resale	-	-	6,895	6,895
Total assets	<u>\$ 127,660</u>	<u>\$ -</u>	<u>\$ 16,375</u>	<u>\$ 144,035</u>
Liabilities				
Accounts payable	\$ 707	\$ -	\$ 84	\$ 791
Accrued liabilities	11	-	1	12
Contracts payable	-	-	129	129
Due to other funds	1,280	-	994	2,274
Due to other governments	147	-	-	147
Deposit and trust liability	48	-	-	48
Advances from other funds	2,204	-	7,792	9,996
Total liabilities	<u>4,397</u>	<u>-</u>	<u>9,000</u>	<u>13,397</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>35,022</u>	<u>-</u>	<u>-</u>	<u>35,022</u>
Fund Balances (Deficits)				
Restricted for:				
Debt service	3	-	-	3
Housing	73,220	-	7,375	80,595
Community development	14,722	-	-	14,722
Community services	2,547	-	-	2,547
Unassigned	(2,251)	-	-	(2,251)
Total fund balances	<u>88,241</u>	<u>-</u>	<u>7,375</u>	<u>95,616</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 127,660</u>	<u>\$ -</u>	<u>\$ 16,375</u>	<u>\$ 144,035</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental	\$ 27,587	\$ -	\$ 4,439	\$ 32,026
Charges for services	1,850	-	-	1,850
Investment earnings	839	-	95	934
Miscellaneous	2,663	-	732	3,395
Total revenues	<u>32,939</u>	<u>-</u>	<u>5,266</u>	<u>38,205</u>
Expenditures:				
Current:				
Housing operations	5,677	-	3,651	9,328
Community development	12,073	-	-	12,073
Community social services	5,244	-	-	5,244
Capital outlay	2,751	-	2,585	5,336
Debt service:				
Principal retirement	-	388	-	388
Interest	-	51	-	51
Total expenditures	<u>25,745</u>	<u>439</u>	<u>6,236</u>	<u>32,420</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,194</u>	<u>(439)</u>	<u>(970)</u>	<u>5,785</u>
Other financing sources (uses):				
Proceeds from sale of capital assets	246	-	-	246
Transfers in	158	439	-	597
Transfers out	(1,642)	-	(1,014)	(2,656)
Total other financing sources (uses)	<u>(1,238)</u>	<u>439</u>	<u>(1,014)</u>	<u>(1,813)</u>
Net change in fund balances	5,956	-	(1,984)	3,972
Fund balances, beginning	82,285	-	9,359	91,644
Fund balances, ending	<u>\$ 88,241</u>	<u>\$ -</u>	<u>\$ 7,375</u>	<u>\$ 95,616</u>

Nonmajor Special Revenue Funds

Special revenue funds account for specific financial resources (other than for major capital projects) that are legally restricted to expenditure for specific purposes.

- ◆ **Housing funds** are used to account for a variety of federal, state and local housing programs that provide public housing assistance for low and moderate income households within the City and County.
- ◆ **Community Development Funds** are used to account for a variety of specific community programs funded by the federal government.
- ◆ **Community Services Funds** are used to account for activity associated with social services such as homelessness, mental health and special needs housing.
- ◆ **Local Tax Funds** are used to account for payments in lieu of taxes. Revenues from the City and County Public Housing Funds are used to fund community service activities.

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2016
(amounts expressed in thousands)

	Housing	Community Development	Community Services	Local Tax	Total
Assets					
Cash and investments	\$ 15,822	\$ 7,112	\$ 542	\$ 2,119	\$ 25,595
Accounts receivable	139	5	-	-	144
Due from other funds	219	-	-	-	219
Due from other governments	3,244	608	541	-	4,393
Notes receivable (net)	54,759	40,424	-	-	95,183
Advances to other funds	410	1,669	-	-	2,079
Restricted cash and investments	-	47	-	-	47
Total assets	<u>\$ 74,593</u>	<u>\$ 49,865</u>	<u>\$ 1,083</u>	<u>\$ 2,119</u>	<u>\$ 127,660</u>
Liabilities					
Accounts payable	\$ 7	\$ 361	\$ 247	\$ 92	\$ 707
Accrued liabilities	6	5	-	-	11
Due to other funds	1,061	-	219	-	1,280
Due to other governments	-	21	126	-	147
Deposit and trust liability	-	48	-	-	48
Advances from other funds	170	2,034	-	-	2,204
Total liabilities	<u>1,244</u>	<u>2,469</u>	<u>592</u>	<u>92</u>	<u>4,397</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>554</u>	<u>34,468</u>	<u>-</u>	<u>-</u>	<u>35,022</u>
Fund Balances (Deficits)					
Restricted for:					
Debt service	-	3	-	-	3
Housing	73,220	-	-	-	73,220
Community development	129	14,593	-	-	14,722
Community services	-	-	491	2,056	2,547
Unassigned	(554)	(1,668)	-	(29)	(2,251)
Total fund balances	<u>72,795</u>	<u>12,928</u>	<u>491</u>	<u>2,027</u>	<u>88,241</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 74,593</u>	<u>\$ 49,865</u>	<u>\$ 1,083</u>	<u>\$ 2,119</u>	<u>\$ 127,660</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Housing</u>	<u>Community Development</u>	<u>Community Services</u>	<u>Local Tax</u>	<u>Total</u>
Revenues:					
Intergovernmental	\$ 8,702	\$ 15,876	\$ 2,655	\$ 354	\$ 27,587
Charges for services	693	5	-	1,152	1,850
Investment earnings	494	325	1	19	839
Miscellaneous	261	1,912	490	-	2,663
Total revenues	<u>10,150</u>	<u>18,118</u>	<u>3,146</u>	<u>1,525</u>	<u>32,939</u>
Expenditures:					
Current:					
Housing operations	5,677	-	-	-	5,677
Community development	17	12,056	-	-	12,073
Community social services	2	1,559	2,593	1,090	5,244
Capital outlay	-	2,751	-	-	2,751
Total expenditures	<u>5,696</u>	<u>16,366</u>	<u>2,593</u>	<u>1,090</u>	<u>25,745</u>
Excess of revenues over expenditures	<u>4,454</u>	<u>1,752</u>	<u>553</u>	<u>435</u>	<u>7,194</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	-	246	-	-	246
Transfers in	158	-	-	-	158
Transfers out	(170)	(1,472)	-	-	(1,642)
Total other financing sources (uses)	<u>(12)</u>	<u>(1,226)</u>	<u>-</u>	<u>-</u>	<u>(1,238)</u>
Net change in fund balances	4,442	526	553	435	5,956
Fund balances, beginning	68,353	12,402	(62)	1,592	82,285
Fund balances, ending	<u>\$ 72,795</u>	<u>\$ 12,928</u>	<u>\$ 491</u>	<u>\$ 2,027</u>	<u>\$ 88,241</u>

Nonmajor Housing Special Revenue Funds

- ◆ **General Housing Reserve** acts as a clearing account for excess funding to go to housing authority programs requiring additional funding.
- ◆ **Local Housing Revenue** accounts for the receipt and use of rebates derived from various energy conservation programs and accounts for activities relating to the Ping Yuen Center.
- ◆ **Riverview Plaza Reserve** acts as a clearing account for excess funding to go to Riverview Plaza activities and other housing programs.
- ◆ **Foundation Uniting Needs and Dollars (FUND), Inc.** accounts for the fundraising activities of the Agency.
- ◆ **City and County Ross Public Housing FSS Grant** is used to fund the project coordinator who administers the activities of residents in the Family Self Sufficiency program.
- ◆ **City ROSS Service Coordinator** provides for a Service Coordinator to coordinate supportive services and other activities designed to help Public and Indian housing residents attain economic and housing self-sufficiency.
- ◆ **City and County Housing Trust and State/Local Housing Trust** accounts for the acquisition, rehabilitation and development of low-income housing funded by local developer fees.
- ◆ **City and County Inclusionary and County Affordable Housing Programs** account for in-lieu and affordability fees paid by developers. Sacramento County's Affordable Housing Ordinance requires new residential projects of five or more dwelling units to provide an affordable housing component of not less than 15 percent of the development project's dwelling units. Depending on such project parameters as size, a developer is given various options to meet the affordable housing obligation.
- ◆ **City and County State/Local Housing Grant** is used to account for the receipt of grants from sources outside of the housing authority and the expenditures associated with those grants.
- ◆ **City CNI Planning Grant** account for development and implementation of a comprehensive neighborhood revitalization strategy for public and/or assisted housing units, while simultaneously directing the transformation of the surrounding neighborhood.
- ◆ **County Shelter Plus Care** accounts for grants for rental assistance, in combination with supportive services from other sources, to assist hard-to-serve homeless persons with disabilities.
- ◆ **County CNI Grant** helps communities transform neighborhoods by revitalizing severely distressed public housing and by leveraging and investing in services, quality public schools and education programs, high quality early learning programs and services, crime prevention strategies, public assets, public transportation, and improved access to jobs.
- ◆ **City Jobs Plus Grant** is intended to develop locally-based, job-driven approaches to increase earnings and advance employment outcomes through work readiness, employer linkages, job placement, educational advancement, technology skills, and financial literacy for residents of public housing.
- ◆ **City Mixed Income Housing Ordinance (MIHO)** accounts for the acquisition, rehabilitation and development of mixed-income housing funded by local developer fees.
- ◆ **County AHO Monitoring** accounts for housing impact fees funded by local developers to increase and improve the supply of affordable housing via gap financing.

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Housing Special Revenue Funds
December 31, 2016
(amounts expressed in thousands)

	General Housing Reserve	Local Housing Revenue	Riverview Plaza Reserve	FUND, Inc.	City ROSS PH FSS Grant
Assets					
Cash and investments	\$ 1,249	\$ 1,507	\$ 263	\$ 14	\$ -
Accounts receivable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	2
Notes receivable (net)	-	3,170	2,392	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 1,249</u>	<u>\$ 4,677</u>	<u>\$ 2,655</u>	<u>\$ 14</u>	<u>\$ 2</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 1	\$ -
Accrued liabilities	-	-	-	-	1
Due to other funds	-	-	-	-	1
Advances from other funds	-	170	-	-	-
Total liabilities	<u>-</u>	<u>170</u>	<u>-</u>	<u>1</u>	<u>2</u>
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	-	-
Fund Balances (Deficits)					
Restricted for:					
Housing	1,249	4,507	2,655	13	-
Community development	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>1,249</u>	<u>4,507</u>	<u>2,655</u>	<u>13</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,249</u>	<u>\$ 4,677</u>	<u>\$ 2,655</u>	<u>\$ 14</u>	<u>\$ 2</u>

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Housing Special Revenue Funds
December 31, 2016
(amounts expressed in thousands)

	County ROSS PH FSS Grant	City ROSS Service Coordinator	City Housing Trust	County Housing Trust	State/Local Housing Trust	City Inclusionary Housing
Assets						
Cash and investments	\$ -	\$ -	\$ 5,368	\$ 3,863	\$ -	\$ 62
Accounts receivable	-	-	139	-	-	-
Due from other funds	-	-	197	22	-	-
Due from other governments	22	16	1,126	18	-	-
Notes receivable (net)	-	-	20,615	21,567	5,000	-
Advances to other funds	-	-	410	-	-	-
Total assets	<u>\$ 22</u>	<u>\$ 16</u>	<u>\$ 27,855</u>	<u>\$ 25,470</u>	<u>\$ 5,000</u>	<u>\$ 62</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	1	1	-	-	-
Due to other funds	22	15	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>22</u>	<u>16</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable revenue	-	-	-	-	-	-
Fund Balances						
Restricted for:						
Housing	-	-	27,854	25,470	5,000	62
Community development	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>27,854</u>	<u>25,470</u>	<u>5,000</u>	<u>62</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 22</u>	<u>\$ 16</u>	<u>\$ 27,855</u>	<u>\$ 25,470</u>	<u>\$ 5,000</u>	<u>\$ 62</u>

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Housing Special Revenue Funds
December 31, 2016
(amounts expressed in thousands)

	County Inclusionary Housing	County Affordable Housing	City State/Local Housing Grants	County State/Local Housing Grants	City CNI Planning Grant	County Shelter Plus Care
Assets						
Cash and investments	\$ -	\$ 3,266	\$ -	\$ -	\$ -	\$ -
Accounts receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	581	-	-	-	371
Notes receivable (net)	-	2,015	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ 5,862</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	366
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>371</u>
Deferred Inflows of Resources						
Unavailable revenue	-	-	-	-	-	-
Fund Balances						
Restricted for:						
Housing	-	5,862	-	-	-	-
Community development	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances	<u>-</u>	<u>5,862</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ -</u>	<u>\$ 5,862</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 371</u>

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Housing Special Revenue Funds
December 31, 2016
(amounts expressed in thousands)

	County CNI Grant	City Jobs Plus Grant	City MIHO	County AHO Monitoring	Total
Assets					
Cash and investments	\$ -	\$ -	\$ 101	\$ 129	\$ 15,822
Accounts receivable	-	-	-	-	139
Due from other funds	-	-	-	-	219
Due from other governments	554	107	447	-	3,244
Notes receivable (net)	-	-	-	-	54,759
Advances to other funds	-	-	-	-	410
Total assets	<u>\$ 554</u>	<u>\$ 107</u>	<u>\$ 548</u>	<u>\$ 129</u>	<u>\$ 74,593</u>
Liabilities					
Accounts payable	\$ -	\$ 1	\$ -	\$ -	\$ 7
Accrued liabilities	-	3	-	-	6
Due to other funds	554	103	-	-	1,061
Advances from other funds	-	-	-	-	170
Total liabilities	<u>554</u>	<u>107</u>	<u>-</u>	<u>-</u>	<u>1,244</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>554</u>				<u>554</u>
Fund Balances (Deficits)					
Restricted for:					
Housing	-	-	548	-	73,220
Community development	-	-	-	129	129
Unassigned	(554)	-	-	-	(554)
Total fund balances	<u>(554)</u>	<u>-</u>	<u>548</u>	<u>129</u>	<u>72,795</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 554</u>	<u>\$ 107</u>	<u>\$ 548</u>	<u>\$ 129</u>	<u>\$ 74,593</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Housing Special Revenue Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	General Housing Reserve	Local Housing Revenue	Riverview Plaza Reserve	FUND, Inc.	City ROSS PH FSS Grant
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 69
Charges for services	-	-	-	-	-
Investment earnings	14	19	3	-	-
Miscellaneous	1	-	-	3	-
Total revenues	<u>15</u>	<u>19</u>	<u>3</u>	<u>3</u>	<u>69</u>
Expenditures:					
Current:					
Housing operations	2	16	-	-	69
Community development	-	-	-	-	-
Community social services	-	-	-	2	-
Total expenditures	<u>2</u>	<u>16</u>	<u>-</u>	<u>2</u>	<u>69</u>
Excess (deficiency) of revenues over (under) expenditures	<u>13</u>	<u>3</u>	<u>3</u>	<u>1</u>	<u>-</u>
Other financing sources (uses):					
Transfers in	144	-	-	-	-
Transfers out	(12)	-	-	-	-
Total other financing sources (uses)	<u>132</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	145	3	3	1	-
Fund balances, beginning	1,104	4,504	2,652	12	-
Fund balances (Deficits), ending	<u>\$ 1,249</u>	<u>\$ 4,507</u>	<u>\$ 2,655</u>	<u>\$ 13</u>	<u>\$ -</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Housing Special Revenue Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	County ROSS PH FSS Grant	City ROSS Service Coordinator	City Housing Trust	County Housing Trust	State/Local Housing Trust	City Inclusionary Housing
Revenues:						
Intergovernmental	\$ 116	\$ 101	\$ 1,970	\$ 393	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Investment earnings	-	-	245	180	-	1
Miscellaneous	-	-	241	-	-	-
Total revenues	<u>116</u>	<u>101</u>	<u>2,456</u>	<u>573</u>	<u>-</u>	<u>1</u>
Expenditures:						
Current:						
Housing operations	116	101	139	343	-	14
Community development	-	-	-	-	-	-
Community social services	-	-	-	-	-	-
Total expenditures	<u>116</u>	<u>101</u>	<u>139</u>	<u>343</u>	<u>-</u>	<u>14</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>2,317</u>	<u>230</u>	<u>-</u>	<u>(13)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	2,317	230	-	(13)
Fund balances, beginning	-	-	25,537	25,240	5,000	75
Fund balances (Deficits), ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 27,854</u>	<u>\$ 25,470</u>	<u>\$ 5,000</u>	<u>\$ 62</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Housing Special Revenue Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	County Inclusionary Housing	County Affordable Housing	City State/Local Housing Grants	County State/Local Housing Grants	City CNI Planning Grant	County Shelter Plus Care
Revenues:						
Intergovernmental	\$ -	\$ 1,813	\$ -	\$ -	\$ 18	\$ 4,115
Charges for services	-	-	-	-	-	-
Investment earnings	-	30	-	1	-	-
Miscellaneous	-	16	-	-	-	-
Total revenues	-	1,859	-	1	18	4,115
Expenditures:						
Current:						
Housing operations	-	83	-	-	18	4,115
Community development	-	-	-	-	-	-
Community social services	-	-	-	-	-	-
Total expenditures	-	83	-	-	18	4,115
Excess (deficiency) of revenues over (under) expenditures	-	1,776	-	1	-	-
Other financing sources (uses):						
Transfers in	-	14	-	-	-	-
Transfers out	(14)	-	(23)	(121)	-	-
Total other financing sources (uses)	(14)	14	(23)	(121)	-	-
Net change in fund balances	(14)	1,790	(23)	(120)	-	-
Fund balances, beginning	14	4,072	23	120	-	-
Fund balances (Deficits), ending	\$ -	\$ 5,862	\$ -	\$ -	\$ -	\$ -

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Housing Special Revenue Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	County CNI Grant	City Jobs Plus Grant	City MIHO	County AHO Monitoring	Total
Revenues:					
Intergovernmental	\$ -	\$ 107	\$ -	\$ -	\$ 8,702
Charges for services	-	-	565	128	693
Investment earnings	-	-	-	1	494
Miscellaneous	-	-	-	-	261
Total revenues	-	107	565	129	10,150
Expenditures:					
Current:					
Housing operations	554	107	-	-	5,677
Community development	-	-	17	-	17
Community social services	-	-	-	-	2
Total expenditures	554	107	17	-	5,696
Excess (deficiency) of revenues over (under) expenditures	(554)	-	548	129	4,454
Other financing sources (uses):					
Transfers in	-	-	-	-	158
Transfers out	-	-	-	-	(170)
Total other financing sources (uses)	-	-	-	-	(12)
Net change in fund balances	(554)	-	548	129	4,442
Fund balances, beginning	-	-	-	-	68,353
Fund balances (Deficits), ending	<u>\$ (554)</u>	<u>\$ -</u>	<u>\$ 548</u>	<u>\$ 129</u>	<u>\$ 72,795</u>

Sacramento Housing and Redevelopment Agency
General Housing Reserve Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 11	\$ 11	\$ 14	\$ 3
Miscellaneous	-	-	1	1
Total revenues	<u>11</u>	<u>11</u>	<u>15</u>	<u>4</u>
Expenditures:				
Current:				
Housing operations	<u>2</u>	<u>2</u>	<u>2</u>	<u>-</u>
Excess of revenues over expenditures	<u>9</u>	<u>9</u>	<u>13</u>	<u>4</u>
Other financing uses:				
Transfers in	145	145	144	(1)
Transfers out	(12)	(12)	(12)	-
Total other financing uses	<u>133</u>	<u>133</u>	<u>132</u>	<u>(1)</u>
Net change in fund balance	142	142	145	3
Fund balance, beginning	1,104	1,104	1,104	-
Fund balance, ending	<u>\$ 1,246</u>	<u>\$ 1,246</u>	<u>\$ 1,249</u>	<u>\$ 3</u>

Sacramento Housing and Redevelopment Agency
Local Housing Revenue Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ 17	\$ 17	\$ 19	\$ 2
Expenditures:				
Current:				
Housing operations	113	113	16	97
Net change in fund balance	(96)	(96)	3	99
Fund balance, beginning	4,504	4,504	4,504	-
Fund balance, ending	<u>\$ 4,408</u>	<u>\$ 4,408</u>	<u>\$ 4,507</u>	<u>\$ 99</u>

**Sacramento Housing and Redevelopment Agency
Riverview Plaza Reserve Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Investment earnings	\$ 3	\$ 3	\$ 3	\$ -
Expenditures:				
Current:				
Housing operations	70	70	-	70
Net change in fund balance	(67)	(67)	3	70
Fund balance, beginning	2,652	2,652	2,652	-
Fund balance, ending	<u>\$ 2,585</u>	<u>\$ 2,585</u>	<u>\$ 2,655</u>	<u>\$ 70</u>

Sacramento Housing and Redevelopment Agency
City ROSS PH FSS Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 69	\$ 69	\$ 69	\$ -
Expenditures:				
Current:				
Housing operations	69	69	69	-
Net change in fund balances	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Sacramento Housing and Redevelopment Agency
County ROSS PH FSS Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 88	\$ 138	\$ 116	\$ (22)
Expenditures:				
Current:				
Housing operations	157	138	116	22
Net change in fund balance	(69)	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ (69)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Sacramento Housing and Redevelopment Agency
City ROSS Service Coordinator Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 425	\$ 425	\$ 101	\$ (324)
Expenditures:				
Current:				
Housing operations	425	425	101	324
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Sacramento Housing and Redevelopment Agency
City Housing Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 350	\$ 350	\$ 1,970	\$ 1,620
Investment earnings	132	132	245	113
Miscellaneous	-	-	241	241
Total revenues	<u>482</u>	<u>482</u>	<u>2,456</u>	<u>1,974</u>
Expenditures:				
Current:				
Housing operations	<u>1,769</u>	<u>3,261</u>	<u>139</u>	<u>3,122</u>
Net change in fund balance	(1,287)	(2,779)	2,317	5,096
Fund balance, beginning	25,537	25,537	25,537	-
Fund balance, ending	<u>\$ 24,250</u>	<u>\$ 22,758</u>	<u>\$ 27,854</u>	<u>\$ 5,096</u>

**Sacramento Housing and Redevelopment Agency
County Housing Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 250	\$ 250	\$ 393	\$ 143
Investment earnings	160	160	180	20
Total revenues	<u>410</u>	<u>410</u>	<u>573</u>	<u>163</u>
Expenditures:				
Current:				
Housing operations	<u>5,002</u>	<u>5,002</u>	<u>343</u>	<u>4,659</u>
Net change in fund balance	(4,592)	(4,592)	230	4,822
Fund balance, beginning	25,240	25,240	25,240	-
Fund balance, ending	<u><u>\$ 20,648</u></u>	<u><u>\$ 20,648</u></u>	<u><u>\$ 25,470</u></u>	<u><u>\$ 4,822</u></u>

Sacramento Housing and Redevelopment Agency
City Inclusionary Housing Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Charges for services	\$ 500	\$ -	\$ -	\$ -
Investment earnings	-	-	1	1
Total revenues	<u>500</u>	<u>-</u>	<u>1</u>	<u>1</u>
Expenditures:				
Current:				
Housing operations	<u>609</u>	<u>208</u>	<u>14</u>	<u>194</u>
Net change in fund balance	(109)	(208)	(13)	195
Fund balance, beginning	75	75	75	-
Fund balance (deficit), ending	<u><u>\$ (34)</u></u>	<u><u>\$ (133)</u></u>	<u><u>\$ 62</u></u>	<u><u>\$ 195</u></u>

**Sacramento Housing and Redevelopment Agency
County Affordable Housing Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,500	\$ 1,500	\$ 1,813	\$ 313
Investment earnings	15	15	30	15
Miscellaneous	-	-	16	16
Total revenues	<u>1,515</u>	<u>1,515</u>	<u>1,859</u>	<u>344</u>
Expenditures:				
Current:				
Housing operations	<u>3,361</u>	<u>3,361</u>	<u>83</u>	<u>3,278</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,846)</u>	<u>(1,846)</u>	<u>1,776</u>	<u>3,622</u>
Other financing sources (uses):				
Transfers in	<u>-</u>	<u>-</u>	<u>14</u>	<u>14</u>
Net change in fund balance	(1,846)	(1,846)	1,790	3,636
Fund balance, beginning	4,072	4,072	4,072	-
Fund balance, ending	<u>\$ 2,226</u>	<u>\$ 2,226</u>	<u>\$ 5,862</u>	<u>\$ 3,636</u>

Sacramento Housing and Redevelopment Agency
County State/Local Housing Grants Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
Revenues:				
Investment earnings	\$ 1	\$ 1	\$ 1	\$ -
Expenditures:				
Current:				
Community development	109	-	-	-
Excess (deficiency) of revenues over (under) expenditures	(108)	1	1	-
Other financing sources (uses):				
Transfers out	(122)	(122)	(121)	1
Net change in fund balances	(230)	(121)	(120)	1
Fund balance, beginning	-	120	120	-
Fund balance, ending	<u>\$ (230)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ 1</u>

Sacramento Housing and Redevelopment Agency
City CNI Planning Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 79	\$ 79	\$ 18	\$ (61)
Expenditures:				
Current:				
Housing operations	79	79	18	61
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Sacramento Housing and Redevelopment Agency
County Shelter Plus Care Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
Local Housing Revenue Special Revenue Fund
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	<u>\$ 4,525</u>	<u>\$ 4,525</u>	<u>\$ 4,115</u>	<u>\$ (410)</u>
Expenditures:				
Current:				
Housing operations	<u>4,525</u>	<u>4,525</u>	<u>4,115</u>	<u>410</u>
Net change in fund balance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Sacramento Housing and Redevelopment Agency
County CNI Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 21,000	\$ 30,000	\$ -	\$ (30,000)
Expenditures:				
Current:				
Housing operations	175	175	554	(379)
Capital outlay	19,250	29,825	-	29,825
Total expenditures	19,425	30,000	554	29,446
Net change in fund balance	1,575	-	(554)	(554)
Fund balance, beginning	-	-	-	-
Fund balance, ending	\$ 1,575	\$ -	\$ (554)	\$ (554)

Sacramento Housing and Redevelopment Agency
City Jobs Plus Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 2,700	\$ 107	\$ (2,593)
Expenditures:				
Current:				
Housing operations	-	2,700	107	2,593
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Sacramento Housing and Redevelopment Agency
City MIHO Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ 500	\$ 565	\$ 65
Expenditures:				
Current:				
Community development	-	401	17	384
Net change in fund balance	-	99	548	449
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ 99</u>	<u>\$ 548</u>	<u>\$ 449</u>

Sacramento Housing and Redevelopment Agency
County AHO Monitoring Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ -	\$ 128	\$ 128	\$ -
Investment earnings	-	-	1	1
Total revenues	<u>-</u>	<u>128</u>	<u>129</u>	<u>1</u>
Net change in fund balance	-	128	129	1
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ 128</u>	<u>\$ 129</u>	<u>\$ 1</u>

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Nonmajor Community Development

Special Revenue Funds

- ◆ **County Economic Development Activities** accounts for various economic development projects in the County of Sacramento.
- ◆ **City and County Miscellaneous Development Grants** account for various economic development activities in the City and County of Sacramento.
- ◆ **Shasta Trust** is used to account for funds legally required to be set aside for the Shasta Hotel Corporation.
- ◆ **City BEGIN** accounts for loans on behalf of the federal government.
- ◆ **BEGIN State Prop 46** accounts for loans on behalf of the state government.
- ◆ **City and County CalHOME** is a state program that provides loans for low-income housing residents within the City and County of Sacramento.
- ◆ **City and County American Dream Downpayment Initiative (ADDI)** is a program that provides assistance to low-income, first-time homebuyers which can be used for the down payment, closing costs, and rehabilitation that is completed in conjunction with a home purchase within the City and County of Sacramento.
- ◆ **Mental Health Services** accounts for a one-time California Department of Mental Health grant provided to the County Department of Health and Human Services. Funding is to invest in the development and/or rehabilitation of permanent supportive housing units for homeless adults, transition age youth, and children and families with psychiatric disabilities residing in Sacramento County.
- ◆ **City Globe Mills Economic Development Initiative Grant (EDI)** provides for the construction and rehabilitation of the Globe Mills housing project.
- ◆ **City and County Community Development Block Grant (CDBG) program** enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income.
- ◆ **City and County CDBG Neighborhood Stabilization Program (NSP 1 and NSP 3)** were established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment.
- ◆ **City and County Section 108 Programs** account for the acquisition of land, buildings, rehabilitation of various redevelopment activities. These funds are collateralized by and payable from future CDBG entitlements.
- ◆ **City and County Non-housing Project Delivery** accounts for the reimbursement of non-housing related obligations of the former City and County Redevelopment Agencies that are owed to the Agency from the City and County Redevelopment Agency Successor Agencies (RASA).
- ◆ **County 12th Street Triangle** accounts for billboard rent revenue that will be used for property maintenance costs.

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2016
(amounts expressed in thousands)

	County Economic Development Activities	City Misc Development Grants	County Misc Development Grants	Shasta Trust	City BEGIN
Assets					
Cash and investments	\$ 109	\$ 178	\$ 429	\$ 22	\$ 24
Accounts receivable	-	-	-	-	-
Due from other governments	-	-	-	-	-
Notes receivable (net)	-	15	116	-	75
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	44	-	-
Total assets	<u>\$ 109</u>	<u>\$ 193</u>	<u>\$ 589</u>	<u>\$ 22</u>	<u>\$ 99</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deposit and trust liability	-	4	44	-	-
Advances from other funds	-	-	2,034	-	-
Total liabilities	<u>-</u>	<u>4</u>	<u>2,078</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>75</u>
Fund Balances (Deficits)					
Restricted for:					
Debt service	-	-	-	-	-
Community development	109	189	179	22	24
Unassigned	-	-	(1,668)	-	-
Total fund balances (deficits)	<u>109</u>	<u>189</u>	<u>(1,489)</u>	<u>22</u>	<u>24</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 109</u>	<u>\$ 193</u>	<u>\$ 589</u>	<u>\$ 22</u>	<u>\$ 99</u>

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2016
(amounts expressed in thousands)

	BEGIN State Prop 46	City CalHOME	County CalHOME	City ADDI	County ADDI	Mental Health Services
Assets						
Cash and investments	\$ 83	\$ 1,194	\$ 686	\$ 26	\$ 50	\$ 1,192
Accounts receivable	-	-	-	-	-	-
Due from other governments	-	-	240	-	-	-
Notes receivable (net)	1,681	5,902	5,411	103	119	325
Advances to other funds	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-
Total assets	<u>\$ 1,764</u>	<u>\$ 7,096</u>	<u>\$ 6,337</u>	<u>\$ 129</u>	<u>\$ 169</u>	<u>\$ 1,517</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ 13
Accrued liabilities	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Deposit and trust liability	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>-</u>	<u>13</u>
Deferred Inflows of Resources						
Unavailable revenue	<u>1,681</u>	<u>5,902</u>	<u>5,411</u>	<u>103</u>	<u>119</u>	<u>-</u>
Fund Balances (Deficits)						
Restricted for:						
Debt service	-	-	-	-	-	-
Community development	83	1,194	925	26	50	1,504
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>83</u>	<u>1,194</u>	<u>925</u>	<u>26</u>	<u>50</u>	<u>1,504</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,764</u>	<u>\$ 7,096</u>	<u>\$ 6,337</u>	<u>\$ 129</u>	<u>\$ 169</u>	<u>\$ 1,517</u>

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2016
(amounts expressed in thousands)

	City Globe Mills EDI	City CDBG	County CDBG	City CDBG-NSP 1	County CDBG-NSP 1	City CDBG - NSP 3
Assets						
Cash and investments	\$ -	\$ 337	\$ 1,577	\$ -	\$ -	\$ 833
Accounts receivable	-	4	1	-	-	-
Due from other governments	-	174	194	-	-	-
Notes receivable (net)	2,000	6,936	4,031	-	7,964	180
Advances to other funds	-	203	460	-	-	-
Restricted cash and investments	-	-	-	-	-	-
Total assets	<u>\$ 2,000</u>	<u>\$ 7,654</u>	<u>\$ 6,263</u>	<u>\$ -</u>	<u>\$ 7,964</u>	<u>\$ 1,013</u>
Liabilities						
Accounts payable	\$ -	\$ 158	\$ 168	\$ -	\$ -	\$ 21
Accrued liabilities	-	1	4	-	-	-
Due to other governments	-	2	19	-	-	-
Deposit and trust liability	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>161</u>	<u>191</u>	<u>-</u>	<u>-</u>	<u>21</u>
Deferred Inflows of Resources						
Unavailable revenue	<u>2,000</u>	<u>6,936</u>	<u>4,031</u>	<u>-</u>	<u>7,964</u>	<u>180</u>
Fund Balances (Deficits)						
Restricted for:						
Debt service	-	-	-	-	-	-
Community development	-	557	2,041	-	-	812
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>557</u>	<u>2,041</u>	<u>-</u>	<u>-</u>	<u>812</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 2,000</u>	<u>\$ 7,654</u>	<u>\$ 6,263</u>	<u>\$ -</u>	<u>\$ 7,964</u>	<u>\$ 1,013</u>

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2016
(amounts expressed in thousands)

	County CDBG - NSP 3	City Section 108	City Non-housing Project Delivery	County Non-housing Project Delivery	County 12th Street Triangle	Total
Assets						
Cash and investments	\$ 371	\$ -	\$ -	\$ -	\$ 1	\$ 7,112
Accounts receivable	-	-	-	-	-	5
Due from other governments	-	-	-	-	-	608
Notes receivable (net)	66	5,500	-	-	-	40,424
Advances to other funds	1,006	-	-	-	-	1,669
Restricted cash and investments	-	3	-	-	-	47
Total assets	<u>\$ 1,443</u>	<u>\$ 5,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 49,865</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 361
Accrued liabilities	-	-	-	-	-	5
Due to other governments	-	-	-	-	-	21
Deposit and trust liability	-	-	-	-	-	48
Advances from other funds	-	-	-	-	-	2,034
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,469</u>
Deferred Inflows of Resources						
Unavailable revenue	<u>66</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>34,468</u>
Fund Balances (Deficits)						
Restricted for:						
Debt service	-	3	-	-	-	3
Community development	1,377	5,500	-	-	1	14,593
Unassigned	-	-	-	-	-	(1,668)
Total fund balances (deficits)	<u>1,377</u>	<u>5,503</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>12,928</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,443</u>	<u>\$ 5,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 49,865</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	County Economic Development Activities	City Misc Development Grants	County Misc Development Grants	Shasta Trust	City BEGIN
Revenues:					
Intergovernmental	\$ -	\$ 150	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Investment earnings	1	-	2	-	-
Miscellaneous	-	4	1	-	3
Total revenues	<u>1</u>	<u>154</u>	<u>3</u>	<u>-</u>	<u>3</u>
Expenditures:					
Current:					
Community development	-	26	15	-	-
Community social services	-	-	-	-	-
Capital outlay	-	128	-	-	-
Total expenditures	<u>-</u>	<u>154</u>	<u>15</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1</u>	<u>-</u>	<u>(12)</u>	<u>-</u>	<u>3</u>
Other financing sources (uses):					
Proceeds from sale of capital assets	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1	-	(12)	-	3
Fund balances (deficits), beginning	108	189	(1,477)	22	21
Fund balances (deficits), ending	<u>\$ 109</u>	<u>\$ 189</u>	<u>\$ (1,489)</u>	<u>\$ 22</u>	<u>\$ 24</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	BEGIN State Prop 46	City CalHOME	County CalHOME	City ADDI	County ADDI	Mental Health Services
Revenues:						
Intergovernmental	\$ 142	\$ 432	\$ 911	\$ -	\$ -	\$ -
Charges for services	3	-	1	-	-	-
Investment earnings	12	78	57	-	-	15
Miscellaneous	56	464	302	-	-	-
Total revenues	<u>213</u>	<u>974</u>	<u>1,271</u>	<u>-</u>	<u>-</u>	<u>15</u>
Expenditures:						
Current:						
Community development	191	680	916	-	-	139
Community social services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Total expenditures	<u>191</u>	<u>680</u>	<u>916</u>	<u>-</u>	<u>-</u>	<u>139</u>
Excess (deficiency) of revenues over (under) expenditures	<u>22</u>	<u>294</u>	<u>355</u>	<u>-</u>	<u>-</u>	<u>(124)</u>
Other financing sources (uses):						
Proceeds from sale of capital assets	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	22	294	355	-	-	(124)
Fund balances (deficits), beginning	61	900	570	26	50	1,628
Fund balances (deficits), ending	<u>\$ 83</u>	<u>\$ 1,194</u>	<u>\$ 925</u>	<u>\$ 26</u>	<u>\$ 50</u>	<u>\$ 1,504</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	City Globe Mills EDI	City CDBG	County CDBG	City CDBG-NSP 1	County CDBG-NSP 1	City CDBG - NSP 3
Revenues:						
Intergovernmental	\$ -	\$ 7,637	\$ 5,264	\$ 161	\$ 92	\$ -
Charges for services	-	-	-	-	-	-
Investment earnings	-	110	50	-	-	-
Miscellaneous	-	310	220	-	-	377
Total revenues	-	8,057	5,534	161	92	377
Expenditures:						
Current:						
Community development	-	4,666	4,318	161	92	489
Community social services	-	672	887	-	-	-
Capital outlay	-	2,094	479	-	-	50
Total expenditures	-	7,432	5,684	161	92	539
Excess (deficiency) of revenues over (under) expenditures	-	625	(150)	-	-	(162)
Other financing sources (uses):						
Proceeds from sale of capital assets	-	-	-	-	-	180
Transfers out	-	(385)	-	-	-	-
Total other financing sources	-	(385)	-	-	-	180
Net change in fund balances	-	240	(150)	-	-	18
Fund balances (deficits), beginning	-	317	2,191	-	-	794
Fund balances (deficits), ending	\$ -	\$ 557	\$ 2,041	\$ -	\$ -	\$ 812

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	County CDBG - NSP 3	City Section 108	City Non-housing Project Delivery	County Non-housing Project Delivery	County 12th Street Triangle	Total
Revenues:						
Intergovernmental	\$ -	\$ -	\$ 812	\$ 275	\$ -	\$ 15,876
Charges for services	-	-	-	-	1	5
Investment earnings	-	-	-	-	-	325
Miscellaneous	175	-	-	-	-	1,912
Total revenues	<u>175</u>	<u>-</u>	<u>812</u>	<u>275</u>	<u>1</u>	<u>18,118</u>
Expenditures:						
Current:						
Community development	363	-	-	-	-	12,056
Community social services	-	-	-	-	-	1,559
Capital outlay	-	-	-	-	-	2,751
Total expenditures	<u>363</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,366</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(188)</u>	<u>-</u>	<u>812</u>	<u>275</u>	<u>1</u>	<u>1,752</u>
Other financing sources (uses):						
Proceeds from sale of capital assets	66	-	-	-	-	246
Transfers out	-	-	(812)	(275)	-	(1,472)
Total other financing sources	<u>66</u>	<u>-</u>	<u>(812)</u>	<u>(275)</u>	<u>-</u>	<u>(1,226)</u>
Net change in fund balances	(122)	-	-	-	1	526
Fund balances (deficits), beginning	1,499	5,503	-	-	-	12,402
Fund balances (deficits), ending	<u>\$ 1,377</u>	<u>\$ 5,503</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 12,928</u>

Nonmajor Community Services Special Revenue Funds

- ◆ **City Housing Opportunities for Persons with AIDS (HOPWA)** provides housing assistance and related support services to persons with AIDS.
- ◆ **City and County Emergency Solutions Grant (ESG)** provides assistance to rehabilitate and operate emergency shelters and transitional housing, provide essential social services and prevent homelessness.
- ◆ **County TLCS** provides assistance for mental health recovery services.
- ◆ **City Comprehensive Alcohol Treatment Center (CATC)** provides funding for alcohol recovery services and barrier free shelter for homeless serial inebriates.

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Services Special Revenue Funds
December 31, 2016
(amounts expressed in thousands)

	City HOPWA	City ESG	County ESG	City CATC	Total
Assets					
Cash and investments	\$ 416	\$ -	\$ 126	\$ -	\$ 542
Due from other governments	181	36	64	260	541
Total assets	<u>\$ 597</u>	<u>\$ 36</u>	<u>\$ 190</u>	<u>\$ 260</u>	<u>\$ 1,083</u>
Liabilities					
Accounts payable	\$ 106	\$ 20	\$ 42	\$ 79	\$ 247
Due to other funds	-	16	22	181	219
Due to other governments	-	-	126	-	126
Total liabilities	<u>106</u>	<u>36</u>	<u>190</u>	<u>260</u>	<u>592</u>
Fund Balances					
Restricted for:					
Community services	491	-	-	-	491
Total fund balances	<u>491</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>491</u>
Total liabilities and fund balances	<u>\$ 597</u>	<u>\$ 36</u>	<u>\$ 190</u>	<u>\$ 260</u>	<u>\$ 1,083</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Services Special Revenue Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	City HOPWA	City ESG	County ESG	City CATC	Total
Revenues:					
Intergovernmental	\$ 899	\$ 441	\$ 483	\$ 832	\$ 2,655
Investment earnings	1	-	-	-	1
Miscellaneous	490	-	-	-	490
Total revenues	<u>1,390</u>	<u>441</u>	<u>483</u>	<u>832</u>	<u>3,146</u>
Expenditures:					
Current:					
Community social services	<u>899</u>	<u>441</u>	<u>483</u>	<u>770</u>	<u>2,593</u>
Net change in fund balances	491	-	-	62	553
Fund balances, beginning	-	-	-	(62)	(62)
Fund balances (deficits), ending	<u>\$ 491</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491</u>

Sacramento Housing and Redevelopment Agency
City HOPWA Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 1,750	\$ 910	\$ 899	\$ (11)
Investment earnings	-	-	1	1
Miscellaneous	-	490	490	-
Total revenues	<u>1,750</u>	<u>1,400</u>	<u>1,390</u>	<u>(10)</u>
Expenditures:				
Current:				
Community social services	<u>1,880</u>	<u>1,032</u>	<u>899</u>	<u>133</u>
Net change in fund balance	(130)	368	491	123
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ (130)</u>	<u>\$ 368</u>	<u>\$ 491</u>	<u>\$ 123</u>

Sacramento Housing and Redevelopment Agency
City ESG Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 390	\$ 390	\$ 441	\$ 51
Expenditures:				
Current:				
Community social services	622	622	441	181
Net change in fund balance	(232)	(232)	-	232
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	<u>\$ (232)</u>	<u>\$ (232)</u>	<u>\$ -</u>	<u>\$ 232</u>

Sacramento Housing and Redevelopment Agency
County ESG Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 429	\$ 457	\$ 483	\$ 26
Expenditures:				
Current:				
Community social services	695	723	483	240
Net change in fund balance	(266)	(266)	-	266
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	<u>\$ (266)</u>	<u>\$ (266)</u>	<u>\$ -</u>	<u>\$ 266</u>

Sacramento Housing and Redevelopment Agency
City CATC Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ 708	\$ 832	\$ 124
Expenditures:				
Current:				
Community social services	532	1,218	770	448
Net change in fund balance	(532)	(510)	62	572
Fund balance, beginning	(62)	(62)	(62)	-
Fund balance (deficit), ending	<u>\$ (594)</u>	<u>\$ (572)</u>	<u>\$ -</u>	<u>\$ 572</u>

Nonmajor Local Tax Special Revenue Funds

- ◆ **City Local Tax** accounts for the City Public Housing portion of payments in lieu of taxes. The resources are used for community service programs.
- ◆ **County Local Tax** accounts for the County Public Housing portion of payments in lieu of taxes. The resources are used for community service programs.
- ◆ **City Supplemental Admin Fees** accounts for fees collected from multifamily low-income housing developments which were financed with Mortgage Revenue Bonds issued by the Housing Authority. The resources are used for community service programs in the City of Sacramento.
- ◆ **County Supplemental Admin Fees** accounts for fees collected from multifamily low-income housing developments which were financed with Mortgage Revenue Bonds issued by the Housing Authority. The resources are used for community service programs in the County of Sacramento.

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Local Tax Special Revenue Funds
December 31, 2016
(amounts expressed in thousands)

	City Local Tax	County Local Tax	City Supplemental Admin Fees	County Supplemental Admin Fees	Total
Assets					
Cash and investments	\$ 36	\$ 11	\$ 1,348	\$ 724	\$ 2,119
Liabilities					
Accounts payable	\$ 65	\$ -	\$ 27	\$ -	\$ 92
Fund Balances (Deficits)					
Restricted for:					
Community services	-	11	1,321	724	2,056
Unassigned:	(29)	-	-	-	(29)
Total fund balances (deficits)	(29)	11	1,321	724	2,027
Total liabilities and fund balances (deficits)	\$ 36	\$ 11	\$ 1,348	\$ 724	\$ 2,119

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Local Tax Special Revenue Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>City Local Tax</u>	<u>County Local Tax</u>	<u>City Supplemental Admin Fees</u>	<u>County Supplemental Admin Fees</u>	<u>Total</u>
Revenues:					
Intergovernmental	\$ 229	\$ 125	\$ -	\$ -	\$ 354
Charges for services	-	-	587	565	1,152
Investment earnings	1	-	12	6	19
Total revenues	<u>230</u>	<u>125</u>	<u>599</u>	<u>571</u>	<u>1,525</u>
Expenditures:					
Current:					
Community social services	<u>392</u>	<u>102</u>	<u>282</u>	<u>314</u>	<u>1,090</u>
Net change in fund balances	(162)	23	317	257	435
Fund balances, beginning	133	(12)	1,004	467	1,592
Fund balances (deficits), ending	<u>\$ (29)</u>	<u>\$ 11</u>	<u>\$ 1,321</u>	<u>\$ 724</u>	<u>\$ 2,027</u>

Sacramento Housing and Redevelopment Agency
City Local Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
Intergovernmental	\$ 227	\$ 227	\$ 229	\$ 2
Investment earnings	1	1	1	-
Total revenues	<u>228</u>	<u>228</u>	<u>230</u>	<u>2</u>
Expenditures:				
Current:				
Community social services	<u>392</u>	<u>392</u>	<u>392</u>	<u>-</u>
Net change in fund balance	(164)	(164)	(162)	2
Fund balance, beginning	133	133	133	-
Fund balance, ending	<u>\$ (31)</u>	<u>\$ (31)</u>	<u>\$ (29)</u>	<u>\$ 2</u>

Sacramento Housing and Redevelopment Agency
County Local Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 113	\$ 113	\$ 125	\$ 12
Expenditures:				
Current:				
Community social services	102	102	102	-
Net change in fund balance	11	11	23	12
Fund balance, beginning	(12)	(12)	(12)	-
Fund balance (deficit), ending	<u>\$ (1)</u>	<u>\$ (1)</u>	<u>\$ 11</u>	<u>\$ 12</u>

Sacramento Housing and Redevelopment Agency
City Supplemental Admin Fees Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
Revenues:				
Charges for services	\$ 560	\$ 560	\$ 587	\$ 27
Investment earnings	-	-	12	12
Total revenues	560	560	599	39
Expenditures:				
Current:				
Community social services	344	651	282	369
Net change in fund balance	216	(91)	317	408
Fund balance, beginning	1,004	1,004	1,004	-
Fund balance, ending	<u>\$ 1,220</u>	<u>\$ 913</u>	<u>\$ 1,321</u>	<u>\$ 408</u>

Sacramento Housing and Redevelopment Agency
County Supplemental Admin Fees Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 555	\$ 555	\$ 565	\$ 10
Investment earnings	-	-	6	6
Total revenues	<u>555</u>	<u>555</u>	<u>571</u>	<u>16</u>
Expenditures:				
Current:				
Community social services	<u>488</u>	<u>488</u>	<u>314</u>	<u>174</u>
Net change in fund balance	67	67	257	190
Fund balance, beginning	467	467	467	-
Fund balance (deficit), ending	<u>\$ 534</u>	<u>\$ 534</u>	<u>\$ 724</u>	<u>\$ 190</u>

Nonmajor Debt Service Funds

The debt service funds are used to account for the accumulation of resources and payment of long-term debt principal and interest. Enterprise debt is included in the enterprise funds. The following funds account for the accumulation of monies for payment of interest and principal on notes and loans issued to finance capital improvements and redevelopment:

- ◆ **City CDBG**
- ◆ **County CHFA HELP**

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2016
(amounts expressed in thousands)

	City CDBG	County CHFA HELP	Total
Assets			
Cash and investments	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>
Fund Balances			
Restricted for:			
Debt service	\$ -	\$ -	\$ -
	<u> </u>	<u> </u>	<u> </u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	City CDBG	County CHFA HELP	Total
Expenditures:			
Debt service:			
Principal retirement	\$ 335	\$ 53	\$ 388
Interest	50	1	51
Total expenditures	<u>385</u>	<u>54</u>	<u>439</u>
Deficiency of revenues under expenditures	<u>(385)</u>	<u>(54)</u>	<u>(439)</u>
Other financing sources:			
Transfers in	<u>385</u>	<u>54</u>	<u>439</u>
Net change in fund balances	-	-	-
Fund balances, beginning	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Sacramento Housing and Redevelopment Agency
City CDBG Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures:				
Debt service:				
Principal retirement	\$ 335	\$ 335	\$ 335	\$ -
Interest	50	50	50	-
Total expenditures	<u>385</u>	<u>385</u>	<u>385</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(385)</u>	<u>(385)</u>	<u>(385)</u>	<u>-</u>
Other financing sources:				
Transfers in	<u>385</u>	<u>385</u>	<u>385</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Sacramento Housing and Redevelopment Agency
County CHFA HELP Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Expenditures:				
Debt service:				
Principal retirement	\$ 54	\$ 54	\$ 53	\$ 1
Interest	2	2	1	1
Total expenditures	<u>56</u>	<u>56</u>	<u>54</u>	<u>2</u>
Deficiency of revenues under expenditures	<u>(56)</u>	<u>(56)</u>	<u>(54)</u>	<u>2</u>
Other financing sources:				
Transfers in	<u>56</u>	<u>56</u>	<u>54</u>	<u>(2)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

Nonmajor Capital Projects Funds

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- ◆ **City and County Capital Fund Programs** account for the modernization and rehabilitation of Agency operated low-income housing funded by the U.S. Department of Housing and Urban Development.
- ◆ **City and County Section 32** accounts for the rehabilitation and sale of single-family public housing units to eligible low-income residents in the City and County of Sacramento.
- ◆ **City and County Section 32 Purchase and Resale Entity (PRE)** accounts for the acquisition and resale of single-family public housing units to eligible low-income residents in the City and County of Sacramento.
- ◆ **City and County Public Housing Homeownership** accounts for the rehabilitation and sale of single-family public housing units to eligible public housing residents in the City and County of Sacramento.
- ◆ **City Commerce Circle** accounts for proceeds relating to the sale of 320 Commerce Circle.

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016
(amounts expressed in thousands)

	City Capital Fund	County Capital Fund	City Section 32	City Section 32 PRE	City Public Housing Homeownership
Assets					
Cash and investments	\$ -	\$ -	\$ 110	\$ 1,526	\$ 405
Accounts receivable (net)	-	-	-	-	-
Due from other governments	708	446	-	-	-
Notes receivable (net)	-	-	-	-	1,964
Assets held for resale	-	-	-	4,344	-
Total assets	\$ 708	\$ 446	\$ 110	\$ 5,870	\$ 2,369
Liabilities					
Accounts payable	\$ 59	\$ 1	\$ 20	\$ -	\$ 1
Accrued liabilities	1	-	-	-	-
Contracts payable	78	21	-	-	-
Due to other funds	570	424	-	-	-
Advances from other funds	-	-	-	5,241	-
Total liabilities	708	446	20	5,241	1
Fund Balances					
Restricted for:					
Housing	-	-	90	629	2,368
Total liabilities and fund balances	\$ 708	\$ 446	\$ 110	\$ 5,870	\$ 2,369

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2016
(amounts expressed in thousands)

	County Section 32	County Section 32 PRE	County Public Housing Homeownership	City Commerce Circle	Total
Assets					
Cash and investments	\$ 291	\$ -	\$ 511	\$ 1,311	\$ 4,154
Accounts receivable (net)	-	-	75	-	75
Due from other governments	-	-	-	-	1,154
Notes receivable (net)	-	-	2,133	-	4,097
Assets held for resale	-	2,551	-	-	6,895
Total assets	<u>\$ 291</u>	<u>\$ 2,551</u>	<u>\$ 2,719</u>	<u>\$ 1,311</u>	<u>\$ 16,375</u>
Liabilities					
Accounts payable	\$ 1	\$ -	\$ 2	\$ -	\$ 84
Accrued liabilities	-	-	-	-	1
Contracts payable	9	-	21	-	129
Due to other funds	-	-	-	-	994
Advances from other funds	-	2,551	-	-	7,792
Total liabilities	<u>10</u>	<u>2,551</u>	<u>23</u>	<u>-</u>	<u>9,000</u>
Fund Balances					
Restricted for:					
Housing	<u>281</u>	<u>-</u>	<u>2,696</u>	<u>1,311</u>	<u>7,375</u>
Total liabilities and fund balances	<u>\$ 291</u>	<u>\$ 2,551</u>	<u>\$ 2,719</u>	<u>\$ 1,311</u>	<u>\$ 16,375</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	City Capital Fund	County Capital Fund	City Section 32	City Section 32 PRE	City Public Housing Homeownership
Revenues:					
Intergovernmental	\$ 2,697	\$ 1,742	\$ -	\$ -	\$ -
Investment earnings	-	-	8	5	33
Miscellaneous	-	1	-	731	-
Total revenues	<u>2,697</u>	<u>1,743</u>	<u>8</u>	<u>736</u>	<u>33</u>
Expenditures:					
Current:					
Housing operations	485	171	1,163	107	944
Capital outlay	1,904	681	-	-	-
Total expenditures	<u>2,389</u>	<u>852</u>	<u>1,163</u>	<u>107</u>	<u>944</u>
Excess (deficiency) of revenues over (under) expenditures	<u>308</u>	<u>891</u>	<u>(1,155)</u>	<u>629</u>	<u>(911)</u>
Other financing uses:					
Transfers out	<u>(308)</u>	<u>(706)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	185	(1,155)	629	(911)
Fund balances (deficits), beginning	-	(185)	1,245	-	3,279
Fund balances (deficits), ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 90</u>	<u>\$ 629</u>	<u>\$ 2,368</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	County Section 32	County Section 32 PRE	County Public Housing Homeownership	City Commerce Circle	Total
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 4,439
Investment earnings	6	-	27	16	95
Miscellaneous	-	-	-	-	732
Total revenues	<u>6</u>	<u>-</u>	<u>27</u>	<u>16</u>	<u>5,266</u>
Expenditures:					
Current:					
Housing operations	244	-	535	2	3,651
Capital outlay	-	-	-	-	2,585
Total expenditures	<u>244</u>	<u>-</u>	<u>535</u>	<u>2</u>	<u>6,236</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(238)</u>	<u>-</u>	<u>(508)</u>	<u>14</u>	<u>(970)</u>
Other financing uses:					
Transfers out	-	-	-	-	(1,014)
Net change in fund balances	(238)	-	(508)	14	(1,984)
Fund balances (deficits), beginning	519	-	3,204	1,297	9,359
Fund balances (deficits), ending	<u>\$ 281</u>	<u>\$ -</u>	<u>\$ 2,696</u>	<u>\$ 1,311</u>	<u>\$ 7,375</u>

Nonmajor Enterprise Funds

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; where the intent of the Agency is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the Agency has decided that periodic determination of net income is appropriate for measurement and accountability purposes.

The following funds are low-income housing projects owned and/or operated by the Agency.

- ◆ **City Public Housing AMPs 1-5, & 7**
- ◆ **County Public Housing AMPs 1- 5**
- ◆ **San Jose/Broadway**
- ◆ **Scattered Sites**
- ◆ **Larchmont/Wildflower**
- ◆ **Locally Funded Projects**
- ◆ **Riverview Plaza Commercial**
- ◆ **San Carlos Shelter Plus Care**
- ◆ **Phoenix Park**
- ◆ **Norcade Circle**
- ◆ **Villa De Novo**
- ◆ **Auburn/Garfield Property Management**

The following funds support the operations of the low-income housing projects owned and/or operated by the Agency.

- ◆ **City Mod Rehab**
- ◆ **City and County COCC**
- ◆ **Foreclosure Access**
- ◆ **Asset Repositioning**
- ◆ **Mortgage Revenue Bond fund** accounts for the revenue from Mortgage Revenue Bonds and Mortgage Credit Certificates.

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2016
(amounts expressed in thousands)

	City AMP 1	City AMP 2	City AMP 3	City AMP 4	City AMP 5	City AMP 7
Assets						
Current assets:						
Cash and investments	\$ 1,340	\$ 2,150	\$ 2,081	\$ 771	\$ 789	\$ 928
Restricted cash and investments	112	156	89	91	92	56
Accounts receivable (net)	18	30	5	5	7	11
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total current assets	1,470	2,336	2,175	867	888	995
Noncurrent assets:						
Restricted cash and investments	-	-	-	-	-	-
Other long-term assets	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Advances to other funds	-	-	-	3,170	1,158	913
Advances to component units	-	-	-	-	-	-
	-	-	-	3,170	1,158	913
Capital assets:						
Land	377	1,192	1,146	646	2,115	910
Buildings and improvements	5,665	19,357	38,798	17,876	38,348	13,434
Property and equipment	103	271	199	55	94	65
Less accumulated depreciation	(2,430)	(7,735)	(15,108)	(7,155)	(19,903)	(4,825)
Total capital assets (net of accumulated depreciation)	3,715	13,085	25,035	11,422	20,654	9,584
Total noncurrent assets	3,715	13,085	25,035	14,592	21,812	10,497
Total assets	5,185	15,421	27,210	15,459	22,700	11,492
Deferred Outflows of Resources						
Employer contribution made subsequent to the measurement date	57	52	42	37	28	27
Difference between projected and actual earnings on pension plan investments	200	217	127	131	112	116
Total deferred outflows of resources	257	269	169	168	140	143
Liabilities						
Current liabilities:						
Accounts payable	57	40	62	32	41	35
Accrued liabilities	7	7	7	6	5	6
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	18	14	16	1	4	2
Current portion of long-term debt	-	-	-	-	-	-
Current liabilities payable from restricted assets:						
Deposit and trust liability	112	156	89	91	92	56
Total current liabilities	194	217	174	130	142	99
Noncurrent liabilities:						
Mortgage notes payable	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Net pension liability	1,425	1,327	1,051	927	706	683
Total noncurrent liabilities	1,425	1,327	1,051	927	706	683
Total liabilities	1,619	1,544	1,225	1,057	848	782
Deferred Inflows of Resources						
Difference between expected and actual experience	10	10	6	6	5	5
Net Position						
Net investment in capital assets	3,715	13,085	25,035	11,422	20,654	9,584
Restricted for debt service	-	-	-	-	-	-
Restricted for housing operations	-	-	-	-	-	-
Unrestricted	98	1,051	1,113	3,142	1,333	1,264
Total net position	\$ 3,813	\$ 14,136	\$ 26,148	\$ 14,564	\$ 21,987	\$ 10,848

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2016
(amounts expressed in thousands)

	County AMP 1	County AMP 2	County AMP 3	County AMP 5	San Jose/ Broadway
Assets					
Current assets:					
Cash and investments	\$ 351	\$ 169	\$ 211	\$ 477	\$ -
Restricted cash and investments	70	115	169	110	7
Accounts receivable (net)	9	23	17	16	2
Due from other funds	-	-	-	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	<u>430</u>	<u>307</u>	<u>397</u>	<u>603</u>	<u>9</u>
Noncurrent assets:					
Restricted cash and investments	-	-	-	-	175
Other long-term assets	-	-	-	-	-
Notes receivable	-	-	-	-	-
Advances to other funds	-	732	1,819	-	-
Advances to component units	-	-	-	-	-
	<u>-</u>	<u>732</u>	<u>1,819</u>	<u>-</u>	<u>175</u>
Capital assets:					
Land	193	1,731	1,929	1,758	67
Buildings and improvements	12,892	17,235	16,479	54,746	1,195
Property and equipment	116	30	92	85	-
Less accumulated depreciation	(4,789)	(5,681)	(6,349)	(30,953)	(1,127)
Total capital assets (net of accumulated depreciation)	<u>8,412</u>	<u>13,315</u>	<u>12,151</u>	<u>25,636</u>	<u>135</u>
Total noncurrent assets	<u>8,412</u>	<u>14,047</u>	<u>13,970</u>	<u>25,636</u>	<u>310</u>
Total assets	<u>8,842</u>	<u>14,354</u>	<u>14,367</u>	<u>26,239</u>	<u>319</u>
Deferred Outflows of Resources					
Employer contribution made subsequent to the measurement date	32	38	40	43	5
Difference between projected and actual earnings on pension plan investments	87	152	149	143	16
Total deferred outflows of resources	<u>119</u>	<u>190</u>	<u>189</u>	<u>186</u>	<u>21</u>
Liabilities					
Current liabilities:					
Accounts payable	22	26	43	30	8
Accrued liabilities	7	7	6	4	-
Due to other funds	-	-	-	-	63
Due to other governments	-	-	-	-	-
Unearned revenue	8	13	7	9	1
Current portion of long-term debt	-	-	-	-	56
Current liabilities payable from restricted assets:					
Deposit and trust liability	70	115	169	110	7
Total current liabilities	<u>107</u>	<u>161</u>	<u>225</u>	<u>153</u>	<u>135</u>
Noncurrent liabilities:					
Mortgage notes payable	-	-	2,173	-	132
Advances from other funds	-	-	-	-	-
Net pension liability	791	960	1,012	1,064	118
Total noncurrent liabilities	<u>791</u>	<u>960</u>	<u>3,185</u>	<u>1,064</u>	<u>250</u>
Total liabilities	<u>898</u>	<u>1,121</u>	<u>3,410</u>	<u>1,217</u>	<u>385</u>
Deferred Inflows of Resources					
Difference between expected and actual experience	4	7	8	7	1
Net Position					
Net investment in capital assets	8,412	13,315	9,978	25,636	(53)
Restricted for debt service	-	-	-	-	-
Restricted for housing operations	-	-	-	-	175
Unrestricted	(353)	101	1,160	(435)	(168)
Total net position	<u>\$ 8,059</u>	<u>\$ 13,416</u>	<u>\$ 11,138</u>	<u>\$ 25,201</u>	<u>\$ (46)</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2016
(amounts expressed in thousands)

	Scattered Sites	Larchmont/ Wildflower	Locally Funded Projects	Riverview Plaza Commercial	San Carlos Shelter Plus Care
Assets					
Current assets:					
Cash and investments	\$ 85	\$ 374	\$ 349	\$ 404	\$ -
Restricted cash and investments	9	6	52	6	-
Accounts receivable (net)	1	2	13	-	-
Due from other funds	-	-	808	-	-
Due from other governments	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	95	382	1,222	410	-
Noncurrent assets:					
Restricted cash and investments	-	-	-	-	-
Other long-term assets	-	-	-	-	-
Notes receivable	-	-	-	-	295
Advances to other funds	-	-	-	-	-
Advances to component units	-	-	-	-	-
	-	-	-	-	295
Capital assets:					
Land	44	116	2,269	198	-
Buildings and improvements	170	344	6,262	5,552	-
Property and equipment	-	-	89	57	-
Less accumulated depreciation	(169)	(323)	(3,020)	(3,893)	-
Total capital assets (net of accumulated depreciation)	45	137	5,600	1,914	-
Total noncurrent assets	45	137	5,600	1,914	295
Total assets	140	519	6,822	2,324	295
Deferred Outflows of Resources					
Employer contribution made subsequent to the measurement date	2	3	16	1	-
Difference between projected and actual earnings on pension plan investments	11	7	58	6	-
Total deferred outflows of resources	13	10	74	7	-
Liabilities					
Current liabilities:					
Accounts payable	3	2	20	-	-
Accrued liabilities	-	-	3	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	3	-	8	-	-
Current portion of long-term debt	-	-	-	-	-
Current liabilities payable from restricted assets:					
Deposit and trust liability	9	6	52	6	-
Total current liabilities	15	8	83	6	-
Noncurrent liabilities:					
Mortgage notes payable	-	-	-	-	-
Advances from other funds	-	-	410	-	-
Net pension liability	49	75	396	36	-
Total noncurrent liabilities	49	75	806	36	-
Total liabilities	64	83	889	42	-
Deferred Inflows of Resources					
Difference between expected and actual experience	1	-	3	-	-
Net Position					
Net investment in capital assets	45	137	5,600	1,914	-
Restricted for debt service	-	-	-	-	-
Restricted for housing operations	-	-	-	-	-
Unrestricted	43	309	404	375	295
Total net position	\$ 88	\$ 446	\$ 6,004	\$ 2,289	\$ 295

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2016
(amounts expressed in thousands)

	Phoenix Park	City Mod Rehab	Norcade Circle	City COCC	County COCC	Villa De Novo
Assets						
Current assets:						
Cash and investments	\$ 905	\$ 4	\$ 121	\$ 757	\$ 503	\$ 20
Restricted cash and investments	56	-	8	-	-	12
Accounts receivable (net)	16	-	1	-	-	2
Due from other funds	-	-	-	-	-	-
Due from other governments	-	29	-	-	-	-
Prepaid items	1	-	-	-	-	-
Total current assets	978	33	130	757	503	34
Noncurrent assets:						
Restricted cash and investments	-	-	-	-	-	-
Other long-term assets	5,064	-	-	-	-	-
Notes receivable	8,469	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Advances to component units	2,360	-	-	-	-	-
	15,893	-	-	-	-	-
Capital assets:						
Land	456	-	45	-	-	86
Buildings and improvements	3,711	-	1,910	-	-	3,164
Property and equipment	-	-	-	-	-	-
Less accumulated depreciation	(1,182)	-	(135)	-	-	(404)
Total capital assets (net of accumulated depreciation)	2,985	-	1,820	-	-	2,846
Total noncurrent assets	18,878	-	1,820	-	-	2,846
Total assets	19,856	33	1,950	757	503	2,880
Deferred Outflows of Resources						
Employer contribution made subsequent to the measurement date	1	-	-	60	31	2
Difference between projected and actual earnings on pension plan investments	21	-	-	181	147	8
Total deferred outflows of resources	22	-	-	241	178	10
Liabilities						
Current liabilities:						
Accounts payable	38	-	3	5	-	2
Accrued liabilities	4	-	-	3	5	-
Due to other funds	-	30	2	-	-	-
Due to other governments	-	18	-	-	-	-
Unearned revenue	27	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-
Current liabilities payable from restricted assets:						
Deposit and trust liability	56	-	8	-	-	12
Total current liabilities	125	48	13	8	5	14
Noncurrent liabilities:						
Mortgage notes payable	-	-	-	-	-	-
Advances from other funds	203	-	1,466	-	-	-
Net pension liability	28	-	-	1,492	792	64
Total noncurrent liabilities	231	-	1,466	1,492	792	64
Total liabilities	356	48	1,479	1,500	797	78
Deferred Inflows of Resources						
Difference between expected and actual experience	1	-	-	9	7	-
Net Position						
Net investment in capital assets	2,985	-	1,820	-	-	2,846
Restricted for debt service	-	-	-	-	-	-
Restricted for housing operations	-	-	-	-	-	-
Unrestricted	16,536	(15)	(1,349)	(511)	(123)	(34)
Total net position	\$ 19,521	\$ (15)	\$ 471	\$ (511)	\$ (123)	\$ 2,812

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2016
(amounts expressed in thousands)

	Auburn/ Garfield Property Management	Foreclosure Access	Asset Repositioning	Mortgage Revenue Bond	Total
Assets					
Current assets:					
Cash and investments	\$ 414	\$ 41	\$ 343	\$ 7,610	\$ 21,197
Restricted cash and investments	5	-	-	1,436	2,657
Accounts receivable (net)	-	-	55	235	468
Due from other funds	-	-	-	1,368	2,176
Due from other governments	-	-	-	-	29
Prepaid items	-	-	-	-	1
Total current assets	419	41	398	10,649	26,528
Noncurrent assets:					
Restricted cash and investments	-	-	-	261	436
Other long-term assets	-	-	-	-	5,064
Notes receivable	-	-	20,714	557	30,035
Advances to other funds	-	-	-	3,034	10,826
Advances to component units	-	-	-	-	2,360
	-	-	20,714	3,852	48,721
Capital assets:					
Land	-	-	438	-	15,716
Buildings and improvements	-	-	-	-	257,138
Property and equipment	-	-	-	-	1,256
Less accumulated depreciation	-	-	-	-	(115,181)
Total capital assets (net of accumulated depreciation)	-	-	438	-	158,929
Total noncurrent assets	-	-	21,152	3,852	207,650
Total assets	419	41	21,550	14,501	234,178
Deferred Outflows of Resources					
Employer contribution made subsequent to the measurement date	-	-	-	48	565
Difference between projected and actual earnings on pension plan investments	-	-	-	132	2,021
Total deferred outflows of resources	-	-	-	180	2,586
Liabilities					
Current liabilities:					
Accounts payable	8	-	1	14	492
Accrued liabilities	-	-	4	-	81
Due to other funds	-	-	26	-	121
Due to other governments	-	-	-	-	18
Unearned revenue	-	-	-	-	131
Current portion of long-term debt	-	-	-	-	56
Current liabilities payable from restricted assets:					
Deposit and trust liability	5	-	-	1,436	2,657
Total current liabilities	13	-	31	1,450	3,556
Noncurrent liabilities:					
Mortgage notes payable	-	-	-	-	2,305
Advances from other funds	-	-	-	-	2,079
Net pension liability	-	-	-	1,180	14,176
Total noncurrent liabilities	-	-	-	1,180	18,560
Total liabilities	13	-	31	2,630	22,116
Deferred Inflows of Resources					
Difference between expected and actual experience	-	-	-	7	97
Net Position					
Net investment in capital assets	-	-	438	-	156,568
Restricted for debt service	-	-	-	200	200
Restricted for housing operations	-	-	-	61	236
Unrestricted	406	41	21,081	11,783	57,547
Total net position	\$ 406	\$ 41	\$ 21,519	\$ 12,044	\$ 214,551

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	City AMP 1	City AMP 2	City AMP 3	City AMP 4	City AMP 5	City AMP 7
Operating revenues:						
Charges for services	\$ 842	\$ 794	\$ 1,102	\$ 675	\$ 613	\$ 535
Miscellaneous	18	18	5	8	7	6
Total operating revenues	<u>860</u>	<u>812</u>	<u>1,107</u>	<u>683</u>	<u>620</u>	<u>541</u>
Operating expenses:						
Employee services	559	625	367	364	319	327
Administrative services	450	489	413	266	262	244
Services and supplies	1,212	1,081	961	561	645	667
Utilities	322	347	343	252	284	219
Claims and judgements	-	-	-	-	-	-
Depreciation/amortization	149	504	976	461	945	336
Housing assistance payments	-	-	-	-	-	-
Total operating expenses	<u>2,692</u>	<u>3,046</u>	<u>3,060</u>	<u>1,904</u>	<u>2,455</u>	<u>1,793</u>
Operating income (loss)	<u>(1,832)</u>	<u>(2,234)</u>	<u>(1,953)</u>	<u>(1,221)</u>	<u>(1,835)</u>	<u>(1,252)</u>
Nonoperating revenues (expenses):						
Intergovernmental	1,579	1,894	709	868	835	699
Investment earnings	19	26	24	9	10	13
Interest expense	-	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	(383)	-	(129)
Total nonoperating revenues (expenses)	<u>1,598</u>	<u>1,920</u>	<u>733</u>	<u>494</u>	<u>845</u>	<u>583</u>
Income (loss) before contributions and transfers	(234)	(314)	(1,220)	(727)	(990)	(669)
Capital contributions	280	116	425	347	50	153
Transfers in	22	64	65	48	57	52
Transfers out	-	-	-	-	-	-
Change in net position	<u>68</u>	<u>(134)</u>	<u>(730)</u>	<u>(332)</u>	<u>(883)</u>	<u>(464)</u>
Net position, beginning	<u>3,745</u>	<u>14,270</u>	<u>26,878</u>	<u>14,896</u>	<u>22,870</u>	<u>11,312</u>
Net position, ending	<u>\$ 3,813</u>	<u>\$ 14,136</u>	<u>\$ 26,148</u>	<u>\$ 14,564</u>	<u>\$ 21,987</u>	<u>\$ 10,848</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	County AMP 1	County AMP 2	County AMP 3	County AMP 5	San Jose/ Broadway
Operating revenues:					
Charges for services	\$ 430	\$ 747	\$ 810	\$ 525	\$ 57
Miscellaneous	159	9	6	10	1
Total operating revenues	<u>589</u>	<u>756</u>	<u>816</u>	<u>535</u>	<u>58</u>
Operating expenses:					
Employee services	240	449	411	398	55
Administrative services	246	296	365	269	30
Services and supplies	594	717	928	677	134
Utilities	195	264	327	287	14
Claims and judgements	-	3	2	4	-
Depreciation/amortization	328	437	424	1,373	28
Housing assistance payments	16	12	16	19	5
Total operating expenses	<u>1,619</u>	<u>2,178</u>	<u>2,473</u>	<u>3,027</u>	<u>266</u>
Operating income (loss)	<u>(1,030)</u>	<u>(1,422)</u>	<u>(1,657)</u>	<u>(2,492)</u>	<u>(208)</u>
Nonoperating revenues (expenses):					
Intergovernmental	907	879	1,098	1,009	177
Investment earnings	4	2	6	2	1
Interest expense	-	-	-	-	(18)
Loss on disposal of capital assets	-	-	(9)	-	-
Total nonoperating revenues (expenses)	<u>911</u>	<u>881</u>	<u>1,095</u>	<u>1,011</u>	<u>160</u>
Income (loss) before contributions and transfers	(119)	(541)	(562)	(1,481)	(48)
Capital contributions	117	80	547	35	-
Transfers in	145	170	166	492	-
Transfers out	(106)	(104)	(57)	-	-
Change in net position	<u>37</u>	<u>(395)</u>	<u>94</u>	<u>(954)</u>	<u>(48)</u>
Net position, beginning	<u>8,022</u>	<u>13,811</u>	<u>11,044</u>	<u>26,155</u>	<u>2</u>
Net position, ending	<u>\$ 8,059</u>	<u>\$ 13,416</u>	<u>\$ 11,138</u>	<u>\$ 25,201</u>	<u>\$ (46)</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Scattered Sites	Larchmont/ Wildflower	Locally Funded Projects	Riverview Plaza Commercial	San Carlos Shelter Plus Care
Operating revenues:					
Charges for services	\$ 53	\$ 79	\$ 584	\$ 141	\$ -
Miscellaneous	2	1	4	3	-
Total operating revenues	<u>55</u>	<u>80</u>	<u>588</u>	<u>144</u>	<u>-</u>
Operating expenses:					
Employee services	39	22	200	19	-
Administrative services	11	12	107	-	-
Services and supplies	21	40	244	51	-
Utilities	15	17	102	65	-
Claims and judgements	-	-	-	-	-
Depreciation/amortization	4	9	159	143	-
Housing assistance payments	-	-	-	-	-
Total operating expenses	<u>90</u>	<u>100</u>	<u>812</u>	<u>278</u>	<u>-</u>
Operating income (loss)	<u>(35)</u>	<u>(20)</u>	<u>(224)</u>	<u>(134)</u>	<u>-</u>
Nonoperating revenues (expenses):					
Intergovernmental	62	43	163	-	-
Investment earnings	1	4	14	5	-
Interest expense	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>63</u>	<u>47</u>	<u>177</u>	<u>5</u>	<u>-</u>
Income (loss) before contributions and transfers	28	27	(47)	(129)	-
Capital contributions	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Change in net position	<u>28</u>	<u>27</u>	<u>(47)</u>	<u>(129)</u>	<u>-</u>
Net position, beginning	60	419	6,051	2,418	295
Net position, ending	<u>\$ 88</u>	<u>\$ 446</u>	<u>\$ 6,004</u>	<u>\$ 2,289</u>	<u>\$ 295</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Phoenix Park	City Mod Rehab	Norcade Circle	City COCC	County COCC	Villa De Novo
Operating revenues:						
Charges for services	\$ 779	\$ -	\$ 96	\$ 3,375	\$ 3,507	\$ 126
Miscellaneous	32	-	210	22	-	2
Total operating revenues	811	-	306	3,397	3,507	128
Operating expenses:						
Employee services	215	-	16	900	644	28
Administrative services	106	-	-	1,825	2,579	19
Services and supplies	776	-	28	277	168	36
Utilities	74	-	15	-	-	18
Claims and judgements	-	-	-	-	-	-
Depreciation/amortization	93	-	48	-	-	78
Housing assistance payments	-	154	-	-	-	-
Total operating expenses	1,264	154	107	3,002	3,391	179
Operating income (loss)	(453)	(154)	199	395	116	(51)
Nonoperating revenues (expenses):						
Intergovernmental	475	186	2	-	-	-
Investment earnings	367	-	-	2	4	-
Interest expense	(9)	-	-	-	-	-
Loss on disposal of capital assets	-	-	-	-	-	-
Total nonoperating revenues (expenses)	833	186	2	2	4	-
Income (loss) before contributions and transfers	380	32	201	397	120	(51)
Capital contributions	-	-	-	-	-	-
Transfers in	-	-	12	-	-	-
Transfers out	(54)	(32)	-	-	-	-
Change in net position	326	-	213	-	120	(51)
Net position, beginning	19,195	(15)	258	(908)	(243)	2,863
Net position, ending	\$ 19,521	\$ (15)	\$ 471	\$ (511)	\$ (123)	\$ 2,812

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Auburn/ Garfield Property Management	Foreclosure Access	Asset Repositioning	Mortgage Revenue Bond	Total
Operating revenues:					
Charges for services	\$ 61	\$ -	\$ -	\$ 1,776	\$ 17,707
Miscellaneous	1	-	523	35	1,082
Total operating revenues	<u>62</u>	<u>-</u>	<u>523</u>	<u>1,811</u>	<u>18,789</u>
Operating expenses:					
Employee services	-	18	436	344	6,995
Administrative services	-	9	-	217	8,215
Services and supplies	78	2	89	403	10,390
Utilities	30	-	-	-	3,190
Claims and judgements	-	-	-	-	9
Depreciation/amortization	-	-	-	-	6,495
Housing assistance payments	-	-	-	-	222
Total operating expenses	<u>108</u>	<u>29</u>	<u>525</u>	<u>964</u>	<u>35,516</u>
Operating income (loss)	<u>(46)</u>	<u>(29)</u>	<u>(2)</u>	<u>847</u>	<u>(16,727)</u>
Nonoperating revenues (expenses):					
Intergovernmental	-	-	-	-	11,585
Investment earnings	5	1	589	169	1,277
Interest expense	-	-	-	-	(27)
Loss on disposal of capital assets	-	-	-	-	(521)
Total nonoperating revenues (expenses)	<u>5</u>	<u>1</u>	<u>589</u>	<u>169</u>	<u>12,314</u>
Income (loss) before contributions and transfers	(41)	(28)	587	1,016	(4,413)
Capital contributions	-	-	-	-	2,150
Transfers in	-	-	-	-	1,293
Transfers out	-	-	-	-	(353)
Change in net position	<u>(41)</u>	<u>(28)</u>	<u>-</u>	<u>1,016</u>	<u>(1,323)</u>
Net position, beginning	<u>447</u>	<u>69</u>	<u>20,932</u>	<u>11,028</u>	<u>215,874</u>
Net position, ending	<u>\$ 406</u>	<u>\$ 41</u>	<u>\$ 21,519</u>	<u>\$ 12,044</u>	<u>\$ 214,551</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	City AMP 1	City AMP 2	City AMP 3	City AMP 4	City AMP 5	City AMP 7
Cash flows from operating activities:						
Cash receipts from tenants	\$ 870	\$ 823	\$ 1,100	\$ 680	\$ 650	\$ 543
Cash paid to tenants	(9)	-	(1)	(17)	-	(7)
Cash paid to suppliers for goods and services	(1,522)	(1,421)	(1,304)	(827)	(929)	(887)
Cash paid to employees for services	(626)	(675)	(416)	(406)	(343)	(342)
Cash paid for administrative expense	(450)	(489)	(413)	(266)	(262)	(244)
Cash paid for housing assistance payments	-	-	-	-	-	-
Cash paid for judgment and claims	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>(1,737)</u>	<u>(1,762)</u>	<u>(1,034)</u>	<u>(836)</u>	<u>(884)</u>	<u>(937)</u>
Cash flows from noncapital financing activities:						
Transfers in	22	64	65	48	57	52
Transfers out	-	-	-	-	-	-
Intergovernmental revenue received	1,579	1,894	709	868	835	699
Net cash provided by (used in) noncapital financing activities	<u>1,601</u>	<u>1,958</u>	<u>774</u>	<u>916</u>	<u>892</u>	<u>751</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	-	-	-	-	-
Payments on long-term liabilities	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:						
Payment received on notes receivable	-	-	-	-	-	-
Interest received	19	26	24	9	10	13
Net cash provided by investing activities	<u>19</u>	<u>26</u>	<u>24</u>	<u>9</u>	<u>10</u>	<u>13</u>
Net increase (decrease) in cash and cash equivalents	(117)	222	(236)	89	18	(173)
Cash and cash equivalents, beginning	<u>1,569</u>	<u>2,084</u>	<u>2,406</u>	<u>773</u>	<u>863</u>	<u>1,157</u>
Cash and cash equivalents, ending	<u>\$ 1,452</u>	<u>\$ 2,306</u>	<u>\$ 2,170</u>	<u>\$ 862</u>	<u>\$ 881</u>	<u>\$ 984</u>
Reconciliation of cash and cash equivalents to the statement of net position:						
Cash and investments	\$ 1,340	\$ 2,150	\$ 2,081	\$ 771	\$ 789	\$ 928
Restricted cash and investments	<u>112</u>	<u>156</u>	<u>89</u>	<u>91</u>	<u>92</u>	<u>56</u>
Total	<u>\$ 1,452</u>	<u>\$ 2,306</u>	<u>\$ 2,170</u>	<u>\$ 862</u>	<u>\$ 881</u>	<u>\$ 984</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	County AMP 1	County AMP 2	County AMP 3	County AMP 5	San Jose Broadway
Cash flows from operating activities:					
Cash receipts from tenants	\$ 598	\$ 765	\$ 855	\$ 551	\$ 59
Cash paid to tenants	-	-	-	-	-
Cash paid to suppliers for goods and services	(776)	(1,009)	(1,275)	(978)	(82)
Cash paid to employees for services	(282)	(485)	(448)	(448)	(62)
Cash paid for administrative expense	(246)	(296)	(365)	(269)	(30)
Cash paid for housing assistance payments	(16)	(12)	(16)	(19)	(5)
Cash paid for judgment and claims	-	(3)	(2)	(4)	-
Net cash provided by (used in) operating activities	<u>(722)</u>	<u>(1,040)</u>	<u>(1,251)</u>	<u>(1,167)</u>	<u>(120)</u>
Cash flows from noncapital financing activities:					
Transfers in	145	170	62	492	-
Transfers out	(106)	-	(57)	-	-
Intergovernmental revenue received	907	880	1,098	1,009	177
Net cash provided by (used in) noncapital financing activities	<u>946</u>	<u>1,050</u>	<u>1,103</u>	<u>1,501</u>	<u>177</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	-	-	-	-	-
Payments on long-term liabilities	-	-	-	-	(51)
Interest paid	-	-	-	-	(18)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(69)</u>
Cash flows from investing activities:					
Payment received on notes receivable	-	-	-	-	-
Interest received	4	2	6	2	1
Net cash provided by investing activities	<u>4</u>	<u>2</u>	<u>6</u>	<u>2</u>	<u>1</u>
Net increase (decrease) in cash and cash equivalents	228	12	(142)	336	(11)
Cash and cash equivalents, beginning	<u>193</u>	<u>272</u>	<u>522</u>	<u>251</u>	<u>193</u>
Cash and cash equivalents, ending	<u>\$ 421</u>	<u>\$ 284</u>	<u>\$ 380</u>	<u>\$ 587</u>	<u>\$ 182</u>
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and investments	\$ 351	\$ 169	\$ 211	\$ 477	\$ -
Restricted cash and investments	<u>70</u>	<u>115</u>	<u>169</u>	<u>110</u>	<u>182</u>
Total	<u>\$ 421</u>	<u>\$ 284</u>	<u>\$ 380</u>	<u>\$ 587</u>	<u>\$ 182</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Scattered Sites</u>	<u>Larchmont Wildflower</u>	<u>Locally Funded Projects</u>	<u>Riverview Plaza Commercial</u>	<u>San Carlos Shelter Plus Care</u>
Cash flows from operating activities:					
Cash receipts from tenants	\$ 53	\$ 78	\$ (117)	\$ 145	\$ -
Cash paid to tenants	-	-	-	-	-
Cash paid to suppliers for goods and services	(37)	(57)	(341)	(122)	-
Cash paid to employees for services	(40)	(27)	(215)	(20)	-
Cash paid for administrative expense	(11)	(12)	(107)	-	-
Cash paid for housing assistance payments	-	-	-	-	-
Cash paid for judgment and claims	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>(35)</u>	<u>(18)</u>	<u>(780)</u>	<u>3</u>	<u>-</u>
Cash flows from noncapital financing activities:					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Intergovernmental revenue received	62	43	163	-	-
Net cash provided by (used in) noncapital financing activities	<u>62</u>	<u>43</u>	<u>163</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	-	-	-	-	-
Payments on long-term liabilities	-	-	-	-	-
Interest paid	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:					
Payment received on notes receivable	-	-	-	-	-
Interest received	1	4	14	5	-
Net cash provided by investing activities	<u>1</u>	<u>4</u>	<u>14</u>	<u>5</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	28	29	(603)	8	-
Cash and cash equivalents, beginning	<u>66</u>	<u>351</u>	<u>1,004</u>	<u>402</u>	<u>-</u>
Cash and cash equivalents, ending	<u>\$ 94</u>	<u>\$ 380</u>	<u>\$ 401</u>	<u>\$ 410</u>	<u>\$ -</u>
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and investments	\$ 85	\$ 374	\$ 349	\$ 404	\$ -
Restricted cash and investments	<u>9</u>	<u>6</u>	<u>52</u>	<u>6</u>	<u>-</u>
Total	<u>\$ 94</u>	<u>\$ 380</u>	<u>\$ 401</u>	<u>\$ 410</u>	<u>\$ -</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Phoenix Park</u>	<u>City Mod Rehab</u>	<u>Norcade Circle</u>	<u>City COCC</u>	<u>County COCC</u>	<u>Villa De Novo</u>
Cash flows from operating activities:						
Cash receipts from tenants	\$ 921	\$ -	\$ 306	\$ 3,397	\$ 3,507	\$ 133
Cash paid to tenants	-	-	-	-	-	-
Cash paid to suppliers for goods and services	(879)	-	(264)	(275)	(169)	(54)
Cash paid to employees for services	(211)	-	(17)	(997)	(682)	(31)
Cash paid for administrative expense	(106)	-	-	(1,825)	(2,579)	(19)
Cash paid for housing assistance payments	-	(126)	-	-	-	-
Cash paid for judgment and claims	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>(275)</u>	<u>(126)</u>	<u>25</u>	<u>300</u>	<u>77</u>	<u>29</u>
Cash flows from noncapital financing activities:						
Transfers in	-	-	12	-	-	-
Transfers out	(54)	(32)	-	-	-	-
Intergovernmental revenue received	475	157	2	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>421</u>	<u>125</u>	<u>14</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	-	-	-	-	(18)
Payments on long-term liabilities	-	-	-	-	-	-
Interest paid	(9)	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(18)</u>
Cash flows from investing activities:						
Payment received on notes receivable	-	-	-	-	-	-
Interest received	9	-	-	2	4	-
Net cash provided by investing activities	<u>9</u>	<u>-</u>	<u>-</u>	<u>2</u>	<u>4</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	146	(1)	39	302	81	11
Cash and cash equivalents, beginning	<u>815</u>	<u>5</u>	<u>90</u>	<u>455</u>	<u>422</u>	<u>21</u>
Cash and cash equivalents, ending	<u>\$ 961</u>	<u>\$ 4</u>	<u>\$ 129</u>	<u>\$ 757</u>	<u>\$ 503</u>	<u>\$ 32</u>
Reconciliation of cash and cash equivalents to the statement of net position:						
Cash and investments	\$ 905	\$ 4	\$ 121	\$ 757	\$ 503	\$ 20
Restricted cash and investments	<u>56</u>	<u>-</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>12</u>
Total	<u>\$ 961</u>	<u>\$ 4</u>	<u>\$ 129</u>	<u>\$ 757</u>	<u>\$ 503</u>	<u>\$ 32</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Auburn/ Garfield Property Management	Foreclosure Access	Asset Repositioning	Mortgage Revenue Bond	Total
Cash flows from operating activities:					
Cash receipts from tenants	\$ 62	\$ -	\$ 471	\$ 1,249	\$ 17,699
Cash paid to tenants	(2)	-	-	-	(36)
Cash paid to suppliers for goods and services	(105)	(2)	(62)	(397)	(13,774)
Cash paid to employees for services	-	(18)	(432)	(409)	(7,632)
Cash paid for administrative expense	-	(9)	-	(217)	(8,215)
Cash paid for housing assistance payments	-	-	-	-	(194)
Cash paid for judgment and claims	-	-	-	-	(9)
Net cash provided by (used in) operating activities	<u>(45)</u>	<u>(29)</u>	<u>(23)</u>	<u>226</u>	<u>(12,161)</u>
Cash flows from noncapital financing activities:					
Transfers in	-	-	-	-	1,189
Transfers out	-	-	-	-	(249)
Intergovernmental revenue received	-	-	-	-	11,557
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,497</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	-	-	-	-	(18)
Payments on long-term liabilities	-	-	-	-	(51)
Interest paid	-	-	-	-	(27)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(96)</u>
Cash flows from investing activities:					
Payment received on notes receivable	-	-	-	199	199
Interest received	5	1	7	169	337
Net cash provided by investing activities	<u>5</u>	<u>1</u>	<u>7</u>	<u>368</u>	<u>536</u>
Net increase (decrease) in cash and cash equivalents	(40)	(28)	(16)	594	776
Cash and cash equivalents, beginning	<u>459</u>	<u>69</u>	<u>359</u>	<u>8,713</u>	<u>23,514</u>
Cash and cash equivalents, ending	<u>\$ 419</u>	<u>\$ 41</u>	<u>\$ 343</u>	<u>\$ 9,307</u>	<u>\$ 24,290</u>
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and investments	\$ 414	\$ 41	\$ 343	\$ 7,610	\$ 21,197
Restricted cash and investments	<u>5</u>	<u>-</u>	<u>-</u>	<u>1,697</u>	<u>3,093</u>
Total	<u>\$ 419</u>	<u>\$ 41</u>	<u>\$ 343</u>	<u>\$ 9,307</u>	<u>\$ 24,290</u>

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	City AMP 1	City AMP 2	City AMP 3	City AMP 4	City AMP 5	City AMP 7
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (1,832)	\$ (2,234)	\$ (1,953)	\$ (1,221)	\$ (1,835)	\$ (1,252)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation/amortization	149	504	976	461	945	336
Change in assets and liabilities:						
Accounts receivable	1	15	(2)	-	13	4
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Deferred outflows	(28)	(63)	5	(19)	(30)	(38)
Accounts payable	12	7	-	(14)	-	(1)
Accrued liabilities	(25)	(24)	(11)	(16)	(8)	(3)
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Unearned revenue	9	(4)	(5)	(3)	-	(2)
Deposit and trust liability	(9)	-	(1)	(17)	17	(7)
Net pension liability	275	295	178	181	153	158
Deferred inflows	(289)	(258)	(221)	(188)	(139)	(132)
Total adjustments	<u>95</u>	<u>472</u>	<u>919</u>	<u>385</u>	<u>951</u>	<u>315</u>
Net cash provided by (used in) operating activities	<u>\$ (1,737)</u>	<u>\$ (1,762)</u>	<u>\$ (1,034)</u>	<u>\$ (836)</u>	<u>\$ (884)</u>	<u>\$ (937)</u>
Noncash Investing, Capital and Financing Activities:						
Capital assets transferred from governmental funds	\$ 280	\$ 116	\$ 425	\$ 347	\$ 50	\$ 153
Capital assets transferred from other enterprise funds	-	-	-	-	-	-
Capital assets transferred to other enterprise funds	-	-	-	-	-	-
Accrued interest on note receivable	-	-	-	-	-	-

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	County AMP 1	County AMP 2	County AMP 3	County AMP 5	San Jose Broadway
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (1,030)	\$ (1,422)	\$ (1,657)	\$ (2,492)	\$ (208)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/amortization	328	437	424	1,373	28
Change in assets and liabilities:					
Accounts receivable	(1)	5	9	6	-
Due from other funds	-	-	-	-	-
Prepaid items	-	-	3	-	-
Deferred outflows	14	(40)	(28)	(13)	(2)
Accounts payable	13	(28)	(23)	(14)	3
Accrued liabilities	(9)	(15)	(12)	(16)	(3)
Due to other funds	-	-	-	-	63
Due to other governments	-	-	-	-	-
Unearned revenue	6	3	3	2	1
Deposit and trust liability	4	1	27	8	-
Net pension liability	123	208	205	197	22
Deferred inflows	(170)	(189)	(202)	(218)	(24)
Total adjustments	<u>308</u>	<u>382</u>	<u>406</u>	<u>1,325</u>	<u>88</u>
Net cash provided by (used in) operating activities	<u>\$ (722)</u>	<u>\$ (1,040)</u>	<u>\$ (1,251)</u>	<u>\$ (1,167)</u>	<u>\$ (120)</u>
Noncash Investing, Capital and Financing Activities:					
Capital assets transferred from governmental funds	\$ 117	\$ 80	\$ 547	\$ 35	\$ -
Capital assets transferred from other enterprise funds	-	259	363	-	-
Capital assets transferred to other enterprise funds	-	(363)	(259)	-	-
Accrued interest on note receivable	-	-	-	-	-

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Scattered Sites</u>	<u>Larchmont Wildflower</u>	<u>Locally Funded Projects</u>	<u>Riverview Plaza Commercial</u>	<u>San Carlos Shelter Plus Care</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (35)	\$ (20)	\$ (224)	\$ (134)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/amortization	4	9	159	143	-
Change in assets and liabilities:					
Accounts receivable	(1)	-	(4)	1	-
Due from other funds	-	-	(701)	-	-
Prepaid items	-	-	-	-	-
Deferred outflows	(6)	3	(11)	(1)	-
Accounts payable	(1)	-	5	(6)	-
Accrued liabilities	(2)	(1)	(4)	(1)	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenue	(1)	(2)	(2)	-	-
Deposit and trust liability	-	-	2	-	-
Net pension liability	15	10	79	8	-
Deferred inflows	(8)	(17)	(79)	(7)	-
Total adjustments	<u>-</u>	<u>2</u>	<u>(556)</u>	<u>137</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (35)</u>	<u>\$ (18)</u>	<u>\$ (780)</u>	<u>\$ 3</u>	<u>\$ -</u>
Noncash Investing, Capital and Financing Activities:					
Capital assets transferred from governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -
Capital assets transferred from other enterprise funds	-	-	-	-	-
Capital assets transferred to other enterprise funds	-	-	-	-	-
Accrued interest on note receivable	-	-	-	-	-

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Phoenix Park	City Mod Rehab	Norcade Circle	City COCC	County COCC	Villa De Novo
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (453)	\$ (154)	\$ 199	\$ 395	\$ 116	\$ (51)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation/amortization	93	-	48	-	-	78
Change in assets and liabilities:						
Accounts receivable	(9)	-	-	-	-	4
Due from other funds	125	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Deferred outflows	(22)	-	-	6	(60)	1
Accounts payable	(14)	-	-	2	(1)	-
Accrued liabilities	(3)	-	(1)	(42)	(29)	(1)
Due to other funds	(15)	10	(221)	-	-	-
Due to other governments	-	18	-	-	-	-
Unearned revenue	(7)	-	-	-	-	-
Deposit and trust liability	1	-	-	-	-	1
Net pension liability	28	-	-	252	198	11
Deferred inflows	1	-	-	(313)	(147)	(14)
Total adjustments	<u>178</u>	<u>28</u>	<u>(174)</u>	<u>(95)</u>	<u>(39)</u>	<u>80</u>
Net cash provided by (used in) operating activities	<u>\$ (275)</u>	<u>\$ (126)</u>	<u>\$ 25</u>	<u>\$ 300</u>	<u>\$ 77</u>	<u>\$ 29</u>
Noncash Investing, Capital and Financing Activities:						
Capital assets transferred from governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Capital assets transferred from other enterprise funds	-	-	-	-	-	-
Capital assets transferred to other enterprise funds	-	-	-	-	-	-
Accrued interest on note receivable	358	-	-	-	-	-

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	Auburn/ Garfield Property Management	Foreclosure Access	Asset Repositioning	Mortgage Revenue Bond	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (46)	\$ (29)	\$ (2)	\$ 847	\$ (16,727)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/amortization	-	-	-	-	6,495
Change in assets and liabilities:					
Accounts receivable	-	-	(52)	(139)	(150)
Due from other funds	-	-	-	(424)	(1,000)
Prepaid items	-	-	-	-	3
Deferred outflows	-	-	1	18	(313)
Accounts payable	3	-	4	6	(47)
Accrued liabilities	-	-	26	(17)	(217)
Due to other funds	-	-	-	-	(163)
Due to other governments	-	-	-	-	18
Unearned revenue	-	-	-	-	(2)
Deposit and trust liability	(2)	-	-	1	26
Net pension liability	-	-	-	186	2,782
Deferred inflows	-	-	-	(252)	(2,866)
Total adjustments	<u>1</u>	<u>-</u>	<u>(21)</u>	<u>(621)</u>	<u>4,566</u>
Net cash provided by (used in) operating activities	<u>\$ (45)</u>	<u>\$ (29)</u>	<u>\$ (23)</u>	<u>\$ 226</u>	<u>\$ (12,161)</u>
Noncash Investing, Capital and Financing Activities:					
Capital assets transferred from governmental funds	\$ -	\$ -	\$ -	\$ -	\$ 2,150
Capital assets transferred from other enterprise funds	-	-	-	-	622
Capital assets transferred to other enterprise funds	-	-	-	-	(622)
Accrued interest on note receivable	-	-	582	-	940

Internal Service Funds

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. Since the services and commodities are supplied exclusively to departments of a governmental jurisdiction, they are distinguishable from those public services rendered to the public in general and which are accounted for in Special Revenue, Enterprise or Fiduciary Funds.

- ◆ **Internal Support Fund** is used to account for the accumulation and allocation of costs associated with central support organizations of the Agency as well as the accumulation of funds to pay for compensated absences earned by employees.
- ◆ **Self Insurance Fund** is used to account for the costs of insurance (i.e. premiums and estimated claims liabilities) and accumulate funds for catastrophic events.

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Internal Service Funds
December 31, 2016
(amounts expressed in thousands)

	<u>Internal Support</u>	<u>Self Insurance</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 4,454	\$ 3,113	\$ 7,567
Prepaid items	66	75	141
Total current assets	<u>4,520</u>	<u>3,188</u>	<u>7,708</u>
Noncurrent assets:			
Restricted cash and investments	550	-	550
Notes receivable	-	104	104
	<u>550</u>	<u>104</u>	<u>654</u>
Capital assets:			
Land	2,040	-	2,040
Buildings and improvements	11,510	-	11,510
Property and equipment	664	-	664
Less accumulated depreciation	(2,923)	-	(2,923)
Total capital assets (net of accumulated depreciation)	<u>11,291</u>	<u>-</u>	<u>11,291</u>
Total noncurrent assets	<u>11,841</u>	<u>104</u>	<u>11,945</u>
Total assets	<u>16,361</u>	<u>3,292</u>	<u>19,653</u>
Deferred Outflows of Resources			
Employer contribution made subsequent to the measurement date	421	-	421
Difference between projected and actual earnings on pension plan investments	1,666	-	1,666
Total deferred outflows of resources	<u>2,087</u>	<u>-</u>	<u>2,087</u>
Liabilities			
Current liabilities:			
Accounts payable	184	-	184
Accrued liabilities	26	301	327
Compensated absences	1,920	-	1,920
Current portion of long-term debt	591	-	591
Total current liabilities	<u>2,721</u>	<u>301</u>	<u>3,022</u>
Noncurrent liabilities:			
Compensated absences	827	-	827
Mortgage notes payable	8,449	-	8,449
Advances from component units	1,000	-	1,000
Net pension liability	10,640	-	10,640
Total noncurrent liabilities	<u>20,916</u>	<u>-</u>	<u>20,916</u>
Total liabilities	<u>23,637</u>	<u>301</u>	<u>23,938</u>
Deferred Inflows of Resources			
Difference between expected and actual experience	80	-	80
Net Position			
Net investment in capital assets	2,251	-	2,251
Restricted for debt service	550	-	550
Unrestricted	(8,070)	2,991	(5,079)
Total net position	<u>\$ (5,269)</u>	<u>\$ 2,991</u>	<u>\$ (2,278)</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Internal Support</u>	<u>Self Insurance</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 6,857	\$ -	\$ 6,857
Miscellaneous	65	18	83
Total operating revenues	<u>6,922</u>	<u>18</u>	<u>6,940</u>
Operating expenses:			
Employee services	6,592	-	6,592
Services and supplies	2,887	3	2,890
Utilities	113	-	113
Depreciation	292	-	292
Total operating expenses	<u>9,884</u>	<u>3</u>	<u>9,887</u>
Operating income (loss)	<u>(2,962)</u>	<u>15</u>	<u>(2,947)</u>
Nonoperating revenues (expenses):			
Investment earnings	(248)	79	(169)
Interest expense	(484)	-	(484)
Total nonoperating revenues, net	<u>(732)</u>	<u>79</u>	<u>(653)</u>
Income (loss) before transfers	(3,694)	94	(3,600)
Transfers in	1,678	-	1,678
Transfers out	-	(591)	(591)
Change in net position	<u>(2,016)</u>	<u>(497)</u>	<u>(2,513)</u>
Net position, beginning	<u>(3,253)</u>	<u>3,488</u>	<u>235</u>
Net position, ending	<u>\$ (5,269)</u>	<u>\$ 2,991</u>	<u>\$ (2,278)</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Internal Support</u>	<u>Self Insurance</u>	<u>Totals</u>
Cash flows from operating activities:			
Cash receipts from interfund services provided	\$ 6,934	\$ 399	\$ 7,333
Cash paid to suppliers for goods and services	(2,830)	(3)	(2,833)
Cash paid to employees for services	(6,500)	-	(6,500)
Net cash provided by (used in) operating activities	<u>(2,396)</u>	<u>396</u>	<u>(2,000)</u>
Cash flows from noncapital financing activities:			
Transfers in	1,678	-	1,678
Transfers out	-	(591)	(591)
Net cash provided by (used in) noncapital financing activities	<u>1,678</u>	<u>(591)</u>	<u>1,087</u>
Cash flows from capital and related financing activities:			
Payments on long-term liabilities	(561)	-	(561)
Interest paid	(484)	-	(484)
Net cash used in capital and related financing activities	<u>(1,045)</u>	<u>-</u>	<u>(1,045)</u>
Cash flows from investing activities:			
Payments received on notes receivable	-	6	6
Interest received	(248)	79	(169)
Net cash provided by investing activities	<u>(248)</u>	<u>85</u>	<u>(163)</u>
Net decrease in cash and cash equivalents	(2,011)	(110)	(2,121)
Cash and cash equivalents, beginning	7,015	3,223	10,238
Cash and cash equivalents, ending	<u>\$ 5,004</u>	<u>\$ 3,113</u>	<u>\$ 8,117</u>
Reconciliation of cash and cash equivalents to the statement of net position:			
Cash and investments	\$ 4,454	\$ 3,113	\$ 7,567
Restricted cash and investments	550	-	550
Total	<u>\$ 5,004</u>	<u>\$ 3,113</u>	<u>\$ 8,117</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2016
(amounts expressed in thousands)

	<u>Internal Support</u>	<u>Self Insurance</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:			
Operating income (loss)	\$ (2,962)	\$ 15	\$ (2,947)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:			
Depreciation/amortization	292	-	292
Change in assets and liabilities:			
Due from other funds	12	-	12
Prepaid items	153	381	534
Deferred outflows	(419)	-	(419)
Accounts payable	17	-	17
Accrued liabilities	(161)	-	(161)
Compensated absences	493	-	493
Net pension liability	2,274	-	2,274
Deferred inflows	(2,095)	-	(2,095)
Total adjustments	<u>566</u>	<u>381</u>	<u>947</u>
Net cash provided by (used in) operating activities	<u>\$ (2,396)</u>	<u>\$ 396</u>	<u>\$ (2,000)</u>

Statistical Section

This part of the Agency's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency's overall financial health.

Financial Trends-These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being have changed over time.

- ◆ Net Position by Component
- ◆ Changes in Net Position
- ◆ Fund Balances of Governmental Funds
- ◆ Changes in Fund Balances of Governmental Funds

Debt Capacity-This schedule presents information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the Agency's ability to issue additional debt in the future.

- ◆ Ratios of Outstanding Debt by Type

Demographic and Economic Information-This schedule offers demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place.

- ◆ Demographic and Economic Statistics
- ◆ Principal Employers

Operating Information-These schedules contain service and infrastructure data to help the reader understand how the information in the Agency's financial report relates to the services the Agency provides and the activities it performs.

- ◆ Full-time Equivalent Agency Employees by Function/Program
- ◆ Operating Indicators by Function
- ◆ Capital Assets by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Net Position by Component
For the Ten Years Ended December 31, 2016
(amounts expressed in thousands)

	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Governmental Activities:					
Net investment in capital assets	\$ 76,253	\$ 107,570	\$ 119,673	\$ 130,643	\$ 118,952
Restricted	465,194	509,519	13,762	13,597	13,738
Unrestricted	(348,874)	(402,122)	107,144	98,320	102,274
Total governmental activities net position	<u>\$ 192,573</u>	<u>\$ 214,967</u>	<u>\$ 240,579</u>	<u>\$ 242,560</u>	<u>\$ 234,964</u>
Business-type Activities:					
Net investment in capital assets	\$ 169,602	\$ 170,496	\$ 169,031	\$ 158,391	\$ 160,344
Restricted	23,727	14,055	9,375	8,557	8,487
Unrestricted	15,770	22,889	23,197	27,714	27,040
Total business-type activities, net position	<u>\$ 209,099</u>	<u>\$ 207,440</u>	<u>\$ 201,603</u>	<u>\$ 194,662</u>	<u>\$ 195,871</u>
Primary Government:					
Net investment in capital assets	\$ 245,855	\$ 278,066	\$ 288,704	\$ 289,034	\$ 279,296
Restricted	488,921	523,574	23,137	22,154	22,225
Unrestricted	(333,104)	(379,233)	130,341	126,034	129,314
Total primary government net position	<u>\$ 401,672</u>	<u>\$ 422,407</u>	<u>\$ 442,182</u>	<u>\$ 437,222</u>	<u>\$ 430,835</u>

Note: The negative unrestricted net position are mainly the result of redevelopment debt that does not produce capital assets.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Net Position by Component
For the Ten Years Ended December 31, 2016
(amounts expressed in thousands)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental Activities:					
Net investment in capital assets	\$ 52,784	\$ 44,836	\$ 25,342	\$ 24,321	\$ 25,938
Restricted	129,376	303,784	312,809	325,230	338,927
Unrestricted	175,243	5,120	(1,552)	(8,706)	(9,963)
Total governmental activities net position	<u>\$ 357,403</u>	<u>\$ 353,740</u>	<u>\$ 336,599</u>	<u>\$ 340,845</u>	<u>\$ 354,902</u>
Business-type Activities:					
Net investment in capital assets	\$ 163,561	\$ 160,586	\$ 173,029	\$ 161,366	\$ 156,568
Restricted	6,836	2,436	3,336	1,141	2,552
Unrestricted	22,176	29,539	55,671	50,465	56,330
Total business-type activities, net position	<u>\$ 192,573</u>	<u>\$ 192,561</u>	<u>\$ 232,036</u>	<u>\$ 212,972</u>	<u>\$ 215,450</u>
Primary Government:					
Net investment in capital assets	\$ 216,345	\$ 205,422	\$ 198,371	\$ 185,687	\$ 182,506
Restricted	136,212	306,220	316,145	326,371	341,479
Unrestricted	197,419	34,659	54,119	41,759	46,367
Total primary government net position	<u>\$ 549,976</u>	<u>\$ 546,301</u>	<u>\$ 568,635</u>	<u>\$ 553,817</u>	<u>\$ 570,352</u>

Note: The negative unrestricted net position are mainly the result of redevelopment debt that does not produce capital assets.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Changes In Net Position

For the Ten Years Ended December 31, 2016

(amounts expressed in thousands)

	2007	2008	2009	2010	2011
Expenses:					
Governmental activities:					
Housing operations	\$ 1,549	\$ 1,629	\$ 1,588	\$ 3,837	\$ 2,512
Community development	88,388	86,887	77,762	97,044	89,525
Community social services	3,179	3,580	3,586	9,133	5,848
Interest expense	16,725	19,124	18,280	17,632	16,859
Total governmental activities expenses	<u>109,841</u>	<u>111,220</u>	<u>101,216</u>	<u>127,646</u>	<u>114,744</u>
Business-type activities:					
Local housing	7,370	8,152	7,022	3,745	7,256
Public housing	18,706	16,170	19,615	27,801	22,985
Housing choice vouchers	95,218	101,105	102,348	107,162	111,496
Total business-type activities expenses	<u>121,294</u>	<u>125,427</u>	<u>128,985</u>	<u>138,708</u>	<u>141,737</u>
Total primary government expenses	<u>231,135</u>	<u>236,647</u>	<u>230,201</u>	<u>266,354</u>	<u>256,481</u>
Program Revenues:					
Governmental activities:					
Charges for services:					
Housing operations	1,582	1,557	1,307	1,499	1,370
Community development	76	50	39	138	63
Community social services	-	-	-	-	-
Operating grants and contributions:					
Housing operations	231	-	-	41	109
Community development	45,328	23,813	39,289	46,056	33,742
Community social services	1,817	1,952	1,656	7,447	4,914
Capital grants and contributions:					
Housing operations	7,312	5,996	7,669	6,854	15,211
Total governmental activities program revenues	<u>56,346</u>	<u>33,368</u>	<u>49,960</u>	<u>62,035</u>	<u>55,409</u>
Business-type activities:					
Charges for services:					
Local housing	5,526	3,384	1,588	1,299	1,321
Public housing	2,776	7,397	7,422	6,231	5,804
Housing choice vouchers	-	-	-	-	-
Operating grants and contributions:					
Local housing	803	816	786	703	3,841
Public housing	7,393	7,833	8,314	10,277	10,261
Housing choice vouchers	94,595	88,544	98,196	110,003	110,933
Capital grants and contributions:					
Local housing	-	-	-	-	-
Total business-type activities program revenues	<u>111,093</u>	<u>107,974</u>	<u>116,306</u>	<u>128,513</u>	<u>132,160</u>
Total primary government program revenues	<u>167,439</u>	<u>141,342</u>	<u>166,266</u>	<u>190,548</u>	<u>187,569</u>
Net (Expenses) Revenue:					
Governmental activities	(53,495)	(77,852)	(51,256)	(65,611)	(59,335)
Business-type activities	(10,201)	(17,453)	(12,679)	(10,195)	(9,577)
Total primary government net expense	<u>(63,696)</u>	<u>(95,305)</u>	<u>(63,935)</u>	<u>(75,806)</u>	<u>(68,912)</u>

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Changes In Net Position

For the Ten Years Ended December 31, 2016

(amounts expressed in thousands)

	2012	2013	2014	2015	2016
Expenses:					
Governmental activities:					
Housing operations	\$ 9,477	\$ 10,700	\$ 12,349	\$ 8,740	\$ 12,985
Community development	18,048	25,677	28,219	23,495	17,914
Community social services	2,860	2,946	3,745	4,841	5,240
Interest expense	953	894	859	786	741
Total governmental activities expenses	<u>31,338</u>	<u>40,217</u>	<u>45,172</u>	<u>37,862</u>	<u>36,880</u>
Business-type activities:					
Local housing	8,701	9,084	9,954	4,022	4,636
Public housing	24,009	24,133	22,655	22,607	24,768
Housing choice vouchers	112,774	110,757	108,443	109,844	110,219
Total business-type activities expenses	<u>145,484</u>	<u>143,974</u>	<u>141,052</u>	<u>136,473</u>	<u>139,623</u>
Total primary government expenses	<u>176,822</u>	<u>184,191</u>	<u>186,224</u>	<u>174,335</u>	<u>176,503</u>
Program Revenues:					
Governmental activities:					
Charges for services:					
Housing operations	1,410	1,533	698	1	693
Community development	9	-	9	17	5
Community social services	-	-	-	2,137	1,152
Operating grants and contributions:					
Housing operations	452	1,802	1,496	10,212	9,072
Community development	25,940	13,458	32,874	20,005	21,657
Community social services	2,686	2,998	4,109	4,115	4,506
Capital grants and contributions:					
Housing operations	7,717	8,698	5,172	5,693	6,578
Total governmental activities program revenues	<u>38,214</u>	<u>28,489</u>	<u>44,358</u>	<u>42,180</u>	<u>43,663</u>
Business-type activities:					
Charges for services:					
Local housing	1,420	1,581	3,715	3,811	3,974
Public housing	5,394	5,560	6,000	6,712	7,073
Housing choice vouchers	-	-	47	-	-
Operating grants and contributions:					
Local housing	5,331	5,177	5,830	1,047	1,108
Public housing	9,940	8,767	10,020	10,218	10,477
Housing choice vouchers	112,118	107,185	110,214	110,747	113,912
Capital grants and contributions:					
Local housing	-	4,481	5,601	-	-
Total business-type activities program revenues	<u>134,203</u>	<u>132,751</u>	<u>141,427</u>	<u>132,535</u>	<u>136,544</u>
Total primary government program revenues	<u>172,417</u>	<u>161,240</u>	<u>185,785</u>	<u>174,715</u>	<u>180,207</u>
Net (Expenses) Revenue:					
Governmental activities	6,876	(11,728)	(814)	4,318	6,783
Business-type activities	(11,281)	(11,223)	375	(3,938)	(3,079)
Total primary government net expense	<u>(4,405)</u>	<u>(22,951)</u>	<u>(439)</u>	<u>380</u>	<u>3,704</u>

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Changes In Net Position
For the Ten Years Ended December 31, 2016
(amounts expressed in thousands)

	2007	2008	2009	2010	2011
General revenues, transfers and changes in net position:					
Governmental activities:					
Tax increment	\$ 71,839	\$ 70,163	\$ 67,792	\$ 61,367	\$ 52,083
Investment earnings	19,360	13,693	9,856	6,099	7,537
Gain/(loss) on disposal of capital assets	-	-	-	-	-
Income from assets held for resale	-	-	-	-	-
Miscellaneous	1,335	4,096	3,121	2,586	1,582
Special items	-	27,623	2,250	-	-
Transfers	(9,384)	(15,329)	(6,151)	(2,460)	(9,463)
Total governmental activities	<u>83,150</u>	<u>100,246</u>	<u>76,868</u>	<u>67,592</u>	<u>51,739</u>
Business-type activities:					
Investment earnings	1,038	556	390	378	610
Gain on sale of capital assets	3,466	-	-	-	-
Miscellaneous	1,464	873	301	416	713
Special items	-	(964)	-	-	-
Transfers	9,384	15,329	6,151	2,460	9,463
Total business-type activities	<u>15,352</u>	<u>15,794</u>	<u>6,842</u>	<u>3,254</u>	<u>10,786</u>
Total primary government	<u>98,502</u>	<u>116,040</u>	<u>83,710</u>	<u>70,846</u>	<u>62,525</u>
Change in net position before extraordinary item:					
Governmental activities	29,655	22,394	25,612	1,981	(7,596)
Business-type activities	5,151	(1,659)	(5,837)	(6,941)	1,209
Total primary government before extraordinary item	<u>34,806</u>	<u>20,735</u>	<u>19,775</u>	<u>(4,960)</u>	<u>(6,387)</u>
Extraordinary item - Governmental activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position:					
Governmental activities	-	-	-	-	-
Business-type activities	-	-	-	-	-
Total primary government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Changes In Net Position
For the Ten Years Ended December 31, 2016
(amounts expressed in thousands)

	2012	2013	2014	2015	2016
General revenues, transfers and changes in net position:					
Governmental activities:					
Tax increment	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	4,022	2,634	4,387	3,828	2,248
Gain/(loss) on disposal of capital assets	-	-	-	-	-
Income from assets held for resale	-	-	-	-	-
Miscellaneous	1,938	1,304	5,612	9,041	8,148
Special items	-	-	-	-	-
Transfers	(6,559)	(8,019)	(15,338)	(2,978)	(3,122)
Total governmental activities	<u>(599)</u>	<u>(4,081)</u>	<u>(5,339)</u>	<u>9,891</u>	<u>7,274</u>
Business-type activities:					
Investment earnings	697	1,072	4,735	1,404	1,353
Gain on sale of capital assets	-	-	-	-	-
Miscellaneous	727	751	839	766	1,082
Special items	-	1,369	7,200	-	-
Transfers	6,559	8,019	15,338	2,978	3,122
Total business-type activities	<u>7,983</u>	<u>11,211</u>	<u>28,112</u>	<u>5,148</u>	<u>5,557</u>
Total primary government	<u>7,384</u>	<u>7,130</u>	<u>22,773</u>	<u>15,039</u>	<u>12,831</u>
Change in net position before extraordinary item:					
Governmental activities	6,277	(15,809)	(6,153)	14,209	14,057
Business-type activities	<u>(3,298)</u>	<u>(12)</u>	<u>28,487</u>	<u>1,210</u>	<u>2,478</u>
Total primary government before extraordinary item	<u>2,979</u>	<u>(15,821)</u>	<u>22,334</u>	<u>15,419</u>	<u>16,535</u>
Extraordinary item - Governmental activities	<u>116,162</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in net position:					
Governmental activities	122,439	(15,809)	(6,153)	14,209	14,057
Business-type activities	<u>(3,298)</u>	<u>(12)</u>	<u>28,487</u>	<u>1,210</u>	<u>2,478</u>
Total primary government	<u>\$ 119,141</u>	<u>\$ (15,821)</u>	<u>\$ 22,334</u>	<u>\$ 15,419</u>	<u>\$ 16,535</u>

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Fund Balances of Governmental Funds
For the Ten Years Ended December 31, 2016
(amounts expressed in thousands)

	2007	2008	2009	2010	2011
Major funds:					
Reserved	\$ 141,873	\$ 194,044	\$ -	\$ -	\$ -
Unreserved, reported in:					
Debt service funds	6,517	-	-	-	-
Capital projects funds	(6,661)	(6,377)	-	-	-
Nonspendable:					
Long-term receivables	-	-	43,705	48,549	52,912
Prepaid items	-	-	26	-	-
Restricted for:					
Debt service reserves	-	-	934	934	1,038
Housing	-	-	-	-	-
Community development	-	-	-	-	-
Committed for:					
Housing	-	-	-	-	-
Community development	-	-	85,386	70,660	58,313
Assigned for:					
Housing	-	-	-	-	-
Community development	-	-	1,433	2,418	1,183
Debt service	-	-	4,703	-	-
Unassigned	-	-	-	(3,718)	(6,343)
Total major funds	<u>\$ 141,729</u>	<u>\$ 187,667</u>	<u>\$ 136,187</u>	<u>\$ 118,843</u>	<u>\$ 107,103</u>
Other governmental funds:					
Reserved	\$ 198,206	\$ 211,442	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	20,538	17,777	-	-	-
Debt service funds	14,409	(845)	-	-	-
Capital projects funds	(339)	4,408	-	-	-
Nonspendable:					
Long-term receivables	-	-	91,921	103,151	113,752
Prepaid items	-	-	8	-	-
Restricted for:					
Debt service reserves	-	-	12,222	12,056	12,093
Housing	-	-	61	61	61
Community development	-	-	-	-	-
Community services	-	-	-	-	-
Committed for:					
Housing projects	-	-	15,761	13,794	6,817
Community development projects	-	-	131,054	114,028	100,398
Community service projects	-	-	278	-	77
Assigned for:					
Debt service	-	-	4,156	968	400
Housing	-	-	7,241	5,460	6,209
Community development	-	-	7,875	7,480	14,159
Community services	-	-	-	16	80
Unassigned	-	-	(9,315)	(12,853)	(11,003)
Total other governmental funds	<u>\$ 232,814</u>	<u>\$ 232,782</u>	<u>\$ 261,262</u>	<u>\$ 244,161</u>	<u>\$ 243,043</u>
Total governmental Funds	<u>\$ 374,543</u>	<u>\$ 420,449</u>	<u>\$ 397,449</u>	<u>\$ 363,004</u>	<u>\$ 350,146</u>

Note: The governmental fund balances do not include long-term debt or capital assets.

The Agency implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2009. Statement No. 54 is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Fund Balances of Governmental Funds
For the Ten Years Ended December 31, 2016
(amounts expressed in thousands)

	2012	2013	2014	2015	2016
Major funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable:					
Long-term receivables	45,488	61,175	-	-	-
Prepaid items	-	-	-	-	-
Restricted for:					
Debt service reserves	-	-	-	-	-
Housing	-	21,239	76,524	86,851	91,083
Community development	-	2,954	1,207	650	2,492
Committed for:					
Housing	17,683	-	-	-	-
Community development	-	-	-	-	-
Assigned for:					
Housing	6,960	-	-	-	-
Community development	-	-	-	-	-
Debt service	-	-	-	-	-
Unassigned	-	-	-	-	-
Total major funds	<u>\$ 70,131</u>	<u>\$ 85,368</u>	<u>\$ 77,731</u>	<u>\$ 87,501</u>	<u>\$ 93,575</u>
Other governmental funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable:					
Long-term receivables	79,895	64,587	-	-	-
Prepaid items	-	-	-	-	-
Restricted for:					
Debt service reserves	211	435	96	3	3
Housing	61	14,962	72,896	77,897	80,595
Community development	-	6,864	17,507	14,731	14,722
Community services	-	116	127	1,604	2,547
Committed for:					
Housing projects	10,288	1,882	-	-	-
Community development projects	4,035	638	-	-	-
Community service projects	85	-	-	-	-
Assigned for:					
Debt service	-	-	-	-	-
Housing	6,478	3,859	-	-	-
Community development	1,051	176	177	-	-
Community services	-	-	-	-	-
Unassigned	(4,466)	(2,776)	(2,459)	(2,591)	(2,251)
Total other governmental funds	<u>\$ 97,638</u>	<u>\$ 90,743</u>	<u>\$ 88,344</u>	<u>\$ 91,644</u>	<u>\$ 95,616</u>
Total governmental Funds	<u>\$ 167,769</u>	<u>\$ 176,111</u>	<u>\$ 166,075</u>	<u>\$ 179,145</u>	<u>\$ 189,191</u>

Note: The governmental fund balances do not include long-term debt or capital assets.

The Agency implemented GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions* for the year ended December 31, 2009. Statement No. 54 is intended to improve the usefulness of information provided to financial report users about fund balance by providing clearer, more structured fund balance classifications.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Changes in Fund Balances of Governmental Funds
For the Ten Years Ended December 31, 2016
(amounts expressed in thousands)

	2007	2008	2009	2010	2011
Revenues:					
Intergovernmental	\$ 43,907	\$ 35,111	\$ 34,038	\$ 52,961	\$ 54,043
Property taxes	71,839	70,163	67,792	61,367	52,083
Charges for services	1,658	1,607	1,346	1,637	1,433
Investment earnings	18,089	15,738	6,245	6,230	7,061
Miscellaneous	1,032	3,605	2,480	1,633	517
Total revenues	<u>136,525</u>	<u>126,224</u>	<u>111,901</u>	<u>123,828</u>	<u>115,137</u>
Expenditures:					
Current:					
Housing operations	1,131	1,625	1,568	3,789	2,360
Community development	79,044	82,787	76,167	100,755	76,050
Community services	3,179	3,580	3,586	9,133	5,848
Capital outlay	18,547	44,201	18,913	17,203	12,310
Debt service:					
Principal retirement	15,106	17,232	25,564	19,105	20,823
Interest and related charges	21,046	19,189	17,966	16,973	16,246
Total expenditures	<u>138,053</u>	<u>168,614</u>	<u>143,764</u>	<u>166,958</u>	<u>133,637</u>
Deficiency of revenues under expenditures	<u>(1,528)</u>	<u>(42,390)</u>	<u>(31,863)</u>	<u>(43,130)</u>	<u>(18,500)</u>
Other Financing Sources(Uses):					
Long-term debt issued	3,328	66,714	6,412	-	2,200
Proceeds from sale of capital assets	342	972	1,550	10,929	4,755
Transfers in	40,047	66,693	36,256	19,131	14,996
Transfers out	(40,968)	(73,706)	(37,605)	(21,375)	(16,309)
Total other financing sources (uses)	<u>2,749</u>	<u>60,673</u>	<u>6,613</u>	<u>8,685</u>	<u>5,642</u>
Special Item:					
Proceeds from sale of Sheraton Hotel	-	28,623	2,250	-	-
Forgiveness of Riverview Plaza debt	-	(1,000)	-	-	-
Extraordinary Item-Dissolution of RDA	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 1,221</u>	<u>\$ 45,906</u>	<u>\$ (23,000)</u>	<u>\$ (34,445)</u>	<u>\$ (12,858)</u>
Debt service as a percentage of non-capital expenditures	30%	29%	35%	24%	31%

Note: This statement includes all Special Revenue, Debt Service and Capital Projects Funds.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
 Changes in Fund Balances of Governmental Funds
 For the Ten Years Ended December 31, 2016
 (amounts expressed in thousands)

	2012	2013	2014	2015	2016
Revenues:					
Intergovernmental	\$ 33,525	\$ 31,466	\$ 18,815	\$ 33,986	\$ 37,823
Property taxes	-	-	-	-	-
Charges for services	1,419	1,533	8	2,155	1,850
Investment earnings	3,506	2,329	2,017	3,700	2,417
Miscellaneous	1,817	1,032	3,782	8,954	8,065
Total revenues	<u>40,267</u>	<u>36,360</u>	<u>24,622</u>	<u>48,795</u>	<u>50,155</u>
Expenditures:					
Current:					
Housing operations	9,326	10,703	2,991	8,980	11,248
Community development	19,891	19,824	10,740	22,437	16,103
Community services	2,860	2,946	3,745	4,850	5,244
Capital outlay	8,364	5,305	1,708	1,482	5,336
Debt service:					
Principal retirement	1,517	1,048	392	1,347	639
Interest and related charges	605	757	93	305	263
Total expenditures	<u>42,563</u>	<u>40,583</u>	<u>19,669</u>	<u>39,401</u>	<u>38,833</u>
Deficiency of revenues under expenditures	<u>(2,296)</u>	<u>(4,223)</u>	<u>4,953</u>	<u>9,394</u>	<u>11,322</u>
Other Financing Sources(Uses):					
Long-term debt issued	-	-	-	150	-
Proceeds from sale of capital assets	851	1,068	206	385	783
Transfers in	101,565	5,250	6,061	1,322	597
Transfers out	(101,702)	(5,899)	(2,746)	(2,823)	(2,656)
Total other financing sources (uses)	<u>714</u>	<u>419</u>	<u>3,521</u>	<u>(966)</u>	<u>(1,276)</u>
Special Item:					
Proceeds from sale of Sheraton Hotel	-	-	-	-	-
Forgiveness of Riverview Plaza debt	-	-	-	-	-
Extraordinary Item-Dissolution of RDA	<u>(180,795)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ (182,377)</u>	<u>\$ (3,804)</u>	<u>\$ 8,474</u>	<u>\$ 8,428</u>	<u>\$ 10,046</u>
Debt service as a percentage of non-capital expenditures	6%	5%	3%	4%	3%

Note: This statement includes all Special Revenue, Debt Service and Capital Projects Funds.

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Ratios of Outstanding Debt by Type
For the Ten Years Ended December 31, 2016
(amounts expressed in thousands)

Fiscal Year	Governmental Activities		Business-Type Activities		Percentage of Actual Taxable Value of Property (2)	Percentage of Personal Income (1)	Per Capita (1)
	Notes Payable	Tax Allocation Bonds	Mortgage Notes Payable	Total Primary Government			
2007	\$ 86,713	\$ 299,426	\$ 572	\$ 386,711	4.97%	0.76%	\$ 231
2008	114,895	334,080	509	449,484	5.18%	0.86%	227
2009	109,126	320,306	1,067	430,499	4.85%	0.79%	223
2010	103,967	305,949	1,036	410,952	5.05%	0.77%	184
2011	99,898	290,961	2,580	393,439	5.21%	0.72%	174
2012	19,908	-	2,543	22,451	*N/A	0.04%	9
2013	18,379	-	2,503	20,882	*N/A	0.03%	9
2014	17,260	-	2,460	19,720	*N/A	0.03%	*N/A
2015	15,530	-	2,412	17,942	*N/A	0.03%	*N/A
2016	14,330	-	2,361	16,691	*N/A	0.02%	*N/A

Source: Agency Comprehensive Annual Financial Reports

Note: Details regarding the Agency's outstanding debt can be found in the notes to the financial statements

(1) See the "Demographic and Economic Statistics" table for personal income and population figures. Based on County of Sacramento Population.

(2) Estimated actual value of taxable property cannot be easily determined as the property owned by the Agency is not reassessed annually. Reassessment normally occurs when ownership changes. Prior amounts were based on assessed values of redevelopment properties. With the dissolution of redevelopment that no longer applies.

* Not available at this time

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Demographic and Economic Statistics
For the Ten Years Ended December 31, 2016
(amounts expressed in thousands except per capita amount)

	2007	2008	2009	2010	2011
City population (1)	467	476	481	486	470
City assessed value (1)	\$ 36,674,108	\$ 40,345,605	\$ 41,560,435	\$ 38,778,007	\$ 37,647,002
County population (2)	1,370	1,381	1,394	1,409	1,422
County assessed value (2)	\$ 124,126,471	\$ 135,341,067	\$ 138,687,470	\$ 128,939,293	\$ 126,016,298
Unemployment Rate % (2)	4.8%	5.4%	7.2%	11.3%	12.7%
Personal Income (2)	\$ 50,550,671	\$ 52,398,021	\$ 54,201,689	\$ 53,647,258	\$ 54,673,384
Per Capita Personal Income (2)	\$ 36,910	\$ 37,938	\$ 38,870	\$ 38,085	\$ 38,453
City public housing authority low income housing units (3)	1,776	1,806	1,822	1,798	1,799
County public housing authority low income housing units (3)	923	1,037	1,017	1,018	1,021
County housing choice vouchers (3) (4)	11,123	11,245	11,245	11,268	11,507

Sources:

- (1) City of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30
- (2) County of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30. The Bureau of Economic Analysis revised population and per capita personal income to reflect Census Bureau midyear population estimates for 2010-2014 available as of March 2015.
- (3) These statistics have been provided to assist in the analysis of the Agency's financial position. Demographic information specific to the City and County can be found in their annual reports. Amounts are not reported in thousands.
- (4) The City and County Housing Choice Voucher programs were combined into a single County program during 2005.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Demographic and Economic Statistics
For the Ten Years Ended December 31, 2016
(amounts expressed in thousands except per capita amount)

	2012	2013	2014	2015	2016
City population (1)	471	474	475	480	486
City assessed value (1)	\$ 36,502,112	\$ 35,494,811	\$ 36,924,255	\$ 39,067,503	\$ 40,897,784
County population (2)	1,436	1,449	1,463	1,482	1,495
County assessed value (2)	\$ 121,921,878	\$ 118,563,859	\$ 123,924,200	\$ 131,718,922	\$ 136,123,278
Unemployment Rate % (2)	12.1%	10.5%	8.8%	7.3%	5.8%
Personal Income (2)	\$ 57,564,251	\$ 60,721,694	\$ 62,440,643	\$ 65,126,187	\$ 69,590,000
Per Capita Personal Income (2)	\$ 40,098	\$ 41,913	\$ 42,676	\$ 43,944	\$ 46,539
City public housing authority low income housing units (3)	1,868	1,866	1,753	1,759	1,699
County public housing authority low income housing units (3)	1,047	1,035	1,035	1,035	1,013
County housing choice vouchers (3) (4)	11,840	11,890	12,019	12,063	12,107

Sources:

- (1) City of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30
- (2) County of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30. The Bureau of Economic Analysis revised population and per capita personal income to reflect Census Bureau midyear population estimates for 2010-2014 available as of March 2015.
- (3) These statistics have been provided to assist in the analysis of the Agency's financial position. Demographic information specific to the City and County can be found in their annual reports. Amounts are not reported in thousands.
- (4) The City and County Housing Choice Voucher programs were combined into a single County program during 2005.

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Principal Employers
June 30, 2016 and 2007

Employer	June 30, 2016			June 30, 2007		
	Employees (b)	Rank	Percentage of Total County Employment	Employees (c)	Rank	Percentage of Total County Employment (c)
UC Davis Health System	9,905	1	1.57%	-		
Sutter / California Health Services	7,352	2	1.16%	11,284	2	1.79%
Dignity / Mercy Health Care	6,212	3	0.98%	-		
Intel Corporation	6,000	4	0.95%	6,500	5	1.03%
Kaiser Permanente	5,421	5	0.86%	11,729	1	1.86%
Raley's Inc. / Bel Air	3,289	6	0.52%	8,203	3	1.30%
Apple Inc.	2,500	7	0.40%	-		
VSP Global	2,382	8	0.38%	-		
Health Net of California Inc.	2,299	9	0.36%	-		
Wells Fargo & Co.	2,190	10	0.35%	-		
University of California, Davis (UCD)	-			8,000	4	1.27%
Hewlett-Packard	-			4,500	8	0.71%
Wal-Mart	-			3,300	10	0.52%
Target Corporation	-			3,693	9	0.58%
SBC Communications (a)	-			5,753	6	0.91%
CHW/Mercy Health Care	-			5,229	7	0.83%
Total	<u>47,550</u>		<u>7.53%</u>	<u>68,191</u>		<u>10.80%</u>

(a) SBC Communications merged with AT & T in November 2005;

(b) Source: Sacramento Business Journal Annual Book of Lists Current Year

(c) Source: Prior year Sacramento County CAFR.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Full-time Equivalent Agency Employees by Function/Program
For The Ten Years Ended December 31, 2016

Function/Program:	2007	2008	2009	2010	2011
Administration	44.50	46.05	45.50	46.50	45.50
Housing	164.50	155.25	155.00	156.00	156.00
Community Development	88.60	87.50	87.50	85.50	87.50
Affiliated Organizations	<u>4.63</u>	<u>3.00</u>	<u>3.00</u>	<u>3.00</u>	<u>2.00</u>
Total agency	<u><u>302.23</u></u>	<u><u>291.80</u></u>	<u><u>291.00</u></u>	<u><u>291.00</u></u>	<u><u>291.00</u></u>

Source: Agency Annual Budgets

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
 Full-time Equivalent Agency Employees by Function/Program
 For The Ten Years Ended December 31, 2016

<u>Function/Program:</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Administration	40.00	39.00	35.60	37.60	41.60
Housing	160.00	163.50	156.50	156.00	155.00
Community Development	51.00	50.50	32.90	31.40	28.40
Affiliated Organizations	<u>2.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total agency	<u><u>253.00</u></u>	<u><u>253.00</u></u>	<u><u>225.00</u></u>	<u><u>225.00</u></u>	<u><u>225.00</u></u>

Source: Agency Annual Budgets

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Operating Indicators by Function
For the Ten Years Ending December 31, 2016

	2007	2008	2009	2010	2011
Affordable Housing (1):					
Public housing units occupied	2,742	2,806	2,845	2,529	2,575
Housing choice vouchers utilized	11,123	11,245	11,245	11,268	11,228
Multi-family housing units assisted (2)	1,496	774	504	853	390
Homeownership assistance (3)	221	247	401	534	379
Neighborhood Development:					
Planning activities	1	1	21	22	7
Infrastructure projects (4)	16	1	12	40	12
Community facilities (5)	11	-	12	14	0
Economic Development:					
Commercial loans	13	29	6	23	2

Source: Agency annual budgets and Consolidated Annual Performance Evaluation Reports (CAPER's)

- (1) Includes units encumbered by regulatory restrictions to maintain affordability
- (2) Includes both new and rehabilitated units
- (3) Includes developer assistance to build or rehabilitate affordable units, and direct assistance to homebuyers
- (4) Typical projects are traffic improvements to increase safety
- (5) Typical projects are community centers and parks

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Operating Indicators by Function
For the Ten Years Ending December 31, 2016

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Affordable Housing (1):					
Public housing units occupied	2,695	2,816	2,724	2,693	2,633
Housing choice vouchers utilized	11,774	11,326	11,826	11,967	11,934
Multi-family housing units assisted (2)	589	630	643	624	504
Homeownership assistance (3)	214	291	83	94	90
Neighborhood Development:					
Planning activities	7	4	1	1	0
Infrastructure projects (4)	28	15	8	8	6
Community facilities (5)	8	6	2	1	2
Economic Development:					
Commercial loans	0	0	0	0	0

Source: Agency annual budgets and Consolidated Annual Performance Evaluation Reports (CAPER's)

(1) Includes units encumbered by regulatory restrictions to maintain affordability

(2) Includes both new and rehabilitated units

(3) Includes developer assistance to build or rehabilitate affordable units, and direct assistance to homebuyers

(4) Typical projects are traffic improvements to increase safety

(5) Typical projects are community centers and parks

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Capital Assets by Function
For the Ten Years Ending December 31, 2016

	2007	2008	2009	2010	2011
Primary government:					
Governmental activities:					
Housing operations (1)					
Land and Construction in progress	8,631	\$ 5,682	\$ 6,495	\$ 19,475	\$ 25,549
Depreciable buildings and improvements, and property and equipment, net	30	-	197	374	379
Total Housing operations	<u>8,661</u>	<u>5,682</u>	<u>6,692</u>	<u>19,849</u>	<u>25,928</u>
Community development (1)					
Land and Construction in progress	54,953	81,907	89,747	86,143	76,399
Depreciable buildings and improvements, and property and equipment, net	17,140	33,537	38,155	39,161	30,701
Total community development operations	<u>72,093</u>	<u>115,444</u>	<u>127,902</u>	<u>125,304</u>	<u>107,100</u>
Summary of governmental activities:					
Land and Construction in progress	63,584	87,589	96,242	105,618	101,948
Depreciable buildings and improvements, and property and equipment, net	17,170	33,537	38,352	39,535	31,080
Total governmental activities	<u>\$ 80,754</u>	<u>\$ 121,126</u>	<u>\$ 134,594</u>	<u>\$ 145,153</u>	<u>\$ 133,028</u>
Business-type activities:					
Local housing (1)					
Land and Construction in progress	\$ 1,843	\$ 2,203	\$ 3,420	\$ 2,890	\$ 5,000
Depreciable buildings and improvements, and property and equipment, net	8,248	7,876	7,469	6,731	8,047
Total local housing	<u>10,091</u>	<u>10,079</u>	<u>10,889</u>	<u>9,621</u>	<u>13,047</u>
Public housing (2)					
Land and Construction in progress	13,774	13,643	13,598	13,713	16,005
Depreciable buildings and improvements, and property and equipment, net	146,309	147,239	145,577	136,069	133,660
Total public housing	<u>160,083</u>	<u>160,882</u>	<u>159,175</u>	<u>149,782</u>	<u>149,665</u>
Housing choice vouchers					
Land and Construction in progress	-	-	-	-	197
Depreciable buildings and improvements, and property and equipment, net	-	44	34	24	15
Total housing choice vouchers	<u>-</u>	<u>44</u>	<u>34</u>	<u>24</u>	<u>212</u>
Summary of business-type activities:					
Land and Construction in progress	15,617	15,846	17,018	16,603	21,202
Depreciable buildings and improvements, and property and equipment, net	154,557	155,159	153,080	142,824	141,722
Total business-type activities	<u>\$ 170,174</u>	<u>\$ 171,005</u>	<u>\$ 170,098</u>	<u>\$ 159,427</u>	<u>\$ 162,924</u>
Total primary government	<u>\$ 250,928</u>	<u>\$ 292,131</u>	<u>\$ 304,692</u>	<u>\$ 304,580</u>	<u>\$ 295,952</u>
Component units:					
Local housing (1)					
Land and Construction in progress	\$ 2,728	\$ 5,160	\$ 7,344	\$ 2,552	\$ 2,552
Depreciable buildings and improvements, and property and equipment, net	79,128	76,221	73,338	84,698	81,843
Total component units-local housing	<u>\$ 81,856</u>	<u>\$ 81,381</u>	<u>\$ 80,682</u>	<u>\$ 87,250</u>	<u>\$ 84,395</u>

(1) Affordable housing

(2) Public housing

Source: Agency Finance Department

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Capital Assets by Function
For the Ten Years Ending December 31, 2016

	2012	2013	2014	2015	2016
Primary government:					
Governmental activities:					
Housing operations (1)					
Land and Construction in progress	25,035	\$ 24,472	\$ 20,023	\$ 18,394	\$ 17,610
Depreciable buildings and improvements, and property and equipment, net	233	114	441	401	241
Total Housing operations	<u>25,268</u>	<u>24,586</u>	<u>20,464</u>	<u>18,795</u>	<u>17,851</u>
Community development (1)					
Land and Construction in progress	26,606	19,159	5,207	5,147	7,616
Depreciable buildings and improvements, and property and equipment, net	13,530	12,671	10,634	10,033	9,511
Total community development operations	<u>40,136</u>	<u>31,830</u>	<u>15,841</u>	<u>15,180</u>	<u>17,127</u>
Summary of governmental activities:					
Land and Construction in progress	51,641	43,631	25,230	23,541	25,226
Depreciable buildings and improvements, and property and equipment, net	13,763	12,785	11,075	10,434	9,752
Total governmental activities	<u>\$ 65,404</u>	<u>\$ 56,416</u>	<u>\$ 36,305</u>	<u>\$ 33,975</u>	<u>\$ 34,978</u>
Business-type activities:					
Local housing (1)					
Land and Construction in progress	\$ 5,050	\$ 5,127	\$ 3,719	\$ 3,720	\$ 3,720
Depreciable buildings and improvements, and property and equipment, net	7,027	11,561	13,043	12,746	12,201
Total local housing	<u>12,077</u>	<u>16,688</u>	<u>16,762</u>	<u>16,466</u>	<u>15,921</u>
Public housing (2)					
Land and Construction in progress	16,559	12,725	12,483	12,161	11,996
Depreciable buildings and improvements, and property and equipment, net	133,459	133,676	146,244	135,151	131,012
Total public housing	<u>150,018</u>	<u>146,401</u>	<u>158,727</u>	<u>147,312</u>	<u>143,008</u>
Housing choice vouchers					
Land and Construction in progress	4,004	-	-	-	-
Depreciable buildings and improvements, and property and equipment, net	5	-	-	-	-
Total housing choice vouchers	<u>4,009</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Summary of business-type activities:					
Land and Construction in progress	25,613	17,852	16,202	15,881	15,716
Depreciable buildings and improvements, and property and equipment, net	140,491	145,237	159,287	147,897	143,213
Total business-type activities	<u>\$ 166,104</u>	<u>\$ 163,089</u>	<u>\$ 175,489</u>	<u>\$ 163,778</u>	<u>\$ 158,929</u>
Total primary government	<u>\$ 231,508</u>	<u>\$ 219,505</u>	<u>\$ 211,794</u>	<u>\$ 197,753</u>	<u>\$ 193,907</u>
Component units:					
Local housing (1)					
Land and Construction in progress	\$ 2,552	\$ 4,500	\$ 2,552	\$ 2,552	\$ 2,552
Depreciable buildings and improvements, and property and equipment, net	79,049	77,083	10,519	9,866	9,213
Total component units-local housing	<u>\$ 81,601</u>	<u>\$ 81,583</u>	<u>\$ 13,071</u>	<u>\$ 12,418</u>	<u>\$ 11,765</u>

(1) Affordable housing

(2) Public housing

Source: Agency Finance Department

Other Supplemental Information

- **Actual Modernization Grant Cost Certificate Letters (AMCC)** - Upon expenditure by the PHA of all funds, or termination by HUD of the activities funded in a modernization program, a PHA shall submit the AMCC to HUD for review and approval (24 CFR section 968.145).
- **Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-City** - This Report sets forth certain details of the Housing Authority of the City of Sacramento (Housing Successor) activities.
- **Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-County** - This Report sets forth certain details of the Housing Authority of the County of Sacramento (Housing Successor) activities.



**U.S. Department of Housing and Urban
Development**

San Francisco Regional Office - Region IX
One Sansome Street, Suite 1200
San Francisco, California 94104-4430
www.hud.gov
Espanol.hud.gov

AUG 18 2016

Ms. LaShelle Dozier
Executive Director
Sacramento County And
Redevelopment Agency
801 12th Street
Sacramento, CA 95814

SUBJECT: Actual Modernization Grant Cost Certificate (AMGCC)
Project Number: CA30P00750110

Dear Ms. Dozier:

We have reviewed the Actual Modernization Grant Cost Certificate (AMGCC), for the above referenced project and find it acceptable. Our approval for the final close-out of this project is contingent on the audit verification of the amounts reported on the AMGCC. At that time, an executed copy of the AMGCC will be forwarded for your records.

Should you have any questions or need assistance, please contact Norma Peñamante, Public Housing Facilities Management Specialist, at (415) 489-6441.

Sincerely

A handwritten signature in blue ink, appearing to read "Gerard Windt".

Gerard Windt
Director
Office of Public Housing

Attachment

**Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program**

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I: Summary							
PHA Name Sacramento Housing Authority	County of	Grant Type and Number Capital Fund Program Grant No: CA30P00750110 Replacement Housing Factor Grant No: Date of CFFP:		FFY of Grant: 2010 FFY of Grant Approval: 2010			
Type of Grant							
☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Performance and Evaluation Report for Period Ending:				☒ Revised Annual Statement (revision no: 9') ☐ Final Performance and Evaluation Report			
Line	Summary by Development Account	Total Estimated Cost	Revised ²	Obligated	Total Actual Cost ¹	Expended	
18a	1501 Collateralization or Debt Service paid by the PHA						
18ba	9000 Collateralization or Debt Service paid Via System of Direct Payment						
19	1502 Contingency (may not exceed 8% of line 20)						
20	Amount of Annual Grant: (sum of lines 2 - 19)						
21	Amount of line 20 Related to LBP Activities	\$1,882,271	\$1,882,271	\$1,882,271	\$1,882,271		
22	Amount of line 20 Related to Section 504 Activities						
23	Amount of line 20 Related to Security - Soft Costs						
24	Amount of line 20 Related to Security - Hard Costs						
25	Amount of line 20 Related to Energy Conservation Measures						
Signature of Executive Director		Date 12/12/13		Signature of Public Housing Director		Date 8/17/16	

¹ To be completed for the Performance and Evaluation Report.

² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

³ PHAs with under 250 units in management may use 100% of CFF Grants for operations.

⁴ RHF funds shall be included here.

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

JB Approval No. 2577-0157 (exp. 1/31/2017)

Comprehensive Improvement Assistance Program (CIAP)
Comprehensive Grant Program (CGP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

HA Name:

Housing Authority of the County of Sacramento

Modernization Project Number:

CA30P00750110

The HA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Original Funds Approved	\$ 1,882,271
B. Funds Disbursed	\$ 1,882,271
C. Funds Expended (Actual Modernization Cost)	\$ 1,882,271
D. Amount to be Recaptured (A-C)	\$
E. Excess of Funds Disbursed (B-C)	\$

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the HA have been fully paid;

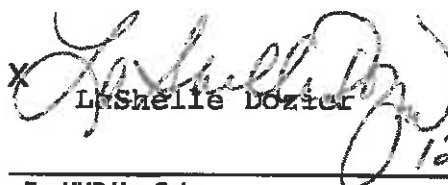
4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work; and

5. That the time in which such liens could be filed has expired.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Signature of Executive Director & Date:

X 
Lashelle Dozier
12-12-13

For HUD Use Only

The Cost Certificate is approved for audit:

Approved for Audit (Director, Office of Public Housing / ONAP Administrator)

X

Date:

8/17/16

The audited costs agree with the costs shown above:

Verified: (Designated HUD Official)

X

Date:

Approved: (Director, Office of Public Housing / ONAP Administrator)

Date:

X



**U.S. Department of Housing and Urban
Development**

San Francisco Regional Office - Region IX
One Sansome Street, Suite 1200
San Francisco, California 94104-4430
www.hud.gov
Espanol.hud.gov

DEC 15 2016

Ms. LaShelle Dozier
Executive Director
Sacramento City and County Housing
And Redevelopment Agency
801 12th Street
P.O. Box 1834
Sacramento, CA 95814

SUBJECT: Actual Modernization Grant Cost Certificate (AMGCC)
Project Number: CA30P00550112

Dear Ms. Dozier:

We have reviewed the Actual Modernization Grant Cost Certificate (AMGCC), for the above referenced project and find it acceptable. Our approval for the final close-out of this project is contingent on the audit verification of the amounts reported on the AMGCC. At that time, an executed copy of the AMGCC will be forwarded for your records.

Should you have any questions or need assistance, please contact Norma Peñamante, Public Housing Facilities Management Specialist, at (415) 489-6441.

Sincerely,

A handwritten signature in black ink, appearing to read "Gerard R. Windt".

Gerard R. Windt
Director
Office of Public Housing

Attachment



**U.S. Department of Housing and Urban
Development**

San Francisco Regional Office - Region IX
One Sansome Street, Suite 1200
San Francisco, California 94104-4430
www.hud.gov
Espanol.hud.gov

Executive Director's Office

JAN 24 2017

FEB 06 2017

Ms. LaShelle Dozier
Executive Director
Sacramento City and County Housing
And Redevelopment Agency
801 12th Street
P.O. Box 1834
Sacramento, CA 95814

**Sacramento Housing and
Redevelopment Agency**

**SUBJECT: Actual Modernization Grant Cost Certificate (AMGCC)
Project Number: CA30P00750112**

Dear Ms. Dozier:

We have reviewed the Actual Modernization Grant Cost Certificate (AMGCC), for the above referenced project and find it acceptable. Our approval for the final close-out of this project is contingent on the audit verification of the amounts reported on the AMGCC. At that time, an executed copy of the AMGCC will be forwarded for your records.

Should you have any questions or need assistance, please contact Norma Peñamante, Public Housing Facilities Management Specialist, at (415) 489-6441.

Sincerely,

Gerard R. Windt
Director
Office of Public Housing

Attachment

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2017)

Capital Fund Program (CFP)

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (PHA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

PHA Name: Housing Authority of the County of Sacramento Modernization Project Number: CA30F00750112

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

A. Funds Approved	\$ 1,438,555.00
B. Funds Disbursed	\$ 1,438,555.00
C. Funds Expended (Actual Modernization Cost)	\$ 1,438,555.00
D. Amount to be Recaptured (A-C)	\$
E. Excess of Funds Disbursed (B-C)	\$

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;

5. That the time in which such liens could be filed has expired; and

6. That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.

7. Please mark one:

☒ A. This grant will be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

☐ B. This grant will not be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)

Name & Title of Authorized Signatory (type or print clearly):

LaShelle Dozier, Executive Director

Signature of Executive Director (or Authorized Designee):

X

Date:

4-15-16

For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked):

Approved for Audit (Director, Office of Public Housing)

X

Date:

1/24/17

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing)

X

Date:

**Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program**

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part II: Summary		Grant Type and Number Capital Fund Program Grant No: CA30P00750112 Replacement Housing Factor Grant No: Date of CFFP:		FY of Grant: 2012 FY of Grant Approval: 2012	
PHA Name: County of Sacramento Housing Authority (CA007)					
Type of Grant: ☐ Original Annual Statement ☐ Performance and Evaluation Report for Period Ending: ☐ Summary by Development Account		☐ Revised Annual Statement (revision no:) ☒ Final Performance and Evaluation Report			
Line	Description	Original	Revised¹	Obligated	Total Actual Cost¹
1	Total non-CFFP Funds				
2	1406 Operations (may not exceed 20% of line 21) ³	\$ 287,711	\$ 287,711	\$ 287,711	\$ 287,711
3	1408 Management Improvements	\$ 287,711	\$ 287,711	\$ 287,711	\$ 287,711
4	1410 Administration (may not exceed 10% of line 21)	\$ 143,856	\$ 143,856	\$ 143,856	\$ 143,856
5	1411 Audit				
6	1415 Liquidated Damages				
7	1430 Fees and Costs	\$ 175,316	\$ 175,316	\$ 175,316	\$ 175,316
8	1440 Site Acquisition				
9	1450 Site Improvement	\$ 180,685	\$ 180,685	\$ 180,685	\$ 171,353
10	1460 Dwelling Structures	\$ 363,276	\$ 363,276	\$ 363,276	\$ 363,276
11	1465.1 Dwelling Equipment—Nonexpendable				
12	1470 Non-dwelling Structures				
13	1475 Non-dwelling Equipment				
14	1485 Demolition				
15	1492 Moving to Work: Demonstration				
16	1495.1 Relocation Costs				
17	1499 Development Activities ⁴				

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFFP Grants for operations.
⁴ RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

Part I: Summary		FY of Grant: 2012		FY of Grant Approval: 2012	
FHA Name	Grant Type and Number				
County of	Capital Fund Program Grant No: CA30909730112				
Boarding Authority	Replacement Housing Factor Grant No:				
(CAAP)	Date of CFP:				
Type of Grant		☐ Original Annual Statement ☐ Reserve for Disasters/Emergencies ☐ Performance and Evaluation Report for Period Ending:			
Summary by Development Account		Total Estimated Cost		Total Actual Cost	
Line		Original	Revised	Obligated	Expended
13a	1501 Capitalization or Debt Service paid by the FHA				
13b	5050 Capitalization or Debt Service paid Via System of Direct Payment				
19	1502 Contingency (may not exceed 5% of line 20)				
20	Amount of Annual Grant: (sum of lines 2 - 19)	\$1,438,555	\$1,438,555	\$1,438,555	\$1,438,555
21	Amount of line 20 Related to LBP Activities				
22	Amount of line 20 Related to Section 504 Activities				
23	Amount of line 20 Related to Security - Soft Costs				
24	Amount of line 20 Related to Security - Hard Costs				
25	Amount of line 20 Related to Energy Conservation Measures				
Signature of Executive Director		Date 4-15-12		Signature of Public Housing Director 4/24/17	
				Date	

¹ To be completed for the Performance and Evaluation Report.

² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

³ PHAs with under 200 units in development may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

Part II: Supporting Pages		Grant Type and Number Capital Fund Program Grant No: CA30P00750112 CFPP (Year/No): Replacement Housing Factor Grant No:		Federal FY of Grant: 2012				
PHA Name: County of Sacramento Housing Authority								
Development Number Name/PHA-Wide Activities	General Description of Major Work Categories	Development Account No.	Quantity	Total Estimated Cost	Total Actual Cost	Status of Work		
				Original	Revised ¹	Funds Obligated ²	Funds Expended ²	
PHA Wide	Operations	1406		287,711	287,711	287,711	287,711	Complete
PHA Wide Maint	Resident Training Program	1408		287,711	287,711	287,711	287,711	Complete
PHA Wide	Program Administration	1410		143,856	143,856	143,856	143,856	Complete
Fees & Costs	Architect & Engineers	1430		95,000	95,000	95,000	95,000	Complete
	Design & Construction Architecture	1430		80,316	80,316	80,316	80,316	Complete
(201) 2471 - 1R	DS - Roof/gutters	1450		3,848	3,848	3,848	3,848	Complete
	SI - Tree Service/limbs/prg lots	1450		88,196	88,196	88,196	88,196	Complete
2434 - 7554 Cook	DS - Roof/gutters	1460		0	0			
2461 - Bravado Dr	SI - flooring, door	1450	3 Units	10,001	10,001	10,001	10,001	Complete
2402 - Pomegranate	DS - Replace all exterior dry rot and replace siding	1460	20 Units	132,333	132,333	132,333	132,333	Complete
	SI - hazzmat, etc	1450		17,053	17,053	17,053	17,053	Complete
2433 - Sunset	DS - windows, stucco, in/ext paint	1460	5 Units	43,039	43,039	43,039	43,039	Complete
	SI - landscape, flooring	1450	5 Units	35,834	35,834	35,834	35,834	Complete
2412 - 6433 Lang	DS - Replace all exterior dry rot, siding and dual pane windows	1460	7 Units	31,076	31,076	31,076	31,076	Complete
	SI - hazzmat/hazzmat, ect.	1450		0	0			

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

² To be completed for the Performance and Evaluation Report.

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

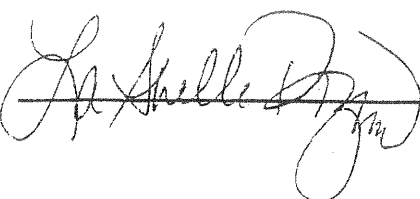
¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

Assistance Award/Amendment

U.S. Department of Housing and
Urban Development
Office of Administration

1. Assistance Instrument ☐ Cooperative Agreement ☒ Grant		2. Type of Action ☐ Award ☒ Amendment	
3. Instrument Number CA007RFS169A012	4. Amendment Number	5. Effective Date of this Action	6. Control Number
7. Name and Address of Recipient DUNS # 137351164 Tax ID - 94-6300529 County of Sacramento Housing Authority 801 12 th Street Sacramento, CA 95814		8. HUD Administering Office Office of Public Housing One Sansome Street, Suite 1200 San Francisco, CA 94104	
10. Recipient Project Manager Ms. LaShelle Dozier, Executive Director		8a. Name of Administrator Andrew Nguyen	8b. Telephone Number
11. Assistance Arrangement ☒ Cost Reimbursement ☐ Cost Sharing ☐ Fixed Price		12. Payment Method ☐ Treasury Check Reimbursement ☐ Advance Check ☒ Automated Clearinghouse	
13. HUD Payment Office LOCCS		9. HUD Government Technical Representative	
14. Assistance Amount		15. HUD Accounting and Appropriation Data	
Previous HUD Amount \$69,000.00		15a. Appropriation Number	15b. Reservation number
HUD Amount this action (\$11,640.22)			
Total HUD Amount \$57,359.78		Amount Previously Obligated	\$69,000.00
Recipient Amount \$0		Obligation by this action	(\$11,640.22)
Total Instrument Amount \$57,359.78		Total Obligation	\$57,359.78

This grant has expired. The housing authority failed to spend the remaining LOCCS funds. Please recapture \$11,640.22.

17. ☒ Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office		18. ☐ Recipient is not required to sign this document.	
19. Recipient (By Name) Ms. LaShelle Dozier, Executive Director		20. HUD (By Name) Miguel Correa, Director, Office of Public Housing	
Signature & Title	Date (mm/dd/yyyy)	Signature & Title	Date (mm/dd/yyyy)
	04/21/2015	 Director, PIH	5/5/15

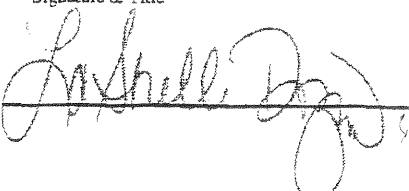
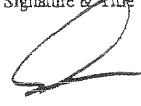
form HUD-1044 (8/90)
ref. Handbook 2210.17

Assistance Award/Amendment

U.S. Department of Housing and
Urban Development
Office of Administration

1. Assistance Instrument ☐ Cooperative Agreement ☒ Grant		2. Type of Action ☐ Award ☒ Amendment	
3. Instrument Number CA005RPSZ73A011	4. Amendment Number	5. Effective Date of this Action	6. Control Number
7. Name and Address of Recipient DUNS # 137351016 Tax ID# - 94-6000759 Housing Authority of the City of Sacramento 801 12th Street Sacramento, CA 95814		8. HUD Administering Office Office of Public Housing One Sansome Street, 12th Floor San Francisco, CA 94104	
10. Recipient Project Manager Ms. LaShelle Dozier, Executive Director		9. HUD Government Technical Representative Carol Joseph	
11. Assistance Arrangement ☒ Cost Reimbursement ☐ Cost Sharing ☐ Fixed Price	12. Payment Method ☐ Treasury Check Reimbursement ☐ Advance Check ☒ Automated Clearinghouse	13. HUD Payment Office LOCCS	
14. Assistance Amount Previous HUD Amount \$480,000.00 HUD Amount this action (\$729.85) Total HUD Amount \$479,270.15 Recipient Amount \$0 Total Instrument Amount \$479,270.15		15. HUD Accounting and Appropriation Data 15a. Appropriation Number 15b. Reservation number Amount Previously Obligated \$480,000.00 Obligation by this action (\$729.85) Total Obligation \$479,270.15	

This grant has expired. The housing authority failed to spend the remaining LOCCS funds. Please recapture \$729.85.

17. ☒ Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office		18. ☐ Recipient is not required to sign this document.	
19. Recipient (By Name) Ms. LaShelle Dozier, Executive Director		20. HUD (By Name) Gerard Windt, Director, Office of Public Housing	
Signature & Title 	Date (mm/dd/yyyy) 9/10/15	Signature & Title 	Date (mm/dd/yyyy) 8/15/16

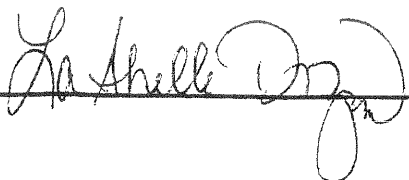
form HUD-1044 (8/90)

Assistance Award/Amendment

U.S. Department of Housing and
Urban Development
Office of Administration

1. Assistance Instrument ☐ Cooperative Agreement ☒ Grant		2. Type of Action ☐ Award ☒ Amendment	
3. Instrument Number CA007FSH072A014	4. Amendment Number	5. Effective Date of this Action	6. Control Number
7. Name and Address of Recipient DUNS # 137351164 Tax ID# 94-6300529 County of Sacramento Housing Authority 801 12 th Street Sacramento, CA 95814		8. HUD Administering Office Office of Public Housing One Sansome Street, 12 th Floor San Francisco, CA 94104	
10. Recipient Project Manager Ms. LaShelle Dozier, Executive Director		8a. Name of Administrator Gerard Windt	8b. Telephone Number
11. Assistance Arrangement ☒ Cost Reimbursement ☐ Cost Sharing ☐ Fixed Price		9. HUD Government Technical Representative Carol Joseph	
12. Payment Method ☐ Treasury Check Reimbursement ☐ Advance Check ☒ Automated Clearinghouse		13. HUD Payment Office LOCCS	
14. Assistance Amount		15. HUD Accounting and Appropriation Data	
Previous HUD Amount \$136,849.00		15a. Appropriation Number	15b. Reservation number
HUD Amount this action (\$18,898.53)			
Total HUD Amount \$117,950.47		Amount Previously Obligated	\$136,849.00
Recipient Amount \$0		Obligation by this action	(\$18,898.53)
Total Instrument Amount \$117,950.47		Total Obligation	\$117,950.47

This grant has expired. The housing authority failed to spend the remaining LOCCS funds. Please recapture \$18,898.53.

17. ☒ Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office		18. ☐ Recipient is not required to sign this document.	
19. Recipient (By Name) Ms. LaShelle Dozier, Executive Director		20. HUD (By Name) Gerard Windt, Director, Office of Public Housing	
Signature & Title	Date (mm/dd/yyyy)	Signature & Title	Date (mm/dd/yyyy)
	7/5/16		7/13/16

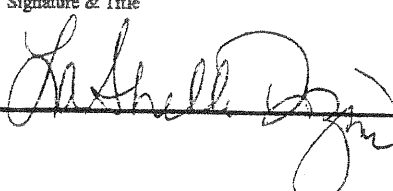
form HUD-1044 (8/90)

Assistance Award/Amendment

U.S. Department of Housing and
Urban Development
Office of Administration

1. Assistance Instrument ☐ Cooperative Agreement ☒ Grant		2. Type of Action ☐ Award ☒ Amendment	
3. Instrument Number CA005RFS033A013	4. Amendment Number	5. Effective Date of this Action	6. Control Number
7. Name and Address of Recipient DUNS # 137351016 Tax ID# 94-6000759 Housing Authority of the City of Sacramento 801 12th Street Sacramento, CA 95814		8. HUD Administering Office Office of Public Housing One Sansome Street, 12th Floor San Francisco, CA 94104	
10. Recipient Project Manager Ms. LaShelle Dozier, Executive Director		8a. Name of Administrator Gerard Windt	8b. Telephone Number
11. Assistance Arrangement ☒ Cost Reimbursement ☐ Cost Sharing ☐ Fixed Price		9. HUD Government Technical Representative Carol Joseph	
12. Payment Method ☐ Treasury Check Reimbursement ☐ Advance Check ☒ Automated Clearinghouse		13. HUD Payment Office LOCCS	
14. Assistance Amount		15. HUD Accounting and Appropriation Data	
Previous HUD Amount \$69,000.00		15a. Appropriation Number	15b. Reservation number
HUD Amount this action (\$10,946.03)			
Total HUD Amount \$58,053.97		Amount Previously Obligated	\$69,000.00
Recipient Amount \$0		Obligation by this action	(\$10,946.03)
Total Instrument Amount \$58,053.97		Total Obligation	\$58,053.97

This grant has expired. The housing authority failed to spend the remaining LOCCS funds. Please recapture \$10,946.03.

17. ☒ Recipient is required to sign and return three (3) copies of this document to the HUD Administering Office		18. ☐ Recipient is not required to sign this document.	
19. Recipient (By Name) Ms. LaShelle Dozier, Executive Director		20. HUD (By Name) Gerard Windt, Director, Office of Public Housing	
Signature & Title 	Date (mm/dd/yyyy) 7/5/16	Signature & Title 	Date (mm/dd/yyyy) 8/26/16

form HUD-1044 (8/90)

SENATE BILL 341 - LOW AND MODERATE INCOME HOUSING ASSET FUND REPORT

PURSUANT TO SECTION 34176.1(F) OF THE CALIFORNIA HEALTH AND SAFETY CODE FOR THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO FOR THE YEAR ENDED DECEMBER 31, 2016

The following Financial Report (Report) of the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to Section 34176.1(f) of the California Health and Safety Code and is dated June 1, 2017. This Report sets forth certain details of the Housing Authority of the City of Sacramento (Housing Successor) activities for the year ended December 31, 2016 (Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular Sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information contained within the Sacramento Housing and Redevelopment Agency's audit (Audit) for the year ended December 31, 2016 as prepared by management and conforms with – and is organized into the following 11 sections pursuant to Section 34176.1(f) of the Dissolution Law:

- I. Amount Deposited into LMIHAF:** This section provides the total amount of funds deposited into the LMIHAF during the Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.
- II. Ending Balance in the LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.
- III. Description of Expenditures from the LMIHAF:** This section provides a description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).
- IV. Statutory Value of Assets Owned by Housing Successor:** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

- V. **Description of Transfers:** This section provides a description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous Year and, if still unencumbered, in earlier Years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.
- VI. **Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.
- VII. **Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, a status update on the project.
- VIII. **Description of Outstanding Obligations Pursuant to Section 33413:** This section provides a description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.
- IX. **Extremely-Low Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.
- X. **Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former redevelopment agency and its host jurisdiction within the same time period.
- XI. **Excess Surplus Test:** This section provides the amount of any excess surplus, the amount of time that the Housing Successor has had excess surplus and the Housing Successor's plan for eliminating the excess surplus.

This Report is to be provided to the Housing Successor's governing body by June 30, 2017. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the Agency's website at www.shra.org.

I. AMOUNT DEPOSITED INTO LMIHAF

A total of \$6,130,799 was deposited into the LMIHAF during the Year. Of the total funds deposited into the LMIHAF, a total of \$1,693,008 was related to items listed on the ROPS.

II. ENDING BALANCE IN THE LMIHAF

Since this section does not define what “balance” is required, the fund balances presented in the LMIHAF are presented and detailed into their component amounts as follows as of December 31, 2016:

Components of Fund Balance	Amount
Restricted for Housing	\$74,502,315

Note: Of the \$74.5 million fund balance restricted for housing, approximately \$58.7 million represents the net loans receivable balance and \$2.4 million represent bond proceeds being held for future development of low and moderate income housing.

III. DESCRIPTION OF EXPENDITURES FROM THE LMIHAF

The following is a description of expenditures from the LMIHAF by category as of December 31, 2016:

Category	Amount
Monitoring & Administration Expenditures	\$ 1,325,575
Homeless Prevention and Rapid Rehousing Services Expenditures	553,478
Housing Development Expenditures	69,972
Total LMIHAF Expenditures in the Year	\$ 1,949,025

IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR

Under the Dissolution Law and for purposes of this Report, “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer form approved by the Department of Finance by the housing asset transfer schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of properties purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor.

	Amount
Statutory Value of Real Property Owned by Housing Authority	\$10,188,733
Value of Loans and Grants Receivable	58,743,896
Total Value of Housing Successor Assets	\$68,932,629

V. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successors pursuant to Section 34176.1(c)(2) during the Year.

VI. PROJECT DESCRIPTIONS

The Housing Successor did not receive nor currently holds any tax revenues pursuant to the ROPS during the Year.

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 33334.16 requires that real property acquired using the LMIHAF must initiate activities consistent with the development of the property for the purpose for which it was acquired within five years from the date it first acquired the property.

The following provides a status update on the property or properties that have been acquired using LMIHAF prior to February 1, 2012:

Street #	Street Name	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
0	A Street	07/31/1995	7/31/2000	no activity
1400	N. B St	10/21/2011	10/21/2016	Sold 6/28/2016
1224	D Street	03/04/1985	3/5/1990	no activity
1017	10th Street	06/13/1994	6/14/1999	Shasta Hotel - land only. Bldg & improvements owned by Shasta Hotel Investors Partnership
1614	K Street	04/20/1988	4/21/1993	Pensione K - Leased - tenant maintains
2936	38th Street	12/19/1994	12/20/1999	no activity

2942	38th Street	12/19/1994	12/20/1999	no activity
3900	Broadway	10/29/1982	10/30/1987	no activity
3025	39th Street	02/23/1995	2/24/2000	no activity
3023	39th Street	02/23/1995	2/24/2000	no activity
3021	39th Street	01/30/2001	1/31/2006	no activity
3908	Broadway	10/29/1982	10/30/1987	no activity
4501	9th Avenue	03/21/1986	3/22/1991	Vacant Lot - leased to Fortune School
5266	Young Street	2/17/2011	2/18/2016	no activity
5270	Young Street	5/8/2009	5/9/2014	no activity
5300	Young Street	9/21/2010	9/22/2015	no activity
5320	Young Street	5/20/2010	5/21/2015	no activity
5340	Young Street	9/21/2010	9/22/2015	no activity
3515	ALBERGHINI ST	2/2/2009	2/3/2014	new subdivision map & APN's issued 6/19/2014
3521	ALBERGHINI ST	2/2/2009	2/3/2014	new subdivision map & APN's issued 6/19/2014
3509	ALBERGHINI ST	5/31/2006	6/1/2011	new subdivision map & APN's issued 6/19/2014
3500	ALBERGHINI ST	6/3/2005	6/4/2010	new subdivision map & APN's issued 6/19/2014
3506	ALBERGHINI ST	6/3/2005	6/4/2010	new subdivision map & APN's issued 6/19/2014
3510	ALBERGHINI ST	6/3/2005	6/4/2010	new subdivision map & APN's issued 6/19/2014
3516	ALBERGHINI ST	6/3/2005	6/4/2010	new subdivision map & APN's issued 6/19/2014
3520	ALBERGHINI ST	6/3/2005	6/4/2010	new subdivision map & APN's issued 6/19/2014
3524	ALBERGHINI ST	6/3/2005	6/4/2010	new subdivision map & APN's issued 6/19/2014
3523	HARRY BLOCK ST	7/20/2008	7/21/2013	new subdivision map & APN's issued 6/19/2014
3519	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3515	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3509	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3505	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3501	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3500	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014

3506	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3510	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3516	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3520	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3524	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3523	JIMMY POPE AV	2/16/2006	2/17/2011	new subdivision map & APN's issued 6/19/2014
3519	JIMMY POPE AV	2/16/2006	2/17/2011	new subdivision map & APN's issued 6/19/2014
3515	JIMMY POPE AV	2/16/2006	2/17/2011	new subdivision map & APN's issued 6/19/2014
3509	JIMMY POPE AV	2/16/2006	2/17/2011	new subdivision map & APN's issued 6/19/2014
3505	JIMMY POPE AV	2/16/2006	2/17/2011	new subdivision map & APN's issued 6/19/2014
3501	JIMMY POPE AV	2/16/2006	2/17/2011	new subdivision map & APN's issued 6/19/2014
3500	JIMMY POPE AV	2/25/2002	2/26/2007	new subdivision map & APN's issued 6/19/2014
3516	JIMMY POPE AV	2/25/2002	2/26/2007	new subdivision map & APN's issued 6/19/2014
3520	JIMMY POPE AV	11/1/2007	11/1/2012	new subdivision map & APN's issued 6/19/2014
3524	JIMMY POPE AV	12/13/2007	12/13/2012	new subdivision map & APN's issued 6/19/2014
704	SOUTH AV	10/28/2005	10/29/2010	new subdivision map & APN's issued 6/19/2014
705	FRAN BARKER AV	10/28/2005	10/29/2010	new subdivision map & APN's issued 6/19/2014
711	FRAN BARKER AV	5/19/2006	5/20/2011	new subdivision map & APN's issued 6/19/2014
725	FRAN BARKER AV	8/29/2007	8/29/2012	new subdivision map & APN's issued 6/19/2014
735	FRAN BARKER AV	3/28/2008	3/29/2013	new subdivision map & APN's issued 6/19/2014
601	FRAN BARKER AV	4/28/2010	4/29/2015	new subdivision map & APN's issued 6/19/2014
751	FRAN BARKER AV	6/22/2005	6/23/2010	new subdivision map & APN's issued 6/19/2014
750	FRAN BARKER AV	6/22/2005	6/23/2010	new subdivision map & APN's

				issued 6/19/2014
3450	TAYLOR ST	6/30/2005	7/1/2010	new subdivision map & APN's issued 6/19/2014
612	JOHNNIE MORRIS A	5/30/2006	5/31/2011	new subdivision map & APN's issued 6/19/2014
618	JOHNNIE MORRIS A	1/30/2006	1/31/2011	new subdivision map & APN's issued 6/19/2014
624	JOHNNIE MORRIS A	1/30/2006	1/31/2011	new subdivision map & APN's issued 6/19/2014
630	JOHNNIE MORRIS A	1/30/2006	1/31/2011	new subdivision map & APN's issued 6/19/2014
3415	LOUISE WILLIAMS	1/30/2006	1/31/2011	new subdivision map & APN's issued 6/19/2014
3407	LOUISE WILLIAMS	1/30/2006	1/31/2011	new subdivision map & APN's issued 6/19/2014
3400	LOUISE WILLIAMS	6/30/2005	7/1/2010	new subdivision map & APN's issued 6/19/2014
3406	LOUISE WILLIAMS	6/30/2005	7/1/2010	new subdivision map & APN's issued 6/19/2014
3412	LOUISE WILLIAMS	6/30/2005	7/1/2010	new subdivision map & APN's issued 6/19/2014
3418	LOUISE WILLIAMS	6/30/2005	7/1/2010	new subdivision map & APN's issued 6/19/2014
636	JOHNNIE MORRIS A	6/30/2005	7/1/2010	new subdivision map & APN's issued 6/19/2014
642	JOHNNIE MORRIS A	11/20/2006	11/21/2011	new subdivision map & APN's issued 6/19/2014
648	JOHNNIE MORRIS A	11/20/2006	11/21/2011	new subdivision map & APN's issued 6/19/2014
3401	ALBERGHINI ST	2/9/2006 10/23/2007	10/23/2012	new subdivision map & APN's issued 6/19/2014
3405	ALBERGHINI ST	2/9/2006	2/10/2011	new subdivision map & APN's issued 6/19/2014
3409	ALBERGHINI ST	2/9/2006	2/10/2011	new subdivision map & APN's issued 6/19/2014
3424	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
3420	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
3416	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
3410	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
3406	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014

3400	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
631	JOHNNIE MORRIS A	2/1/2006	2/2/2011	new subdivision map & APN's issued 6/19/2014
637	JOHNNIE MORRIS A	2/1/2006	2/2/2011	new subdivision map & APN's issued 6/19/2014
643	JOHNNIE MORRIS A	6/30/2006	7/1/2011	new subdivision map & APN's issued 6/19/2014
649	JOHNNIE MORRIS A	6/30/2006	7/1/2011	new subdivision map & APN's issued 6/19/2014
655	JOHNNIE MORRIS A	6/30/2006	7/1/2011	new subdivision map & APN's issued 6/19/2014
707	JOHNNIE MORRIS A	3/16/2006	3/17/2011	new subdivision map & APN's issued 6/19/2014
711	JOHNNIE MORRIS A	2/1/2006	2/2/2011	new subdivision map & APN's issued 6/19/2014
719	JOHNNIE MORRIS A	8/21/2007	8/21/2012	new subdivision map & APN's issued 6/19/2014
727	JOHNNIE MORRIS A	8/21/2007	8/21/2012	new subdivision map & APN's issued 6/19/2014
733	JOHNNIE MORRIS A	5/22/2008	5/23/2013	new subdivision map & APN's issued 6/19/2014
739	JOHNNIE MORRIS A	5/22/2008	5/23/2013	new subdivision map & APN's issued 6/19/2014
734	HAYES AV	2/1/2006	2/2/2011	new subdivision map & APN's issued 6/19/2014
3433	ALTOS AV	10/13/2005	10/14/2010	new subdivision map & APN's issued 6/19/2014
3401	LOUISE WILLIAMS	6/30/2005	7/1/2010	new subdivision map & APN's issued 6/19/2014
605	JOHNNIE MORRIS A	6/30/2005	7/1/2010	new subdivision map & APN's issued 6/19/2014
3419	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
701	JOHNNIE MORRIS A	4/25/2006	4/26/2011	new subdivision map & APN's issued 6/19/2014
735	JOHNNIE MORRIS A	10/13/2005 10/23/2007	10/23/2012	new subdivision map & APN's issued 6/19/2014
	Ford Road	06/14/2000	6/15/2005	Developer RFP 2014
	Carroll Avenue	10/01/1998	10/2/2003	Developer RFP 2014
3368	Taylor St	1/26/2009	1/27/2014	home is leased by Housing Authority as low income housing
3374	Taylor St	1/26/2009	1/27/2014	home is leased by Housing Authority as low income housing
3380	Taylor St	1/26/2009	1/27/2014	home is leased by Housing

				Authority as low income housing
608	Ford Rd	1/26/2009	1/27/2014	home is leased by Housing Authority as low income housing
612	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
3381	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-7-2015
3375	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-7-2015
3369	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-7-2015
3363	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-7-2015
3357	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-7-2015
3351	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3345	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3339	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3333	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3327	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3321	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3315	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3307	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3301	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
615	Carroll Ave	1/26/2009	1/27/2014	Sold 7-11-2016
609	Carroll Ave	1/26/2009	1/27/2014	Developer RFP 2014
3300	Taylor St	1/26/2009	1/27/2014	Developer RFP 2014
3308	Taylor St	1/26/2009	1/27/2014	Developer RFP 2014
3316	Taylor St	1/26/2009	1/27/2014	Developer RFP 2014
593	Carroll Ave	1/26/2009	1/27/2014	Developer RFP 2014
3311	Taylor St	1/26/2009	1/27/2014	Developer RFP 2014
3301	Taylor St	1/26/2009	1/27/2014	Developer RFP 2014
639	Carroll Ave	1/26/2009	1/27/2014	Developer RFP 2014
3300	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
3308	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
3316	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
660	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
671	Wendell Echols W	1/26/2009	1/27/2014	Sold 7-11-2016
667	Wendell Echols W	1/26/2009	1/27/2014	Sold 7-11-2016
661	Wendell Echols W	1/26/2009	1/27/2014	Sold 7-11-2016
653	Wendell Echols W	1/26/2009	1/27/2014	Sold 7-11-2016
641	Wendell Echols W	1/26/2009	1/27/2014	Sold 7-11-2016
640	Dora Hunting Ave	1/26/2009	1/27/2014	Sold 7-7-2015
654	Dora Hunting Ave	1/26/2009	1/27/2014	Sold 7-7-2015
660	Dora Hunting Ave	1/26/2009	1/27/2014	Sold 7-7-2015
668	Dora Hunting Ave	1/26/2009	1/27/2014	Sold 7-7-2015
672	Dora Hunting Ave	1/26/2009	1/27/2014	Sold 7-7-2015
641	Dora Hunting Ave	1/26/2009	1/27/2014	Developer RFP 2014
653	Dora Hunting Ave	1/26/2009	1/27/2014	Developer RFP 2014
661	Dora Hunting Ave	1/26/2009	1/27/2014	Developer RFP 2014

667	Dora Hunting Ave	1/26/2009	1/27/2014	Developer RFP 2014
673	Dora Hunting Ave	1/26/2009	1/27/2014	Developer RFP 2014
640	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
654	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
660	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
668	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
674	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
3360	Dorothy Hill St	1/26/2009	1/27/2014	Developer RFP 2014
3354	Dorothy Hill St	1/26/2009	1/27/2014	Developer RFP 2014
3346	Dorothy Hill St	1/26/2009	1/27/2014	Developer RFP 2014
3340	Dorothy Hill St	1/26/2009	1/27/2014	Developer RFP 2014
701	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
707	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
715	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
721	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
727	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
733	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
739	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
745	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
3	Mary Watts Ct	1/26/2009	1/27/2014	Developer RFP 2014
9	Mary Watts Ct	1/26/2009	1/27/2014	Developer RFP 2014
15	Mary Watts Ct	1/26/2009	1/27/2014	Developer RFP 2014
14	Mary Watts Ct	1/26/2009	1/27/2014	Developer RFP 2014
2	Mary Watts Ct	1/26/2009	1/27/2014	Developer RFP 2014
744	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
750	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
756	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
3279	Taylor Rd	1/26/2009	1/27/2014	Developer RFP 2014
565	Charles Bradley Way	1/26/2009	1/27/2014	Developer RFP 2014
569	Charles Bradley Way	1/26/2009	1/27/2014	Developer RFP 2014
573	Charles Bradley Way	1/26/2009	1/27/2014	Developer RFP 2014
3272	Taylor St	1/26/2009	1/27/2014	Developer RFP 2014
3278	Taylor St	1/26/2009	1/27/2014	Developer RFP 2014
3284	Taylor St	1/26/2009	1/27/2014	Developer RFP 2014
3290	Taylor St	1/26/2009	1/27/2014	Developer RFP 2014
3296	Taylor St	1/26/2009	1/27/2014	Developer RFP 2014
608	Carroll Ave	1/26/2009	1/27/2014	Developer RFP 2014
607	Charles Bradley Way	1/26/2009	1/27/2014	Developer RFP 2014
611	Charles Bradley Way	1/26/2009	1/27/2014	Developer RFP 2014
614	Carroll Ave	1/26/2009	1/27/2014	Developer RFP 2014
3295	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
3289	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
3283	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
3277	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014

3271	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
3272	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
3278	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
3284	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
3290	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
3296	Auntine Burney S	1/26/2009	1/27/2014	Developer RFP 2014
3637	Rio Linda Blvd	11/01/2004	11/2/2009	no activity
3633	Rio Linda Blvd	11/01/2004	11/2/2009	no activity
3629	Rio Linda Blvd.	4/4/2008	4/5/2013	no activity
3617	Rio Linda Blvd	2/14/1990	2/15/1995	no activity
	Rio Linda Blvd	11/01/2004	11/2/2009	no activity
3605	Rio Linda Blvd	11/01/2004	11/2/2009	no activity
3601	Rio Linda Blvd	12/17/1990	12/18/1995	no activity
3621	Rio Linda Blvd	08/24/2007	8/24/2012	no activity
0	South Avenue	11/10/2009	11/11/2014	no activity
801	South Avenue	05/25/2007	5/25/2012	no activity
324	Fairbanks Avenue	08/11/1993	8/12/1998	Developer RFP 2014
1737	Kathleen Avenue	11/5/2008	11/6/2013	no activity
58	Arden Way	01/30/1991	1/31/1996	no activity

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

According to the 2011 Implementation Plan for the former redevelopment agency, no replacement housing obligations were transferred to the Housing Successor.

IX. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the Area Median Income (AMI). If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five year report, then the Housing Successor must ensure that at least 50% of the remaining LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

X. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds to assist additional senior housing units until the Housing Successor or City assists and construction has commenced a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10 year period of January 1, 2007 through December 31, 2016:

	1/1/2007 – 12/31/2016
# of Assisted Senior Rental Units	531
# of Total Assisted Rental Units	1,905
Senior Housing Percentage	27.9%

XI. EXCESS SURPLUS TEST

The LMIHAF does not have Excess Surplus.

**SENATE BILL 341 - LOW AND MODERATE INCOME HOUSING ASSET FUND REPORT
PURSUANT TO SECTION 34176.1(F) OF THE
CALIFORNIA HEALTH AND SAFETY CODE FOR THE
HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO
FOR THE YEAR ENDED DECEMBER 31, 2016**

The following Financial Report (Report) of the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to Section 34176.1(f) of the California Health and Safety Code and is dated June 1, 2017. This Report sets forth certain details of the Housing Authority of the County of Sacramento (Housing Successor) activities for the year ended December 31, 2016 (Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular Sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information contained within the Sacramento Housing and Redevelopment Agency's audit (Audit) for the year ended December 31, 2016 as prepared by management and conforms with – and is organized into the following 11 sections pursuant to Section 34176.1(f) of the Dissolution Law:

- I. Amount Deposited into LMIHAF:** This section provides the total amount of funds deposited into the LMIHAF during the Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.
- II. Ending Balance in the LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.
- III. Description of Expenditures from the LMIHAF:** This section provides a description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).
- IV. Statutory Value of Assets Owned by Housing Successor:** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

- V. **Description of Transfers:** This section provides a description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous Year and, if still unencumbered, in earlier Years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.
- VI. **Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.
- VII. **Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, a status update on the project.
- VIII. **Description of Outstanding Obligations Pursuant to Section 33413:** This section provides a description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.
- IX. **Extremely-Low Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.
- X. **Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former redevelopment agency and its host jurisdiction within the same time period.
- XI. **Excess Surplus Test:** This section provides the amount of any excess surplus, the amount of time that the Housing Successor has had excess surplus and the Housing Successor's plan for eliminating the excess surplus.

This Report is to be provided to the Housing Successor's governing body by June 30, 2017. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the Agency's website at www.shra.org.

I. AMOUNT DEPOSITED INTO LMIHAF

A total of \$483,561 was deposited into the LMIHAF during the Year. Of the total funds deposited into the LMIHAF, a total of \$446,000 was related to items listed on the ROPS.

II. ENDING BALANCE IN THE LMIHAF

Since this section does not define what “balance” is required, the fund balances presented in the LMIHAF are presented and detailed into their component amounts as follows as of December 31, 2016:

Components of Fund Balance	Amount
Restricted for Housing	\$16,581,507

Note: Of the \$16.6 million fund balance restricted for housing, approximately \$15.9 million represents the net loans receivable balance.

III. DESCRIPTION OF EXPENDITURES FROM THE LMIHAF

The following is a description of expenditures from the LMIHAF by category as of December 31, 2016:

Category	Amount
Monitoring & Administration Expenditures	\$ 432,392
Total LMIHAF Expenditures in the Year	\$ 432,392

IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR

Under the Dissolution Law and for purposes of this Report, “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer form approved by the Department of Finance by the housing asset transfer schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of properties purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor.

	Amount
Statutory Value of Real Property Owned by Housing Authority	\$ 2,149,805
Value of Loans and Grants Receivable	15,871,800
Total Value of Housing Successor Assets	\$18,021,605

V. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successors pursuant to Section 34176.1(c)(2) during the Year.

VI. PROJECT DESCRIPTIONS

The Housing Successor did not receive nor currently holds any tax revenues pursuant to the ROPS during the Year.

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 33334.16 requires that real property acquired using the LMIHAF must initiate activities consistent with the development of the property for the purpose for which it was acquired within five years from the date it first acquired the property.

The following provides a status update on the property or properties that have been acquired using LMIHAF prior to February 1, 2012:

Street #	Street Name	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
5258	Young St	07/30/2010	7/30/2015	no activity
5716	Stockton Blvd	7/30/2008	7/30/2013	no activity
0	Elkhorn Blvd	10/3/2007	10/2/2012	no activity

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

According to the 2011 Implementation Plan for the former redevelopment agency, no replacement housing obligations were transferred to the Housing Successor.

IX. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the Area Median Income (AMI). If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five year report, then the Housing Successor must ensure that at least 50% of the remaining LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

X. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds to assist additional senior housing units until the Housing Successor or City assists and construction has commenced a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10 year period of January 1, 2007 through December 31, 2016:

	1/1/2007 – 12/31/2016
# of Assisted Senior Rental Units	248
# of Total Assisted Rental Units	1,426
Senior Housing Percentage	17.4%

XI. EXCESS SURPLUS TEST

The LMIHAF does not have Excess Surplus.

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INVESTING IN COMMUNITIES