



NOTICE OF SPECIAL MEETING
**Sacramento Housing and
Redevelopment Commission**
Wednesday, October 25, 2017 – 6:00 pm
801 12th Street, 2nd Floor Commission Room
Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS

While the Commission welcomes and encourages participation in the Commission meetings, please limit your comments to three minutes, so that everyone may be heard. If you wish to speak under Citizens Comments or on a posted agenda item, please fill out a speaker card and present it to the Agency Clerk. SHRA provides opportunities for the public to address the Commission at this time in order to listen to opinions regarding non-agendized matters within the subject matter jurisdiction of SHRA. Consistent with the Brown Act, the public comment periods on the agenda are not intended to be "question and answer" periods or conversations with Commission members. Members of the public with questions are encouraged to contact staff before or after the meeting. Commission attendees are requested to silence any electronic devices that they have in their possession during the meeting.

APPROVAL OF MINUTES – October 4, 2017

PUBLIC HEARING

1. Approval of 2018 Sacramento Housing and Redevelopment Agency Budget - City report
2. Approval of 2018 Sacramento Housing and Redevelopment Agency Budget - County report

WORKSHOP

3. Updated Multifamily Financing and Mortgage Revenue Bond Policies Workshop

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

REPORTS: Copies of documents relating to agenda items are available for review in the Agency Clerk's office located at 801 12th Street, Sacramento CA 95814. Agendas and reports are also posted online at www.shra.org. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Agency Clerk's office during normal business hours and will also be available at the meeting.

AMERICANS WITH DISABILITIES ACT: Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Agency Clerk at (916) 440-1363 at least 48 hours prior to the meeting.



INVESTING IN COMMUNITIES

MINUTES

Sacramento Housing and Redevelopment Commission (SHRC)

Meeting of October 4, 2017

Meeting noticed on September 28, 2017

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:00 p.m. by Acting Chair Michael Alcalay

MEMBERS PRESENT: Alcalay, Griffin, Johnson, Morgan, Painter, Simas, Staajabu

MEMBERS ABSENT: Creswell, Macedo, Raab, (one vacancy)

STAFF PRESENT: La Shelle Dozier, David Levin, James Shields, Geoff Ross, MaryLiz Paulson, Mike Taylor, Christine Weichert, Celia Yniguez, Jackie Martinez, Mark Hamilton, Karen Wallace, Vickie Smith

APPROVAL OF AGENDA – Items 3 and 4 were presented and approved together.

CITIZENS COMMENTS – None.

APPROVAL OF MINUTES - September 6, 2017 and September 20, 2017 (notice of cancellation) were approved unanimously.

CONSENT

1. Authorization to Submit Revised State of California's Emergency Solutions Grant (ESG) Program Budget to the State of California Housing and Community Development Department

Commissioner Morgan motioned to approve the staff recommendation in the report. Commissioner Griffin seconded the motion. The votes were as follows:

AYES: Alcalay, Griffin, Johnson, Morgan, Simas, Staajabu, Painter

NOES: None

ABSENT: Creswell, Macedo, Raab (one vacancy)

ABSTAIN: None

PUBLIC HEARING

2. Approval of Commercial Property Lease with Salvation Army For Property Located At 1224 North B Street

Mike Taylor presented the item.

Commissioner Griffin motioned to approve the staff recommendation in the report. Commissioner Morgan seconded the motion. The votes were as follows:

AYES: Alcalay, Griffin, Johnson, Morgan, Simas, Staajabu, Painter

NOES: None

ABSENT: Creswell, Macedo, Raab (one vacancy)

ABSTAIN: None

3. Adoption of the 2018 One-Year Action Plan for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) Funded Projects and Programs; Amendment of Prior Years' Action Plans; Amendment of the Sacramento Housing and Redevelopment Agency (SHRA) Budget; and Environmental and Other Related Actions - City report

4. Adoption Of The 2018 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME) And Emergency Solutions Grant (ESG); Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; And Other Related Actions – County report

Jackie Martinez-Juarez presented the item.

Public comment in opposition to the item was provided by: Jermaine Gill, Carl Pinkston, Mario Lopez Mendez, Dennis Ross and Peggy Delgado.

Commissioner Griffin motioned to approve the staff recommendation in the reports. Commissioner Simas seconded the motion. The votes were as follows:

AYES: Alcalay, Griffin, Johnson, Morgan, Simas, Staajabu, Painter

NOES: None

ABSENT: Creswell, Macedo, Raab (one vacancy)

ABSTAIN: None

DISCUSSION/BUSINESS ITEMS

5. Updated Agency and Housing Authority Maintenance Schedule of Fees and Charges

Mark Hamilton presented the item.

Commissioner Morgan motioned to approve the staff recommendation in the report. Commissioner Griffin seconded the motion. The votes were as follows:

AYES: Alcalay, Griffin, Johnson, Morgan, Painter, Simas, Stajabu

NOES: None

ABSENT: Creswell, Macedo, Raab (one vacancy)

ABSTAIN: None

6. 2018 Annual Plan for the Housing Authority of the City of Sacramento (HACS) and the Housing Authority of the County of Sacramento (HACOS); Submission of the 2018 Annual Plan to the U.S. Department of Housing and Urban Development

MaryLiz Paulson presented the item.

Commissioner Johnson motioned to approve the staff recommendation in the report. Commissioner Painter seconded the motion. The votes were as follows:

AYES: Alcalay, Griffin, Johnson, Morgan, Painter, Simas, Stajabu

NOES: None

ABSENT: Creswell, Macedo, Raab (one vacancy)

ABSTAIN: None

WORKSHOP

7. Development Department Budget Overview

Tyrone Williams presented the item.

EXECUTIVE DIRECTOR REPORT

La Shelle Dozier reviewed the following:

- Next Meeting is on October 25th. The October 18th meeting is cancelled.
- Rio Linda Community Center Renovation Celebration on October 5th at 11am.
- Walk for Literacy – October 21st at 9am.
- Sutter Place Apartments Grand Re-Opening on October 30th at 11am.
- Walnut Grove site waitlist opening in October.

COMMISSION CHAIR REPORT

None.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Alcalay asked for clarification of the time of the Twin Rivers event which was provided by Tyrone Williams.

Commissioner Morgan announced that 165 individuals have been signed up for RT Connect Cards.

ADJOURNMENT

As there was no further business to be conducted, Acting Chair Alcalay adjourned the meeting at 7:15 pm.

Clerk



October 20, 2017

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2018 Sacramento Housing and Redevelopment Agency Proposed Budget

SUMMARY

The attached informational report is presented for your review prior to review by the City of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendation outlined in the attached report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



**REPORT TO HOUSING AUTHORITY
AND COUNCIL**

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

Public Hearing

November 7, 2017

**Honorable Mayor and Members of the City Council
Chair and Members of the Housing Authority Board**

Title: 2018 Sacramento Housing and Redevelopment Agency Proposed Budget

Location/Council District: Citywide

Recommendation: Conduct a public hearing and upon conclusion: 1) adopt a **Council Resolution:** a) making related environmental and other findings; b) approving the 2018 proposed budget for the Sacramento Housing and Redevelopment Agency (Agency); c) delegating authority to the Agency to administer certain federal funds; d) authorizing the Agency to submit grant applications for activities within the jurisdiction of the Agency; e) authorizing the Agency to enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget and to undertake other actions necessary to implement the delegated authorizations; and f) consent to the Agency's submittal of the annual housing operating budgets and application for Capital Fund Plan funding to HUD. 2) adopt a **Housing Authority Resolution:** a) making related environmental and other findings; b) approving the 2018 proposed budget for the Housing Authority of the City of Sacramento (Authority); c) delegating authority to administer certain federal funds; d) authorizing the Authority to submit grant applications for activities within the jurisdiction of the Authority; e) authorizing the Executive Director to submit the annual housing operating budgets to HUD and the application to HUD for Capital Fund Plan funding; and f) authorizing the Executive Director to enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget and undertake other actions necessary to implement the delegated authorizations. 3) Adopt a **Council Resolution** adopting a Multi-Family Loan and Mortgage Revenue Bond Application Schedule that corresponds with California Tax Credit Allocation Committee and California Debt Limit Allocation Committee application deadlines.

Contact: Tina Mckenney, Finance Director, 440-1325, LaShelle Dozier, Executive Director, 440-1319

Presenters: La Shelle Dozier, Executive Director, Tina McKenney, Director of Finance

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: The annual budget of the Sacramento Housing and Redevelopment Agency (Agency) incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the administration of specific funds on behalf of the City and County of Sacramento. The proposed 2018 budget provides a plan by which the Agency operates in an efficient manner and in compliance with funding source regulatory requirements and the Government Accounting Standards Board.

The Agency proposes a balanced budget in the amount of \$190.7 million representing the operational activities and projects for 2018. The Agency's budget and fiscal year are the calendar year from January 1st through December 31st. Neither the City nor the County provides General Fund support for the Agency's budget. The 2018 proposed budget represents a \$200,000 or .1 percent increase in net appropriations compared with the prior year. This change in annual budget appropriations is primarily the result of an increase in capital projects related to the preservation and development of affordable housing.

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;
- Considering the overall financial health of the organization, not just the cash flow from year to year;
- Using partnerships with public entities, community based organizations and private entities whenever practicable; and
- Developing budget plans that deal with the immediate needs of the Agency and employing strategies that address the long-term needs of the communities we serve.

Calendar Year 2018 Proposed Budget (\$\$\$ In Millions)							
	2014	2015	2016	2017	2018	Variance	
	Budget	Budget	Budget	Budget	Budget	(2017 to 2018)	
OPERATIONS							
Salaries and Benefits	19.6	20.9	22.3	24.7	24.4	(0.3)	-1.2%
Services and Supplies	14.8	15.3	17.0	18.3	17.9	(0.4)	-2.2%
Housing Assistance Payments	103.5	108.1	105.6	106.0	100.7	(5.3)	-5.0%
Debt Service	2.3	3.2	2.4	3.3	2.2	(1.1)	-33.3%
Financial Transactions	0.6	0.5	0.4	0.7	3.3	2.6	371.4%
Public Services	4.9	5.2	5.7	6.0	6.7	0.7	11.7%
Subtotal	\$145.7	\$153.2	\$153.4	\$159.0	\$155.2	(\$3.8)	-2.4%
CAPITAL PROJECTS							
Housing Development and Preservation	14.0	19.4	16.7	20.7	28.0	7.3	35.3%
Housing Authority Capital Projects	4.4	2.8	2.1	3.2	2.9	(0.3)	-9.4%
Infrastructure and Public Improvements	3.5	8.7	7.4	7.6	4.6	(3.0)	-39.5%
Subtotal	\$21.9	\$30.9	\$26.2	\$31.5	\$35.5	4.0	12.7%
TOTAL	\$167.6	\$184.1	\$179.6	\$190.5	\$190.7	\$0.2	0.1%

The Agency receives 84 percent of its funding from the federal government through the Department of Housing and Urban Development. Though overall funding nationally for the Housing Choice Voucher (HCV) program increased slightly in 2017, based upon the funding letter received from HUD, there will be an anticipated slight decrease in revenue in 2018 for Sacramento. Public Housing revenues remained constant in 2017 when compared with the prior year but, based on current federal budget projections, are expected to dip slightly in 2018. Federal programs such as Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) have seen lower appropriation levels since the Sequestration cuts of 2013. As a result, the number of housing projects, public services, and infrastructure improvements the Agency can fund has been reduced. For 2018, it is anticipated that Agency programs will be funded at levels similar to 2017.

The following table provides a visual representation of the funding levels for the Agency’s major federal programs over the past several years.

City & County Federal Funding (In Millions)						
FUNDING SOURCES	2013	2014	2015	2016	2017 Est	2018 Est
Community Development Block Grant (CDBG)	\$ 9.11	\$ 9.09	\$ 9.41	\$ 9.52	\$ 9.57	\$ 9.57
HOME Investment Partnerships Program (HOME)	\$ 3.72	\$ 3.91	\$ 3.39	\$ 3.97	\$ 3.90	\$ 3.90
Entitlement Programs Sub-Total:	\$ 12.83	\$ 13.00	\$ 12.80	\$ 13.49	\$ 13.47	\$ 13.47
Public Housing Authority Operating Fund	\$ 8.80	\$ 10.02	\$ 10.19	\$ 10.15	\$ 11.34	\$ 10.03
Public Housing Capital Fund Program	\$ 4.02	\$ 3.10	\$ 3.91	\$ 4.28	\$ 4.06	\$ 3.99
Public Housing Sub-Total:	\$ 12.82	\$ 13.12	\$ 14.10	\$ 14.43	\$ 15.40	\$ 14.02
Housing Choice Voucher Assistance Payments	\$ 98.50	\$ 101.02	\$ 100.68	\$ 101.98	\$ 98.00	\$ 96.04
Housing Choice Voucher Administration	\$ 7.57	\$ 8.31	\$ 8.75	\$ 9.80	\$ 9.11	\$ 9.41
HCV Sub-Total:	\$ 106.07	\$ 109.33	\$ 109.43	\$ 111.78	\$ 107.11	\$ 105.45
Emergency Solutions Grant (ESG)	\$ 0.63	\$ 0.92	\$ 0.81	\$ 0.85	\$ 0.86	\$ 0.86
Shelter Plus Care	\$ 4.70	\$ 4.80	\$ 4.49	\$ 4.42	\$ 4.51	\$ 4.58
Housing Opportunities for Persons With Aids (HOPWA)	\$ 0.66	\$ 0.87	\$ 0.91	\$ 0.91	\$ 1.04	\$ 1.04
Public Services Sub-Total:	\$ 6.19	\$ 6.59	\$ 6.21	\$ 6.18	\$ 6.41	\$ 6.48

Policy Considerations: The actions recommended in this report are consistent with adopted Consolidated Plan goals, the annual Housing Operating budget, the Capital Fund Plan, and adopted Agency policies.

For the Housing Authority of the City, serving as Housing Successor to the former redevelopment agency, the 2018 proposed budget no longer contains provisions for rental assistance obligations of the former redevelopment agency previously funded with low and moderate housing tax increment revenue. These obligations had been reported on the Recognized Obligation Payment Schedule (ROPS) of the City Successor Agency and approved by the California Department of Finance (DOF). However in 2017, DOF disallowed the continued funding for certain projects on the City Successor Agency’s ROPS. This eliminated funding available to assist up to 208 extremely low-income individuals.

This report also recommends adoption of the Agency's Multi-Family Loan and Mortgage Revenue Bond 2018 Application Schedule and outlines anticipated funding for Agency funded affordable housing development projects. The schedule allows potential applicants to apply for funding on certain dates corresponding to the California Tax Credit Allocation Committee (TCAC) and California Debit Limit Allocation Committee (CDLAC) application deadlines.

Economic Impacts: Not applicable

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b). Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Sustainability Considerations: Not applicable.

Other: The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities and are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be completed prior to any choice limiting action(s) being carried out with regard to such projects.

Commission Action: At its meeting of October 25, 2017, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

Rationale for Recommendation: The proposed budget provides a fiscal strategy for operations and capital projects during 2018. The budget is in balance and complies with applicable federal, state, and local regulations on the use of the funds.

Financial Considerations: The 2018 proposed budget recommends total expenses of \$190.7 million, with the Housing Assistance Payments budget at \$101 million; the Operating budget at \$43 million; the Capital Project budget at \$35.5 million; the Public

Services budget at \$6.7 million; and the Debt Service and Financial Transaction budget at \$4.5 million. The 2018 proposed budget of \$190.7 million represents a \$200,000 or .1 percent increase compared with the total 2017 budget.

For 2018, the Agency proposes to increase its authorized full-time equivalent (FTE) positions to 232.5 from the 230 FTE authorized in 2017. These additional positions will provide staffing to support the Housing Authority in aligning housing resources to serve the homeless, and to implement new initiatives in the Promise Zone. Over the next three years, the Housing Authority will implement a strategy utilizing vouchers and public housing units to serve homeless families and individuals and those on the verge of homelessness, in addition to families on housing assistance wait lists. New initiatives for the Promise Zone include increasing public and private partnerships to support the initiative's goals; developing and implementing a multidisciplinary strategy for the Performance Partnership Pilots for Disconnected Youth Program (P3) to serve 100 individuals age 18-24 by providing housing with case management; and pursuing grant opportunities to support implementation of the Twin Rivers Development Project.

LBE - M/WBE and Section 3 requirements: The action proposed in this report has no M/WBE or Section 3 impact; therefore, M/WBE or Section 3 considerations do not apply. LBE Considerations do not apply to this report.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

- 01 - Description/Analysis
- 02 - Background
- 03 - City Council Resolution
- 04 - Exhibit A – Summary of Changes to the Agency 2018 budget
- 05 - Housing Authority of the City of Sacramento Resolution
- 06 - Exhibit A - Summary of Changes to the Agency 2018 budget
- 07 - Exhibit B -1 - 2018 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)
- 08 - Exhibit B - 2 – HUD Resolution Approving the 2018 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)
- 09 - City Council Resolution Multi-Family Loan and Mortgage Revenue Bond Application Schedule
- 10 - Exhibit A - Multi-Family Loan and Mortgage Revenue Bond Application Schedule
- 11 - Agency Proposed 2018 budget - separately numbered attachment

BACKGROUND**Housing Choice Voucher Program (HCV):**

The Housing Choice Voucher (formerly Section 8 Housing Assistance) program is funded by HUD through Annual Contribution Contracts (ACC). The Agency administers this program on behalf of the Housing Authority of the County of Sacramento. The Housing Choice Voucher (HCV) program permits the applicant to obtain housing in the private rental market using housing vouchers or in site specific developments utilizing HCV Project Based Vouchers (PBV's). The program participants pay a portion of their income (an adjusted 30 percent of gross family income) towards rent and the remaining due to the owner is paid by the Housing Authority. Participants can utilize their voucher anywhere in the City or County of Sacramento or port out to jurisdictions around the country.

Revenue under the HCV program is received from HUD in the form of Housing Assistance Payments (HAP) and Administrative Fees (AF). The federal appropriations process dictates the amount of funding that will be allocated to the HCV program on a national level. Jurisdictional funding allocations are performance based, with the funding level determined by the number of authorized vouchers leased. Currently, the Housing Authority has 12,177 vouchers authorized for leasing each month and the program strives to maintain a leasing level between 98-100 percent utilization of all vouchers authorized by HUD. In addition, the Agency also administers an additional 575 certificates for the Shelter Plus Care program serving disabled, homeless individuals and families.

The utilization level of vouchers makes the HCV program eligible for maximum funding from HUD. However, despite being entitled to maximum funding for the program, depending upon federal appropriations, HUD prorates the amount received by each Agency to remain within the parameters of the federal budget. In 2017, the Agency's HAP eligibility was at 96.4 percent and staff anticipates a slight decrease in 2018. In addition, HUD intentionally provides less funding than required to cover HAP costs in an effort to recapture accumulated HAP reserves from public housing authorities across the country. In 2017 HUD intentionally recaptured HAP reserves leaving the Housing Authority with approximately two weeks of reserves; therefore, managing leasing levels effectively became exceptionally critical.

HCV administrative funding eligibility is based upon the number of units leased within the Housing Authority's authorized voucher allocation, currently 12,177 units per month. Once eligibility is determined, HUD uses a formula to determine administrative fees for the Agency. For 2017, the Agency receives \$89.25 per unit for the first 7200 unit months leased and \$83.30 per unit on all remaining unit months leased. HUD then applies a proration to the formula to reduce fees paid so that the administrative fees paid to housing authorities' matches the appropriations provided by Congress. In 2016 the proration was 84 percent of administrative funding eligibility. This proration was decreased to 77.5 percent of administrative funding eligibility in 2017.

2018 Agency Budget

Public Housing:

The Housing Authority manages a total of 3214 units of affordable housing for over 7600 extremely low-, very low- and low-income persons, including children, seniors, and disabled individuals. Of this total, 2712 are part of the Public Housing Program which utilizes apartments, duplexes, and some single family homes to house qualified low income families. Public Housing is owned, managed, and maintained by the Housing Authority, making it one of the largest landlords in Sacramento County.

HUD provides an annual operating subsidy to pay the cost of the Public Housing Program not covered by tenant rents which is appropriated annually through the federal budget process. The federal budget process has recently been erratic, with annual appropriations reaching as high as 103 percent of funding eligibility in 2010 to as low as 82 percent in 2013. In 2017, the program was funded at 93 percent of funding eligibility, meaning that the program received only 93 percent of what HUD believes the Agency needs to run the program. This requires that the Public Housing Program cut operating costs whenever possible and utilize operating reserves. The slight revenue decline reflected in the 2018 budget is based upon federal budget projections.

Local Housing (Non-Federal):

The Housing Authority also owns and manages 271 affordable units funded with tax credits and local funds. These local housing projects, units not regulated by HUD, have shown 2018 projected revenues to be relatively status quo with 2017.

The non-profit organization Sacramento Housing Authority Repositioning Program Inc. (SHARP) owns three high-rise properties funded through project based vouchers. These properties contain 231 elderly only units which are also managed by Housing Authority staff.

Also included in the Agency budget is the Sacramento Housing Development Corporation (SHDC), a nonprofit public benefit corporation created to serve as the general partner of Riverview Plaza Associates (RPA). SHDC is the General Partner of the 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. The 2018 budget of SHDC and its limited partnership is \$769,785 and is approved annually by the County Board of Supervisors sitting as the Board of SHDC.

2018 Agency Budget

Capital Fund Program (CFP):

The HUD CFP provides funding specifically intended for the development, financing, modernization, and management improvements needed at properties owned under the HUD public housing program. Funds are allocated annually via a formula. The Agency receives funding for the public housing properties owned by both the City and County Housing Authorities. Between 2003 and 2015, HUD funding for the CFP decreased 36 percent, with the sharpest decrease coming in 2011 at 21 percent. 2018 HUD funding for the CFP is expected to decrease slightly from the 2017 level. Revenue estimates are based on the current year grant amounts and are adjusted based upon Federal appropriation proposals.

Community Development Block Grant (CDBG):

CDBG is a federal entitlement program provided to communities annually for the benefit of low-income persons through housing improvement, public improvements, economic development, public service and elimination of blighting conditions. Areas of Sacramento which are low-income and extremely physically blighted have been selected for targeted CDBG assistance in the areas of capital improvements, housing preservation and renovation, and economic development and commercial revitalization activities. These funds must be used to augment but not replace local funds and responsibilities.

The annual HUD CDBG entitlement budget is allocated to cities and counties based on a formula comprised of several measures. The Agency receives grants for both the City and the County of Sacramento. Since 2010, CDBG appropriations have been cut by as much as 25 percent. Though funding levels are currently unknown, 2018 revenues are projected to be status quo with 2017 levels.

Home Investment Partnership Program (HOME):

The Agency administers the HOME program on behalf of the City and County of Sacramento as well as the City of Citrus Heights through a consortium agreement. This program provides for the preservation and expansion of affordable housing to very low and low-income persons. Housing developers and sponsors (both for-profit and non-profit) apply to the Agency for funding. In the past, HOME funds have assisted families in purchasing their first home, renovating deteriorating housing units, and assisting with the development of special housing programs.

The annual HUD HOME budget is allocated to participating jurisdictions as formula grants. Since 2010, federal appropriations for the HOME program have declined significantly. 2018 federal funding levels are anticipated to be status quo with 2017 funding levels.

2018 Agency Budget

Housing Trust Funds (HTF):

The Agency administers Housing Trust Funds on behalf of both the City and County of Sacramento. The City and County of Sacramento adopted ordinances in 1989 and 1990 respectively, for the purposes of generating fees for the development of affordable housing near employment centers. Fees collected from non-residential development are deposited in the Housing Trust Fund, and are used to fund affordable housing projects that are intended to serve the low income workforce employed by commercial businesses in the surrounding area.

Housing Trust Fund fees dropped dramatically from 2009 to 2012 due to the sharp decline in the number of commercial building permits being issued. Since 2013, there has been a steady increase in revenues due to an increase in building permits and prior year loan repayments.

Emergency Solutions Grant (ESG)

The ESG program is designed to directly assist homeless individuals and families by providing funding to support the provision of emergency shelters and rapid rehousing assistance. ESG funding is used for operations and essential social services necessary to support shelter residents and for the rapid re-housing of eligible individuals and families. The ESG program is designed to assist homeless subpopulations within this group, such as victims of domestic violence, youth, people with mental illness, families with children, and veterans. ESG funds can also be used, in narrowly defined situations, to aid people who are imminently at risk of becoming homeless. Revenues for 2018 are projected to be relative status quo with 2017 levels.

Housing Opportunities for Persons With AIDS (HOPWA)

HOPWA funding provides housing assistance and related supportive services in an effort to develop consortium-wide strategies and to form partnerships with area nonprofit organizations. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. HOPWA funds may also be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services. Revenues for 2018 are projected to be relative status quo with 2017 levels.

RESOLUTION NO. 2017-

Adopted by the Sacramento City Council

on date of

APPROVAL OF 2018 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORIZATIONS INCLUDING AUTHORITY FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

BACKGROUND

- A. The Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency created to eliminate duplicate staffing efforts and to manage and administer federal housing and community development programs on behalf of the City and County of Sacramento. This structure provides a competitive advantage to the City and County when seeking federal and other housing and community development funding opportunities. The consolidation of multiple departments from different jurisdictions achieves close coordination of housing and community development programs and provides budget savings for operation and overhead. The Agency Executive Director reports directly to the City and the County governing boards. The Agency is recognized statewide and nationally as a model public agency that achieves multi-jurisdictional cooperation and effectively leverages local, state and federal housing and community development funds.

- B. The Agency receives annual funding from a combination of federal, state and local sources. The sources of Agency revenue require that an operating budget be adopted prior to the start of each new fiscal year. The Agency’s fiscal year is the calendar year from January 1st through December 31st.

- C. Pursuant to Health and Safety Code Section 34176, City Resolution No. 2012-018, and Housing Authority Resolution No. 2012-001, the City of Sacramento designated the Housing Authority of the City of Sacramento (Authority), managed and staffed by the Agency, as the designated local authority to retain the housing assets and housing functions previously performed by its Redevelopment Agency, and the Housing Authority consented to serve in that role.

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

Section 1. The proposed actions are administrative and fiscal activities and do not

make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b), and are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

- Section 2. The 2018 Operating Budget totaling \$155,208,358 and the 2018 Project Budget totaling \$35,514,464, all as further described in the 2018 Proposed Agency Budget (hereinafter "2018 Agency Budget" or "Budget"), a copy of which is on file with the Agency Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of the Agency for the 2018 fiscal year. The 2018 Agency Budget incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.
- Section 3. A total of 232.5 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.
- Section 4. The budgeted amount for any item in the Budget may be amended by majority vote of the governing body of each entity actually undertaking and funding the activity. Such an amendment to the Budget so enacted shall be deemed to have been approved by all of the entities that originally adopted the Budget without further action of the remaining entities.
- Section 5. The Agency is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate legal directives of the California State Department of Finance and/or the State Controller's Office and the actions taken by the City of Sacramento acting as Successor Agency to the former Redevelopment Agency as approved by the Successor Agency's Oversight Board regarding housing successor matters.
- Section 6. The Agency is authorized to submit the 2018 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Agency is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded

programs and projects.

- Section 7. The proposed expenditures under the 2018 Housing Operating Budget are necessary in the efficient and economical operation of Agency housing to serve low-income families.
- Section 8. The housing financial plan set forth in the 2018 Housing Operating Budget is reasonable in that:
- a. It indicates a source of funding adequate to cover all proposed expenditures.
 - b. It does not provide for the use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
 - c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract.
 - d. It includes asset management project budgets prepared on an individual basis as shown in the schedule of public housing AMP and Central office 2018 budget.
- Section 9. The Housing Authority of the City of Sacramento (Authority), staffed by the Agency, is authorized to submit applications to HUD for the Capital Fund Plan and Program funding. If such grants are awarded, the Agency is authorized to accept the grant or grants, execute all related documents, execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements and amend the budget accordingly. The Agency is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Agency is authorized to submit the Comprehensive Plan or annual statement to HUD, after receiving public comments and resident review and approval of the Sacramento Housing and Redevelopment Agency Commission.
- Section 10. On an annual basis, HUD requires the Authority, staffed by the Agency, to conduct a physical inventory, analyze receivables for collectability, and, accordingly, reconcile and adjust related financial records. The Agency is authorized to amend the Budget and financial records as needed for such adjustments.
- Section 11. The Agency is authorized to purchase all lines of applicable insurance for its properties and operations through local independent agents, direct carriers, or risk retention pools, provided that the insurance requirements, coverage and terms are commercially reasonable and provided that the cost does not exceed the amounts in the approved Budget. The Agency is also authorized to obtain flood insurance through the federal flood insurance program for Agency properties and this coverage may be

secured through a local independent agent.

- Section 12. Subject to availability under the Budget of any required funds, the Agency is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with adopted Agency/Housing Authority policy and governing board approvals. The Agency is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the approved HUD approved conversion.
- Section 13. The Agency is authorized and directed to approve, submit and implement the Public Housing Agency (PHA) Annual Plan and PHA Five-Year Plan and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998, as approved by the Sacramento Housing and Redevelopment Commission.
- Section 14. The Agency is delegated authority to administer and accept specific federal entitlement grant funds, execute all related documents, and amend the Budget in the event that the actual federal entitlement grant funds exceeds or is less than the amount estimated in the Budget. The Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants.
- Section 15. The Agency is authorized to administer Emergency Solutions Grant (ESG) and Housing Opportunities for Person's with Aids (HOPWA) funds, or delegate authority to other appropriate entities approved by the governing boards to administer ESG and HOPWA programs, and is also authorized to expend funds and execute contracts with the appropriate entities to carry out the ESG and HOPWA funded activities contained in the approved Action Plan, strictly in accordance with the terms of the approved Action Plan and funding source requirements.
- Section 16. The Agency is authorized to enter into necessary grants and agreements with HUD, the State Housing and Community Development Department (HCD), and other governmental or private entities for homeless programs for which the Agency is the designated recipient of grant funds or contracting agency. The Agency is authorized to accept such grants, execute contracts to implement homeless activities as outlined in the Agency public services schedule and funded in the Budget, and amend the Budget accordingly, provided that the activities are fully funded by the grant or are within the Agency Budget.
- Section 17. The Agency is authorized to submit grant applications on behalf the City of Sacramento for any and all housing and community development activities within the jurisdiction of the Agency. If such grants are awarded and approved by the governing board if in excess of \$100,000, the Agency is authorized to accept the grant or grants, execute contracts to implement grant activities with the appropriate entities (provided that the

activities are fully funded by the grant or within the Budget), execute all related documents and amend the Budget. Budget expenditure and amendments for such grants are permitted for positions, services and supplies, equipment and projects. The Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Such grants may include but are not limited to the following:

- Homeless Prevention and Rapid Re-housing Program (HPRP)
- Neighborhood Stabilization Program
- Family Unification Program
- Family Self Sufficiency
- Veteran's Assistance and Supportive Housing
- United States Environmental Protection Agency Brownfield Assessment
- United States Environmental Protection Agency Brownfield Clean Up
- United States Environmental Protection Agency Brownfield Revolving Loan Fund
- United States Environmental Protection Agency Brownfield Job Training
- California State Water Resources Control Board – Underground Storage Cleanup
- CAL REUSE Cleanup Grant and Loan Program
- Social Innovation Funds

Section 18. The Agency is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Agency may allocate and transfer any available fund balances to accounts held for future projects or reduce budget shortfalls in any other fund balances, provided monies so used are not otherwise restricted by law or regulations related to the funding source. Further, the Agency is authorized to expend available balances from the payroll fund for the cost of liabilities such as post retirement medical benefits, sick leave, and vacation accruals.

Section 19. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.

Section 20. The Agency is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.

Section 21. The Agency is authorized to increase or decrease operating Budget appropriations up to \$100,000. Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

- Section 22. The Agency is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 23. The Agency is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 24. The Agency is authorized to transfer project appropriations among fund groups.
- Section 25. The Agency is authorized to amend the Budget to reflect all required debt service payments, pass through payments loan repayments, and other existing obligations based on actual higher or lower revenues.
- Section 26. The Agency is authorized to amend the Operating Budget or Capital Project Budget or transfer funding of approved capital projects or operating budgets within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable redevelopment laws and regulations or changes to the aforementioned.
- Section 27. The Agency is authorized to execute and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed to assure receipt of anticipated revenues.
- Section 28. The Agency is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. The Agency is authorized to enter into "loan work outs," to the extent reasonably necessary to protect Agency assets, and in entering such "work outs," the Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria (including forgiveness of principal as necessary to reflect underwriting the loan at current fair market value of the subject property). Further, the Agency is authorized to renegotiate existing Agency debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide the Agency with more favorable loan terms.
- Section 29. All project appropriations in existence as of December 31, 2017 will be carried over and continued in 2018.
- Section 30. All multi-year operating grant budgets in existence as of December 31, 2017 shall be continued in 2018.

- Section 31. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2017 may remain in effect in 2018. The Agency is authorized to increase the Budget for valid encumbrances as of December 31, 2017, but only to the extent that the applicable division's 2017 operating budget appropriations exceeded 2017 expenditures.
- Section 32. The Agency is authorized to incorporate the changes listed on Exhibit A as part of the 2018 Budget.
- Section 33. If any entity requires a separate resolution to confirm any action approved within this resolution, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.
- Section 34. The Agency is authorized to delegate the authorities as set out in this resolution to Agency's Executive Director.
- Section 35. This resolution shall take effect immediately.

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Exhibit A - Summary of Changes to Sacramento Housing and Redevelopment Agency
Proposed 2018 Budget

EXHIBIT A

**SUMMARY OF CHANGES TO SACRAMENTO HOUSING
AND REDEVELOPMENT AGENCY PROPOSED 2018 BUDGET**

Approved 2018 Total Operating Budget	\$ 155,208,358
Revised Approved 2018 Total Operating Budget	\$0
Approved 2018 New Projects	\$ 35,514,464
Revised Approved 2018 New Projects	\$0
TOTAL AGENCY BUDGET	\$ 190,722,822

RESOLUTION NO. 2017-

Adopted by the Housing Authority of the City of Sacramento

on date of

APPROVAL OF 2018 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS, AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

BACKGROUND

- A. The Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency created to eliminate duplicate staffing efforts and to manage and administer federal housing and community development programs on behalf of the City and County of Sacramento. This structure provides a competitive advantage to the City and County when seeking federal and other housing and community development funding opportunities. The consolidation of multiple departments from different jurisdictions achieves close coordination of housing and community development programs and provides budget savings for operation and overhead. The Agency Executive Director reports directly to the City and the County governing boards. The Agency is recognized statewide and nationally as a model public agency that achieves multi-jurisdictional cooperation and effectively leverages local, state and federal housing and community development funds.
- B. The Agency receives annual funding from a combination of federal, state and local sources. The sources of Agency revenue require that an operating budget be adopted prior to the start of each new fiscal year. The Agency’s fiscal year is the calendar year from January 1st through December 31st.
- C. Pursuant to Health and Safety Code Section 34176 and City Resolution No. 2012-018 and Housing Authority Resolution 2012-001, the City of Sacramento designated the Housing Authority of the City of Sacramento (HACS), managed and staffed by the Agency, as the local authority to retain the housing-assets and housing-functions previously performed by its Redevelopment Agency and the Housing Authority consented to serve in that role.

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

- Section 1. The above recitals are found to be true and correct and are hereby adopted.
- Section 2. The proposed actions are administrative and fiscal activities and do not

make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b), and are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

- Section 3. The 2018 Operating Budget totaling \$155,208,358 and the 2018 Project Budget totaling \$35,514,464, all as further described in the 2018 Proposed Agency Budget (hereinafter "2018 Agency Budget" or "Budget"), a copy of which has been provided to the respective governing board members, are approved as the Budget of Agency for the 2018 fiscal year. The 2018 Agency Budget incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, the Sacramento Housing Development Corporation, and the adoption of those budgets is contingent upon the approval of each of these respective entities.
- Section 4. A total of 232.5 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.
- Section 5. The Executive Director, or designee, is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate legal directives of the California State Department of Finance and/or the State Controller's Office and the actions taken by the City of Sacramento acting as Successor Agency to the former Redevelopment Agency as approved by the Successor Agency's Oversight Board regarding housing successor matters.
- Section 6. The budgeted amount for any item in the Budget may be amended by majority vote of the governing body of each entity actually undertaking and funding the activity. Such an amendment to the Budget so enacted shall be deemed to have been approved by all of the entities that originally adopted the Budget without further action of the remaining entities.
- Section 7. The Executive Director, or designee, is authorized to submit the 2018 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Executive Director, or designee, is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects. See Exhibit B-1 for a summary of the public housing operating budget.

- Section 8. The proposed expenditures under the 2018 Housing Operating Budget are necessary for the efficient and economical operation of Agency housing to serve low-income families.
- Section 9. The housing financial plan set forth in the 2018 Housing Operating Budget is reasonable in that:
- a. It indicates a source of funding adequate to cover all proposed expenditures.
 - b. It does not provide for the use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
 - c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract.
 - d. It includes asset management project budgets prepared on an individual basis as shown in the Schedule of Public Housing AMP and Central Office 2018 Budget attached as Exhibit B-1.
- Section 10. Form HUD-52574 (04/2013), attached as Exhibit B-2 for signature by the Chair of the Board of the Housing Authority, provides necessary certifications for submission of the Operating Budgets described in Section 9d.
- Section 11. Based on the HUD requirement for public housing authorities to implement Asset Management that includes fee for service, the proposed Budget implements fee for service provisions for support service costs. The fee for service provision is predicated on the concept that fee revenues will cover the cost of the services provided. Such services include, but are not limited to property management services. Subject to applicable laws, regulations and policies governing Agency procurement, the Agency is authorized to competitively procure and execute contracts for such fee for service activities.
- Section 12. The Executive Director, or designee, is authorized to submit applications to HUD for the Capital Fund Plan and Program funding. If such grants are awarded, the Executive Director, or designee, is authorized to accept the grant or grants, execute all related documents and to execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements and amend the budget accordingly. The Executive Director, or designee, is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Executive Director, or designee, is authorized to submit the Comprehensive Plan or annual statement to HUD, after receiving public comments and resident review.
- Section 13. On an annual basis the Agency, on behalf of HACS, conducts a physical inventory, analyzes receivables for collectability and, accordingly, reconciles and adjusts related financial records. The Executive Director, or

designee, is authorized to amend the Budget and financial records as needed for such adjustments.

- Section 14. The Executive Director, or designee, is authorized to purchase all lines of applicable insurance for its properties and operations through local independent agents, direct carriers, or risk retention pools, provided that the insurance requirements, coverage and terms are commercially reasonable and provided that the cost does not exceed the amounts in the approved Budget. The Agency, on behalf of HACS, is also authorized to obtain flood insurance through the federal flood insurance program for HACS properties and this coverage may be secured through a local independent agent.
- Section 15. Subject to availability under the Budget of any required funds, the Executive Director, on behalf of HACS, is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with adopted HACS policy and governing board approvals. The Executive Director, or designee, is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the HUD approved conversion.
- Section 16. The Executive Director, or designee, is authorized and directed, on behalf of HACS, to approve, submit and implement the Public Housing Agency (PHA) Annual Plan and the PHA Five-Year Plan, and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998.
- Section 17. The Executive Director, or designee, is authorized to submit to HUD the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for People with AIDS (HOPWA). HACS, staffed by the Agency, is delegated authority to administer federal funds appropriated by HUD and is the designated recipient of funds outlined in the One Year Action Plan (Action Plan). If such grants are awarded, the Agency is authorized to accept the grant or grants, execute all related documents and amend the Budget accordingly. The Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. The Agency is authorized to amend the Capital Reserve Project budget in the event that the actual entitlement exceeds, or is less than, that estimated in the Budget.
- Section 18. The Executive Director, or designee, is authorized to administer funds or delegate authority to other appropriate entities approved by the governing boards to administer ESG and HOPWA programs, and is also authorized to expend funds and execute contracts with the appropriate entities to carry out the ESG and HOPWA funded activities contained in the

approved Action Plan, strictly in accordance with the terms of the approved Action Plan and funding source requirements.

- Section 19. The Executive Director, or designee, is authorized to enter into necessary grants and agreements with HUD, the State Housing and Community Development Department (HCD), and other governmental or private entities for homeless programs for which HACS/Agency is the designated recipient of grant funds or contracting agency. The Agency, on behalf of HACS, is authorized to accept such grants, execute contracts to implement homeless activities funded in the Budget, and amend the Budget accordingly (provided that the activities are fully funded by the grant or are within the Agency Budget). The Executive Director, or designee, is authorized to execute contracts for homeless activities funded in the Agency Budget as outlined in the Agency public services schedule.
- Section 20. HACS finds and declares that the proposed expenditure of tax increment housing funds, as set forth in approved Recognized Obligation Payment Schedule, for activities serving the homeless, including providing subsidies to, or for the benefit of, extremely low income households through either site specific rental assistance or tenant based rental assistance, as allocated/outlined in the budget, will not cause or exacerbate racial, ethnic or economic segregation and will be beneficial to all former Redevelopment Project Areas by facilitating the production of affordable housing and providing housing for a population which remains in or frequents the former Redevelopment Project Areas and is perceived as a blighting influence by business owners, property owners, workers and residents, and as a result impedes the elimination of blight in the community.
- Section 21. HACS further finds and declares that the proposed expenditure of tax increment housing funds, as set forth in approved Recognized Obligation Payment Schedule to provide subsidies to, or for the benefit of, extremely low income households through either site specific rental assistance or tenant based rental assistance, increases, improves, and preserves the community's supply of low and moderate-income housing available at an affordable housing cost to persons and families that are extremely low, very low, low or moderate income households and will be of benefit to the community.
- Section 22. HACS finds and declares that the proposed planning and administrative expenses which may be paid for from the former low and moderate income housing fund, pursuant to an approved Recognized Obligation Payment Schedule, is necessary for the production, improvement and/or preservation of low and moderate income housing during the 2018 Agency Budget year.
- Section 23. HACS is authorized to amend the budget to transfer or accept funding or

assets consistent with an approved recognized obligation payment schedule to the Agency or City Redevelopment Agency Successor Agency (RASA) for approved capital projects or operating expenses in compliance with all bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.

Section 24. HACS is authorized to amend the budget to **receive assets** or transfer **assets**, receive funds or transfer funds to the City RASA and execute agreements with the City or RASA as necessary to facilitate authorized directives of the State of California, the California State Department of Finance and/or the State Controller's Office or to provide staffing services to RASA. Agreements between the Agency or HACS and the City RASA are subject to Successor Agency Oversight Board Approval.

Section 25. The Executive Director, or designee, is authorized to submit grant applications on behalf of the Housing Authority of the City of Sacramento for any and all housing and community development activities within the jurisdiction of Agency. If such grants are awarded, Agency is authorized to accept the grant or grants execute contracts to implement grant activities with the appropriate entities (provided that the activities are fully funded by the grant or within the Budget), execute all related documents and amend the Budget. Budget expenditure and amendments for such grants are permitted for positions, services and supplies, equipment, and projects. The Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Such grants may include but are not limited to the following:

- Homeless Prevention and Rapid Re-housing Program HPRP
- Neighborhood Stabilization Program
- Family Unification Program
- Family Self Sufficiency
- Veteran's Assistance and Supportive Housing
- United States Environmental Protection Agency Brownfield Assessment
- United States Environmental Protection Agency Brownfield Clean Up
- United States Environmental Protection Agency Brownfield Revolving Loan Fund
- United States Environmental Protection Agency Brownfield Job Training
- California State Water Resources Control Board – Underground Storage Cleanup
- CAL REUSE Cleanup Grant and Loan Program
- Social Innovation Fund

Section 26. The Executive Director, or designee, is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Executive Director, or designee, may allocate and transfer any

available fund balances to accounts held for future projects or reduce budget shortfalls in any other fund balances, provided monies so used are not otherwise restricted by law or regulations related to the funding source. Further, the Agency is authorized to expend available balances from the payroll fund for the cost of liabilities such as post retirement medical benefits, sick leave and vacation accruals.

- Section 27. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.
- Section 28. The Executive Director, or designee, is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.
- Section 29. The Executive Director, or designee, is authorized to increase or decrease operating Budget appropriations up to \$100,000. Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 30. The Executive Director, or designee, is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 31. The Executive Director, or designee, is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 32. The Executive Director, or designee, is authorized to transfer any available fund balances from HACS instrumentalities or affiliates to allocate for future HACS projects or to reduce budget shortfalls, provided the use and receipt of funds is not otherwise restricted by law or regulations. Such transactions are subject to HACS instrumentality or affiliate board approval.
- Section 33. The Executive Director, or designee, is authorized to amend the Budget to reflect all required debt service payments, pass through payments, loan repayments, and other existing obligations based on actual higher or lower revenues.
- Section 34. The Executive Director, or designee, is authorized to amend the operating budget or capital project budget or transfer funding of approved capital projects or operating budgets in compliance with appropriate approvals, bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.
- Section 35. The Executive Director, or designee, on behalf of HACS serving as the Successor Housing Entity, is authorized to execute, and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment

laws and regulations; and to modify the terms of loans and reconcile available revenues as needed for the completion of enforceable housing obligations of the former redevelopment agency to assure receipt of anticipated revenues.

- Section 36. The Executive Director, or designee, is authorized to exercise default remedies and take other actions to protect HACS assets under contracts, loans, disposition and development agreements, owner participation agreements and other HACS agreements and to appropriate the associated revenues in the Budget. The Agency, on behalf of HACS is authorized to enter into "loan work outs," to the extent reasonably necessary to protect HACS assets, and in entering such "work outs," the Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria (including forgiveness of principal as necessary to reflect underwriting the loan at current fair market value of the subject property). Further, The Executive Director, or designee, is authorized to renegotiate existing HACS debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide HACS with more favorable loan terms.
- Section 37. All project appropriations in existence as of December 31, 2017 will be carried over and continued in 2018. All multi-year operating grant budgets in existence as of December 31, 2017 shall be continued in 2018.
- Section 38. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2017 may remain in effect in 2018. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2017, but only to the extent that the applicable division's 2017 operating budget appropriations exceeded 2017 expenditures.
- Section 39. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2018 Budget.
- Section 40. If any entity requires a separate resolution for any action approved within this resolution other than resolutions for approval or amendment of projects, programs or the Agency Budget, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.
- Section 41. The Executive Director, or designee, or designee, is authorized to delegate the authorities as set out in this resolution.

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Exhibit A: Summary of Changes to Sacramento Housing and Redevelopment Agency

Proposed 2018 Budget

Exhibit B-1: 2018 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)

Exhibit B-2: HUD Resolution Approving the 2018 AMP Budgets

EXHIBIT A

**SUMMARY OF CHANGES TO SACRAMENTO HOUSING
AND REDEVELOPMENT AGENCY PROPOSED 2018 BUDGET**

Approved 2018 Total Operating Budget	\$ 155,208,358
Revised Approved 2018 Total Operating Budget	\$0
Approved 2018 New Projects	\$ 35,514,464
Revised Approved 2018 New Projects	\$0
TOTAL SHRA BUDGET	\$ 190,722,822

City Public Housing AMP, Central Office and Central Services Budget

January 1 - December 31, 2018

PHA Code: CA005 City of Sacramento	City AMP 1	City AMP 2	City AMP 3	City AMP 4	City AMP 5	City AMP 7	Total City Public Housing	City COCC Central Office & Central Svc
Beginning fund equity	\$ 1,598,760	\$ 2,835,332	\$ 2,278,703	\$ 818,182	\$ 1,102,945	\$ 846,198	9,480,120	\$ 185,666
Revenues:								
HUD Operating Subsidy	1,437,705	1,759,890	643,618	694,998	742,953	617,208	5,896,372	-
Maintenance Charges to Tenants	15,000	20,000	3,000	12,000	20,000	5,000	75,000	-
Washer/Dryer Income	800	60	15,000	5,000	4,000	4,000	28,860	-
Rental Income - Dwelling	875,000	825,000	885,000	660,000	682,000	520,000	4,447,000	-
Rental income - Commercial	-	-	378,000	-	-	-	378,000	-
Rental income other	11,000	26,000	-	-	-	-	37,000	-
Interest Income - Investment	18,000	27,000	21,000	9,000	10,000	10,000	95,000	4,155
Bad Debt Recovery	3,000	1,000	1,000	1,000	2,000	1,000	9,000	-
Return Check Fee	30	60	75	30	60	30	285	-
Miscellaneous income	17,000	18,000	3,000	2,000	5,000	5,000	50,000	23,015
Management Fee	-	-	-	-	-	-	-	1,818,661
IT/Bookkeeping Fee	-	-	-	-	-	-	-	175,410
Asset Management Fee	-	-	-	-	-	-	-	233,520
Admin Fee (CFP)	-	-	-	-	-	-	-	261,061
Central services fees	-	-	-	-	-	-	-	423,357
Total operating revenue	2,377,535	2,677,010	1,949,693	1,384,028	1,466,013	1,162,238	11,016,517	2,939,179
CFP Mgmt impr transfers	27,498	27,498	35,460	27,498	27,498	29,147	174,599	-
Total revenues and transfers in	2,405,033	2,704,508	1,985,153	1,411,526	1,493,511	1,191,385	11,191,116	2,939,179
Expenditures:								
Employee Services:								
- Management/Maintenance	695,211	696,053	478,048	437,838	332,580	342,188	2,981,918	735,696
- Resident Trainees	27,498	27,498	35,460	27,498	27,498	29,147	174,599	-
Total Employee Services	722,709	723,551	513,508	465,336	360,078	371,335	3,156,517	735,696
Services & Supplies:								
- Management/Maintenance	1,170,981	1,264,182	930,275	636,580	817,079	573,253	5,392,350	2,323,025
Other Charges:								
Financial Transactions	2,128	3,341	3,109	1,174	1,204	1,354	12,310	864
- Central Service Fees	89,445	97,988	82,913	52,260	52,009	48,743	423,358	-
- Miscellaneous (PILOT, Depr.)	48,973	45,113	46,319	36,187	37,635	27,020	241,247	-
Management Fee	286,852	317,819	268,924	169,503	170,318	155,650	1,369,066	-
IT / Bookkeeping Fee	31,680	35,100	29,700	18,720	18,810	17,190	151,200	-
Asset Management Fee	43,200	46,920	39,720	25,560	25,080	23,400	203,880	-
Total operating expense	2,395,968	2,534,014	1,914,468	1,405,320	1,482,213	1,217,945	10,949,928	3,059,585
Ending Balance	\$ 1,607,825	\$ 3,005,826	\$ 2,349,388	\$ 824,388	\$ 1,114,243	\$ 819,638	\$ 9,721,308	\$ 65,260

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 04/30/2016)

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This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority-City of Sacramento PHA Code: CA005

PHA Fiscal Year Beginning: 01/01/2018 Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- X Operating Budget approved by Board resolution on: 11/7/2017
[] Operating Budget submitted to HUD, if applicable, on:
[] Operating Budget revision approved by Board resolution on:
[] Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

- 1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, 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 and 3802)

Table with 3 columns: Print Board Chairperson's Name, Signature, Date. Row 1: Mayor Darrell Steinberg, [Signature], 11/7/17

RESOLUTION NO. 2017 -

Adopted by the Sacramento City Council

On date of

APPROVAL OF MULTI-FAMILY LENDING AND MORTGAGE REVENUE BOND POLICIES PROGRAM APPLICATION SCHEDULE

BACKGROUND

- A. The Sacramento Housing and Redevelopment Agency (SHRA) proposes to revise and implement the Multifamily Lending and Mortgage Revenue Bond Policies Program Application Schedule to correspond with California Tax Credit Allocation Committee and California Debt Limit Allocation Committee application deadlines.

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

Section 1. SHRA is authorized to adopt the 2018 Multifamily Lending and Mortgage Revenue Bond Policies Program Application Schedule as outlined Exhibit A.

Section 2. The proposed action is an administrative and fiscal activity and does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b), and is exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3).

Table of Contents:

Exhibit A: Multifamily Lending and Mortgage Revenue Bond Policies Program Application Schedule

**Sacramento Housing and Redevelopment Agency
Multifamily Loan and Mortgage Revenue Bond Applications**

2018 Schedule

July 9% TCAC & CDLAC Applications:

Pre-Application Deadline	January 2, 2018
Application Deadline	March 1, 2018
Environmental Deadline*	April 26, 2018
Sacramento Housing and Redevelopment Commission (SHRC)	June 6, 2018
Board of Supervisors (Board) / City Council (Council)	June 19, 2018
Est. 9% TCAC/CDLAC Application Deadlines	June 27, 2018 / July 20, 2018

March 9% TCAC & CDLAC Applications:

Pre-Application Deadline	August 1, 2018
Application Deadline	October 1, 2018
Environmental Deadline*	December 20, 2018
SHRC	February 6, 2019
Board / Council	February 26, 2019
Est. 9% TCAC/CDLAC Application Deadlines	March 6, 2019 / March 15, 2019

***Optional* CDLAC Applications:**
(based on funding availability)

Pre-Application Deadline	October 1, 2018
Application Deadline	December 3, 2018
Environmental Deadline*	February 28, 2019
SHRC	April 17, 2019
Board / Council	May 7, 2019
CDLAC Application Deadline	May 17, 2019

*Environmental clearance (CEQA and NEPA) not received by this date will result in project approvals being delayed and the TCAC/CDLAC application being submitted at a later date.



October 20, 2017

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2018 Sacramento Housing and Redevelopment Agency Proposed Budget

SUMMARY

The attached informational report is presented for your review prior to review by the County of Sacramento.

RECOMMENDATION

Staff recommends approval of the recommendation outlined in the attached report.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
November 7, 2017
11:00am

To: Board of Supervisors, Housing Authority, Sacramento Housing Development Corporation

From: Sacramento Housing and Redevelopment Agency

Subject: 2018 Sacramento Housing And Redevelopment Agency Proposed Budget

Supervisory
District: All

Contact: La Shelle Dozier, Executive Director, 440-1319
Tina McKenney, Director of Finance, 440-1325

Overview

The annual budget of the Sacramento Housing and Redevelopment Agency (Agency) incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the administration of specific funds on behalf of the City and County of Sacramento.

The proposed 2018 budget provides a plan by which the Agency operates in an efficient manner and in compliance with the regulatory requirements of our funding sources and the Government Accounting Standards Board. The Agency's budget and fiscal year is the calendar year from January 1st through December 31st. Neither the City nor the County provides General Fund support for the Agency's budget.

The Agency proposes a balanced budget in the amount of \$190.7 million representing the operational activities and projects for 2018. The 2018 proposed budget represents a \$200,000 or .1 percent increase in net appropriations compared with the prior year. This change in annual budget appropriations is primarily the result of an increase in capital projects related to the preservation and development of affordable housing.

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 major priorities;
- Managing program activities by focusing on efficient program delivery and the maximization of results;

- Considering the overall financial health of the organization, not just the cash flow from year to year;
- Using partnerships with other public entities, community based organizations and private entities whenever practicable; and
- Developing budget plans that deal with the immediate needs of the Agency and employing strategies that address the long-term needs of the communities we serve.

Calendar Year 2018 Proposed Budget (\$\$\$ In Millions)							
	2014	2015	2016	2017	2018	Variance	
	Budget	Budget	Budget	Budget	Budget	(2017 to 2018)	
OPERATIONS							
Salaries and Benefits	19.6	20.9	22.3	24.7	24.4	(0.3)	-1.2%
Services and Supplies	14.8	15.3	17.0	18.3	17.9	(0.4)	-2.2%
Housing Assistance Payments	103.5	108.1	105.6	106.0	100.7	(5.3)	-5.0%
Debt Service	2.3	3.2	2.4	3.3	2.2	(1.1)	-33.3%
Financial Transactions	0.6	0.5	0.4	0.7	3.3	2.6	371.4%
Public Services	4.9	5.2	5.7	6.0	6.7	0.7	11.7%
Subtotal	\$145.7	\$153.2	\$153.4	\$159.0	\$155.2	(\$3.8)	-2.4%
CAPITAL PROJECTS							
Housing Development and Preservation	14.0	19.4	16.7	20.7	28.0	7.3	35.3%
Housing Authority Capital Projects	4.4	2.8	2.1	3.2	2.9	(0.3)	-9.4%
Infrastructure and Public Improvements	3.5	8.7	7.4	7.6	4.6	(3.0)	-39.5%
Subtotal	\$21.9	\$30.9	\$26.2	\$31.5	\$35.5	4.0	12.7%
TOTAL	\$167.6	\$184.1	\$179.6	\$190.5	\$190.7	\$0.2	0.1%

Recommendations

Conduct a public hearing and upon conclusion adopt: 1) a **County Board Resolution** a) approving the 2018 Proposed budget for the Sacramento Housing and Redevelopment Agency, b) delegating authority to the Agency to administer certain federal funds; c) authorizing the Agency to: i) submit grant applications for activities within the jurisdiction of the Agency; and ii) enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget in accordance with the limitations of the Resolution, and undertake other actions necessary to implement the aforementioned; and d) consenting to the Agency's submittal of the annual housing operating budgets and application for Capital Fund Plan funding to HUD; 2) a **Housing Authority Resolution** (Authority) a) approving the 2018 proposed budget for the Housing Authority of the County of Sacramento, b) delegating authority to administer certain federal funds, and c) authorizing the Housing Authority to submit grant applications for activities within the jurisdiction of the Agency, d) authorizing the Executive Director to: (i) submit the annual housing operating budgets to HUD; (ii) submit an application to HUD for Capital Fund Plan funding, and (iii) enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget in accordance with the limitations of the resolution, and undertake other actions necessary to implement the aforementioned; 3) Adopt a **Sacramento Housing Development Corporation Resolution** to: a) approve the 2018 Proposed budget for the Riverview Plaza Residential Project; and b) authorize its Executive Director to: i) obtain flood insurance and liability insurance; ii) submit grant applications; and iii) enter into contracts, make fund transfers, make payments of debt, amend the budget, and undertake other actions as

necessary for the effective management of the property. 4) Adopt a **Board of Supervisors Resolution**: a) adopting a Multi-Family Loan and Mortgage Revenue Bond Application Schedule that corresponds with California Tax Credit Allocation Committee and California Debt Limit Allocation Committee application deadlines.

Measures/Evaluation

Effective use of Agency revenue may be measured by the number of households assisted with affordable housing, the provision and/or improvement of community facilities and infrastructure, and the number of jobs retained or created within targeted areas.

Fiscal Impact

The 2018 Proposed budget recommends total expenses of \$190.7 million and is comprised of the Housing Assistance Payments (HAP) budget of \$101 million; the Operating Budget of \$43 million; the Capital Projects budget of \$35.5 million; the Public Services budget of \$6.7 million; and the Debt Service and Financial Transactions budget of \$4.5 million.

BACKGROUND

The annual budget of the Sacramento Housing and Redevelopment Agency incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the administration of specific funds on behalf of the City and County of Sacramento. The proposed 2018 budget provides a plan by which the Agency operates in an efficient manner and in compliance with funding source regulatory requirements and the Government Accounting Standards Board.

The Agency proposes a balanced budget in the amount of \$190.7 million representing the operational activities and projects for 2018. The Agency's budget and fiscal year are the calendar year from January 1st through December 31st. Neither the City nor the County provides General Fund support for the Agency's budget. The 2018 proposed budget represents a \$.2 million or .1 percent increase in net appropriations compared with the prior year. This change in annual budget appropriations is primarily the result of an increase in capital projects related to the preservation and development of affordable housing.

DISCUSSION

The Agency receives 84 percent of its funding from the federal government through the Department of Housing and Urban Development. Though overall funding nationally for the Housing Choice Voucher (HCV) program increased slightly in 2017, based upon the funding letter received from HUD, there will be an anticipated slight decrease in revenue in 2018 for Sacramento. Public Housing revenues remained constant in 2017 when compared with the prior year but, based on current federal budget projections, are expected to dip slightly in 2018. Federal programs such as Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) have seen lower appropriation levels since the Sequestration cuts of 2013. As a result, the number of housing projects, public services, and infrastructure

improvements the Agency can fund has been reduced. For 2018, it is anticipated that Agency programs will be funded at levels similar to 2017.

The following table provides a visual representation of the funding levels for the Agency's major federal programs over the past several years.

City & County Federal Funding (In Millions)						
FUNDING SOURCES	2013	2014	2015	2016	2017 Est	2018 Est
Community Development Block Grant (CDBG)	\$ 9.11	\$ 9.09	\$ 9.41	\$ 9.52	\$ 9.57	\$ 9.57
HOME Investment Partnerships Program (HOME)	\$ 3.72	\$ 3.91	\$ 3.39	\$ 3.97	\$ 3.90	\$ 3.90
Entitlement Programs Sub-Total:	\$ 12.83	\$ 13.00	\$ 12.80	\$ 13.49	\$ 13.47	\$ 13.47
Public Housing Authority Operating Fund	\$ 8.80	\$ 10.02	\$ 10.19	\$ 10.15	\$ 11.34	\$ 10.03
Public Housing Capital Fund Program	\$ 4.02	\$ 3.10	\$ 3.91	\$ 4.28	\$ 4.06	\$ 3.99
Public Housing Sub-Total:	\$ 12.82	\$ 13.12	\$ 14.10	\$ 14.43	\$ 15.40	\$ 14.02
Housing Choice Voucher Assistance Payments	\$ 98.50	\$ 101.02	\$ 100.68	\$ 101.98	\$ 98.00	\$ 96.04
Housing Choice Voucher Administration	\$ 7.57	\$ 8.31	\$ 8.75	\$ 9.80	\$ 9.11	\$ 9.41
HCV Sub-Total:	\$ 106.07	\$ 109.33	\$ 109.43	\$ 111.78	\$ 107.11	\$ 105.45
Emergency Solutions Grant (ESG)	\$ 0.63	\$ 0.92	\$ 0.81	\$ 0.85	\$ 0.86	\$ 0.86
Shelter Plus Care	\$ 4.70	\$ 4.80	\$ 4.49	\$ 4.42	\$ 4.51	\$ 4.58
Housing Opportunities for Persons With Aids (HOPWA)	\$ 0.86	\$ 0.87	\$ 0.91	\$ 0.91	\$ 1.04	\$ 1.04
Public Services Sub-Total:	\$ 6.19	\$ 6.59	\$ 6.21	\$ 6.18	\$ 6.41	\$ 6.48

COMMISSION ACTION

At its meeting of October 25, 2017, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

MEASURES/EVALUATIONS

The Agency has adopted five broad goals that guide the allocation of resources and serve as the basis by which it measures progress:

- Develop, preserve, and finance a continuum of affordable housing opportunities for Sacramento residents.
- Provide and maintain Agency-owned housing and tenant-based rental assistance programs in the City and County of Sacramento.
- Revitalize lower income neighborhoods to create healthy and sustainable communities.
- Eliminate blight and promote economic development on commercial corridors and converted military bases.
- Implement effective and efficient management practices to enhance customer service and project delivery.

FINANCIAL ANALYSIS

The 2018 proposed budget recommends total expenses of \$190.7 million, with the Housing Assistance Payments budget at \$101 million; the Operating budget at \$43 million; the Capital Project budget at \$35.5 million; the Public Services budget at \$6.7 million; and the Debt Service and Financial Transaction budget at \$4.5 million. The 2018 proposed budget of \$190.7 million represents a \$200,000 or .1 percent increase compared with the total 2017 Adopted budget.

For 2018, the Agency proposes to increase its authorized full-time equivalent (FTE) positions to 232.5 from the 230 FTE in 2017. These additional positions will provide staffing to support the Housing Authority in aligning housing resources to serve the homeless, and to implement new initiatives in the Promise Zone. Over the next three years, the Housing Authority will implement a strategy utilizing vouchers and public housing units to serve homeless families and individuals and those on the verge of homelessness, in addition to families on housing assistance wait lists. New initiatives for the Promise Zone include increasing public and private partnerships to support the initiative's goals; developing and implementing a multidisciplinary strategy for the Performance Partnership Pilots for Disconnected Youth Program (P3) to serve 100 individuals age 18-24 by providing housing with case management; and pursuing grant opportunities to support implementation of the Twin Rivers Development Project.

POLICY CONSIDERATIONS

The actions recommended in this report are consistent with adopted Consolidated Plan goals, the annual Housing Operating budget, the Capital Fund Plan, and adopted Agency policies.

The 2018 proposed budget no longer contains provisions for rental assistance obligations of the former redevelopment agency previously funded from low and moderate tax increment revenues. These obligations had been reported on the Recognized Obligation Payment Schedule (ROPS) of the City Successor Agency and approved by the California Department of Finance (DOF). However in 2017, DOF disallowed the continued funding for certain projects on the City Successor Agency's ROPS. This eliminated funding available to assist up to 208 extremely low-income individuals.

This report also recommends adoption of the Agency's Multi-Family Loan and Mortgage Revenue Bond 2018 Application Schedule and outlines anticipated funding for Agency funded affordable housing projects. The schedule will allow applicants to apply for funding on certain dates corresponding to the California Tax Credit Allocation Committee (TCAC) and California Debit Limit Allocation Committee (CDLAC) application deadlines.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b). Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Actions necessary for the effective management of the Riverview Plaza Residential Project property are exempt under CEQA per Guidelines Section 15301.

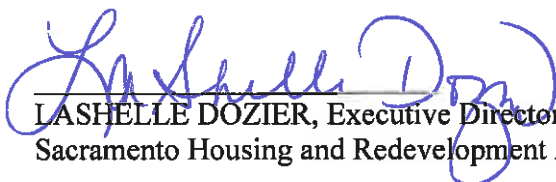
National Environmental Policy Act (NEPA): The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities and are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be completed prior to any choice limiting action(s) being carried out with regard to such projects.

Actions necessary for the effective management of the Riverview Plaza Residential Project property are either exempt under NEPA per 24 CFR 58.34(a)(3) or categorically excluded per 24 CFR 58.35(b)(3).

M/WBE AND SECTION 3 CONSIDERATIONS

The action proposed in this report has no M/WBE or Section 3 impact; therefore, M/WBE and Section 3 considerations do not apply.

Respectfully submitted,


LASHELLE DOZIER, Executive Director
Sacramento Housing and Redevelopment Agency

APPROVED
NAVDEEP S. GILL
County Executive

By: _____
ADMINISTRATOR
Deputy County Executive

Attachments:

RES County BOS Resolution

RES HACOS Resolution

EX B-1 County Asset Management Projects (AMP), Central Office and Central Services Budget

EX B-2 HUD Resolution Approving the AMP Budgets

RES SHDC Resolution

RES County BOS Resolution - Multi Family Loan and Mortgage Revenue Bond Application
Schedule

EX A Multi-Family Loan and Mortgage Revenue Bond Application Schedule

ATT 1 Background

ATT 2 Budget Document

RESOLUTION NO. _____

APPROVAL OF 2018 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITY FOR UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) SUBMISSIONS, GRANTS AND FUND TRANSFERS

WHEREAS, the Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency created to eliminate duplicate staffing efforts and to manage and administer federal housing and community development programs on behalf of the City and County of Sacramento. This structure provides a competitive advantage to the City and County when seeking federal and other housing and community development funding opportunities. The consolidation of multiple departments from different jurisdictions achieves close coordination of housing and community development programs and provides budget savings for operation and overhead. The Agency Executive Director reports directly to the City and the County governing boards. The Agency is recognized statewide and nationally as a model public agency that achieves multi-jurisdictional cooperation and effectively leverages local, state and federal housing and community development funds; and

WHEREAS, the Agency receives annual funding from a combination of federal, state and local sources; and

WHEREAS, the sources of Agency revenue require that an operating budget be adopted prior to the start of each new fiscal year. The Agency's fiscal year is the calendar year from January 1st through December 31st.

NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO:

Section 1. The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b), and are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 2. The 2018 Operating Budget totaling \$155,208,358 and the 2018 Project Budget totaling \$35,514,464, all as further described in the 2018 Proposed Agency Budget (hereinafter “2018 Agency Budget” or “Budget”), copies of which have been provided to the respective governing board members, are approved as the Budget of the Agency for the 2018 fiscal year. The 2018 Agency Budget incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 3. A total of 232.5 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.

Section 4. The budgeted amount for any item in the Budget may be amended by majority vote of the governing body of each entity actually undertaking and funding the activity. Such an amendment to the Budget so enacted shall be deemed to have been approved by all of the entities that originally adopted the Budget without further action of the remaining entities.

Section 5. The Agency is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate legal directives of the California State Department of Finance and/or the State Controller’s Office and the actions taken by the County of Sacramento acting as Successor Agency to the former Redevelopment Agency as approved by the County’s Oversight Board regarding housing successor matters.

Section 6. The Agency is authorized to submit the 2018 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Agency is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects.

Section 7. The proposed expenditures under the 2018 Housing Operating Budget are necessary for the efficient and economical operation of Agency housing to serve low-income families.

Section 8. The housing financial plan set forth in the 2018 Housing Operating Budget is reasonable in that:

- a. It indicates a source of funding adequate to cover all proposed expenditures.
- b. It does not provide for the use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.

- c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract.
- d. It implements the fee for service provisions and support service costs based on the HUD requirement for public housing authorities to implement Asset Management that includes fee for service. The fee for service provision is predicated on the revenues generated by fees being sufficient to cover the cost of services provided over time.

Section 9. The Housing Authority of the County of Sacramento (Authority or HACOS), staffed by the Agency, is authorized to submit applications to HUD for the Capital Fund Plan and Program funding. If such grants are awarded, the Agency is authorized to accept the grant or grants, execute all related documents, execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements and amend the Budget accordingly. The Agency is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Agency is authorized to submit the annual statement to HUD, after receiving public comments and resident review and approval of the Sacramento Housing and Redevelopment Agency Commission.

Section 10. On an annual basis HUD requires HACOS, staffed by the Agency, to conduct a physical inventory, analyze receivables for collectability and reconcile and adjust related financial records accordingly. The Agency is authorized to amend the Budget and financial records as needed for such adjustments.

Section 11. The Agency is authorized to purchase all lines of applicable insurance for its properties and operations through local independent agents, direct carriers, or risk retention pools, provided that the insurance requirements, coverage and terms are commercially reasonable and provided that the cost does not exceed the amounts in the approved Budget. The Agency is also authorized to obtain flood insurance through the federal flood insurance program for Agency properties and this coverage may be secured through a local independent agent.

Section 12. Subject to availability under the Budget of any required funds, the Agency is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with adopted Agency/Housing Authority policy and governing board approvals. The Agency is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the approved HUD approved conversion.

Section 13. The Agency is authorized and directed to approve, submit and implement the Public Housing Agency (PHA) Annual Plan and PHA Five-Year Plan, and the attachments

and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998, as approved by the Sacramento Housing and Redevelopment Agency Commission.

Section 14. The Agency is authorized to submit to HUD the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG) and Housing Opportunities for People with AIDS (HOPWA). The Agency, is delegated authority to administer federal funds appropriated by HUD and is the designated recipient of funds outlined in the One Year Action Plan. If such grants are awarded, the Agency is authorized to accept the grant or grants, execute all related documents and amend the Budget accordingly. The Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. The Agency is authorized to amend the Capital Reserve Project budget in the event that the actual entitlement exceeds, or is less than, that estimated in the Budget.

Section 15. The Agency is authorized to administer ESG and HOPWA funds, or delegate authority to other appropriate entities approved by the governing boards to administer ESG and HOPWA programs, and is also authorized to expend funds and to execute contracts with the appropriate entities to carry out the ESG and HOPWA funded activities contained in the Action Plan, strictly in accordance with the terms of approved Action Plans, funding source requirements and within the service area boundaries of the ESG, State ESG and HOPWA programs.

Section 16. The Agency is authorized to enter into necessary grants and agreements with HUD, the State Housing and Community Development Department (HCD), and other governmental or private entities for homeless programs for which the Agency is the designated recipient of grant funds or contracting agency. The Agency is authorized to accept such grants, execute contracts to implement homeless activities as outlined in the Agency public services schedule and funded in the Budget, and amend the Budget accordingly (provided that the activities are fully funded by the grant or are within the Agency Budget).

Section 17. The Agency is authorized to submit grant applications on behalf of the County of Sacramento for any and all housing and community development activities within the jurisdiction of the Agency. If such grants are awarded, and approved by the governing board if in excess of \$100,000, the Agency is authorized to accept the grant or grants, execute contracts to implement grant activities with the appropriate entities (provided that the activities are fully funded by the grant or within the Budget), execute all related documents and amend the Budget.

Budget expenditure and amendments for such grants are permitted for positions, services and supplies, equipment and projects. The Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Such grants may include but are not limited to the following:

- Homeless Prevention and Rapid Re-housing Program (HPRP)
- Neighborhood Stabilization Program
- Family Unification Program
- Family Self Sufficiency
- Veteran's Assistance and Supportive Housing
- Social Innovation Fund

Section 18. The Agency is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Executive Director, or designee, may allocate and transfer any available fund balances to accounts held for future projects or reduce budget shortfalls in any other fund balances, provided monies so used are not otherwise restricted by law or regulations related to the funding source. Further, the Agency is authorized to expend available balances from the payroll fund for the cost of liabilities such as post retirement medical benefits, sick leave, and vacation accruals.

Section 19. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.

Section 20. The Agency is authorized to amend the Budget to appropriate for expenditure of all revenues received in revolving funds.

Section 21. The Agency is authorized to increase or decrease operating Budget appropriations up to \$100,000. Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

Section 22. The Agency is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.

Section 23. The Agency is authorized to transfer project appropriations among fund groups.

Section 24. The Agency is authorized to amend the Budget to reflect all required debt service payments, pass through payments loan repayments, and other existing obligations based on actual revenues.

Section 25. The Agency is authorized to amend the operating budget or capital project budget or transfer funding of approved capital projects or operating budgets within the respective

project area funds in compliance with approvals, bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.

Section 26. The Agency is authorized to execute and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to reconcile available revenues as needed to assure receipt of anticipated revenues.

Section 27. The Agency is authorized to exercise default remedies and take other actions to protect the Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. The Agency is authorized to enter into “loan work outs,” to the extent reasonably necessary to protect Agency assets, and in entering such “work outs,” the Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria. Further, the Agency is authorized to renegotiate existing Agency debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide the Agency with more favorable loan terms.

Section 28. All project appropriations in existence as of December 31, 2017 will be carried over and continued in 2018.

Section 29. All multi-year operating grant budgets in existence as of December 31, 2017 shall be continued in 2018.

Section 30. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2017 may remain in effect in 2018. The Agency is authorized to increase the Budget for valid encumbrances as of December 31, 2017, but only to the extent that the applicable division’s 2017 operating budget appropriations exceeded expenditures.

Section 31. The Agency is authorized to incorporate the changes listed on Exhibit A as part of the 2018 Budget.

Section 32. If any entity requires a separate resolution to confirm any action approved within this resolution, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.

Section 33. The Agency is authorized to delegate the authorities as set out in this resolution to the Agency’s Executive Director.

Section 34. This resolution shall take effect immediately.

On a motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this 7th day of November, 2017, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT (§ 18702.5.))

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors

EXHIBIT A

SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY PROPOSED 2018 BUDGET

Approved 2018 Total Operating Budget	\$ 155,208,358
Revised Approved 2018 Total Operating Budget	\$0
Approved 2018 New Projects	\$ 33,514,464
Revised Approved 2018 New Projects	\$0
TOTAL AGENCY BUDGET	\$ 190,722,822

RESOLUTION NO. _____

ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO

ON DATE OF

APPROVAL OF 2018 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS, AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITY FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

WHEREAS, the Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency created to eliminate duplicate staffing efforts to manage and administer federal housing and community development programs on behalf of the City and County of Sacramento which provides a competitive advantage to the City and County when seeking federal and other housing and community development funding opportunities. The consolidation of multiple departments from different jurisdictions achieves close coordination of housing and community development programs and provides budget savings for operation and overhead. The Agency Executive Director reports directly to the City and the County governing boards. The Agency is recognized statewide and nationally as a model public agency that achieves multi-jurisdictional cooperation and effectively leverages local, state and federal housing and community development funds; and

WHEREAS, the Agency receives annual funding from a combination of federal, state and local sources; and

WHEREAS, the sources of Agency revenues requires an operating budget adopted prior to the start of each new fiscal year. The Agency's fiscal year is the calendar year from January 1st through December 31st.

WHEREAS, as of February 1, 2012, pursuant to Health and Safety Code Section 34173 and resolution no. 2012-0051, the fiscal administration of the former Redevelopment Agency of the County was assumed within the management structure of the County of Sacramento which elected to administer the dissolution of its redevelopment agency and manage the County Redevelopment Agency Successor Agency (CRASA). The budget of the former Redevelopment Agency is no longer incorporated within the Agency Budget; and

WHEREAS, Pursuant to Health and Safety Code Section 34176 and resolution no.HA-2012-2329 the County of Sacramento designated the Housing Authority of the County of Sacramento (HACOS), managed and staffed by the Agency, as the local authority to retain the housing-assets and housing-functions previously performed by its Redevelopment Agency.

**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF
THE COUNTY OF SACRAMENTO:**

Section 1. The above recitals are found to be true and correct and are hereby adopted.

Section 2. The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b), and are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 3. The 2018 Operating Budget totaling \$155,208,358 and the 2018 Project Budget totaling \$35,514,464, all as further described in the 2018 Proposed Agency Budget (hereinafter "2018 Agency Budget" or "Budget"), a copy of which is on file with the Agency Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of Agency for the 2018 fiscal year. The 2018 Agency Budget incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 4. A total of 232.5 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.

Section 5. Subject to availability under the Budget or limitations on use of any required funds, the Executive Director or her designees is authorized to amend the Budget as necessary to accept funds, expend funds, or transfer funds among operating budgets or project budgets to complete enforceable housing obligations, comply with legal directives of the California State Department of Finance and/or the State Controller's Office, facilitate the dissolution of redevelopment pursuant to AB 1x 26 and AB 1484, or to provide staffing services to County Redevelopment Agency Successor Agency (CRASA). Such transactions must comply

with applicable laws and regulations and agreements to provide staffing services for CRASA and are subject to CRASA Oversight Board Approval.

Section 6. The budgeted amount for any item in the Budget may be amended by majority vote of the governing body of each entity actually undertaking and funding the activity. Such an amendment to the Budget so enacted shall be deemed to have been approved by all of the entities that originally adopted the Budget without further action of the remaining entities.

Section 7. The Executive Director, or designee, is authorized to submit the 2018 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Executive Director, or designee, is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects. Please see Exhibit B-1 for a summary of the Public Housing operating budget.

Section 8. The proposed expenditures under the 2018 Housing Operating Budget are necessary for the efficient and economical operation of Agency housing to serve low-income families.

Section 9. The housing financial plan set forth in the 2018 Housing Operating Budget is reasonable in that:

- a. It indicates a source of funding adequate to cover all proposed expenditures.
- b. It does not provide for use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
- c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract.
- d. It includes asset management project budgets prepared on an individual basis as shown in the Schedule of Public Housing AMP, Central Office, and Central Services 2018 Budget attached as Exhibit B-1.

Section 10. Form HUD-52574 (04/2013), attached as Exhibit B-2 for signature by the Chair of the Board of the Housing Authority, provides necessary certifications for submission of the Operating Budgets described in Section 9d.

Section 11. Based on the HUD requirement for public housing authorities to implement Asset Management that includes fee for service, the Budget implements the fee for service provisions and support service costs. The fee for service provision is predicated on the

revenues generated by fees being equal to the cost of services provided. Such services include, but are not limited to property management services. Subject to applicable laws, regulations and policies governing aAgency procurement, the Agency is authorized to competitively procure and execute contracts for such fee for services.

Section 12. The Executive Director, or designee, is authorized to submit applications to HUD for the Capital Fund Plan and Program funding. If such grants are awarded, the Executive Director, or designee, is authorized to accept the grant or grants, execute all related documents, execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements and amend the Budget accordingly. The Executive Director, or designee, is directed to comply with all policies, procedures and requirements prescribed by HUD as a condition of such grants. The Executive Director is authorized to submit the Comprehensive Plan or annual statement to HUD, after receiving public comments and resident review and approval of the SHRA Commission.

Section 13. On an annual basis the Agency, on behalf of HACOS conducts a physical inventory, analyzes receivables for collectability and, accordingly, reconciles and adjusts related financial records. The Executive Director, or designee, is authorized to amend the Budget and financial records as needed for such adjustments.

Section 14. The Executive Director, or designee, is authorized to purchase all lines of applicable insurance for its properties and operations through local independent agents, direct carriers, or risk retention pools, provided that the insurance requirements, coverage and terms are commercially reasonable and provided that the cost does not exceed the amounts in the approved Budget. The Agency on behalf of HACOS is also authorized to obtain flood insurance through the federal flood insurance program for HACOS properties and this coverage may be secured through a local independent agent.

Section 15. Subject to availability under the Budget of any required funds, The Executive Director, or designee, is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with HACOS policy and governing board approvals. The Executive Director or her designee is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the approved HUD approved conversion.

Section 16. The Executive Director, or designee, is authorized and directed to approve, submit and implement the Public Housing Agency (PHA) Annual Plan and PHA Five-Year Plan, and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998.

Section 17. The Executive Director, or designee, is authorized to submit to HUD the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG) and Housing Opportunities for People with AIDS (HOPWA). HACOS, staffed by the Agency is delegated authority to administer federal funds appropriated by HUD and is the designated recipient of funds outlined in the One Year action Plan. If such grants are awarded, Agency is authorized to accept the grant or grants, execute all related documents and amend the Budget accordingly. Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Agency is authorized to amend the Capital Reserve Project in the event that the actual entitlement exceeds, or is less than, that estimated in the Budget.

Section 18. The Executive Director, or designee, is authorized to administer funds or delegate authority to other appropriate entities approved by the governing boards, to administer ESG and HOPWA programs and expend funds and to execute contracts with the appropriate entities to carry out the activities contained in the Action Plan utilizing ESG and HOPWA funds, strictly in accordance with the terms of the Action Plan and funding source requirements.

Section 19. The Executive Director, or designee, is authorized to enter into necessary grants and agreements with HUD, the State Housing and Community Development Department (HCD), and other governmental or private entities for homeless programs for which HACOS or the Agency is the designated recipient of grant funds or contracting agency. The Agency is authorized to accept such grants, execute contracts to implement homeless activities funded in the Budget and amend the Budget accordingly (provided that the activities are fully funded by the grant or are within the Agency Budget). The Executive Director, or designee, is authorized to execute contracts for homeless activities funded in the Agency Budget as outlined in the Agency public services schedule.

Section 20. HACOS finds and declares that the proposed expenditure of tax increment housing funds, as set forth in approved recognized obligation payment schedules, for activities serving the homeless, including providing subsidies to, or for the benefit of, extremely low income households through either site specific rental assistance or tenant based rental

assistance, as allocated/outlined in the budget, will not cause or exacerbate racial, ethnic or economic segregation and will be beneficial to all former Redevelopment Project Areas by facilitating the production of affordable housing and providing housing for a population which remains in or frequents the former Redevelopment Project Areas and is perceived as a blighting influence by business owners, property owners, workers and residents, and as a result impedes the elimination of blight in the community.

Section 21. HACOS further finds and declares that the proposed expenditure of tax increment housing funds, as set forth in approved recognized payment schedules to provide subsidies to, or for the benefit of, extremely low income households through either site specific rental assistance or tenant based rental assistance, increases, improves, and preserves the community's supply of low and moderate-income housing available at an affordable housing cost to persons and families that are extremely low, very low, low or moderate income households and will be of benefit to the community.

Section 22. HACOS finds and declares that the proposed planning and administrative expenses which may be paid for from the former low and moderate income housing fund, pursuant to an approved recognized payment obligation payment schedule, is necessary for the production, improvement and/or preservation of low and moderate income housing during the 2018 Agency Budget year.

Section 23. HACOS is authorized to amend the budget to transfer or accept funding or assets consistent with an approved recognized payment obligation schedule to the Agency or County RASA for approved capital projects or operating expenses in compliance with all bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.

Section 24. HACOS is authorized to amend the budget to receive assets or transfer assets, receive funds or transfer funds to the County RASA and execute agreements with the County or RASA as necessary to facilitate authorized directives of the State of California, the California State Department of Finance and/or the State Controller's Office or to provide staffing services to RASA. Agreements between the Agency or HACOS and the County RASA are subject to Successor Agency Oversight Board Approval.

Section 25. The Executive Director, or designee, is authorized to submit grant applications on behalf of the Housing Authority of the County for any and all housing and community development activities within the jurisdiction of the Agency. If such grants are awarded, and approved by the governing board if in excess of \$100,000, the Agency is

authorized to accept the grant or grants, execute contracts to implement grant activities with the appropriate entities (provided that the activities are fully funded by the grant or within the Budget), execute all related documents, and amend the Budget. Budget expenditure and amendments for such grants are permitted for positions, services and supplies, equipment and projects. Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Such grants may include but are not limited to the following:

- Homeless Prevention and Rapid Re-housing Program (HPRP)
- Neighborhood Stabilization Program
- Family Unification Program
- Family Self Sufficiency
- Veteran’s Assistance and Supportive Housing
- Social Innovation Fund

Section 26. The Executive Director, or designee, is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Executive Director, or designee, may allocate and transfer any available fund balances to accounts held for future projects or reduce budget shortfalls in any other fund balances, provided monies so used are not otherwise restricted by law or regulations related to the funding source. Further, Agency is authorized to expend available balances from the payroll fund for the cost of liabilities such as post retirement medical benefits, sick leave, and vacation accruals.

Section 27. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.

Section 28. The Executive Director, or designee, is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.

Section 29. The Executive Director, or designee, is authorized to increase or decrease operating Budget appropriations up to \$100,000. Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

Section 30. The Executive Director, or designee, is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.

Section 31. The Executive Director is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget

appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

Section 32. The Executive Director, or designee, is authorized to transfer any available fund balances from HACOS instrumentalities or affiliates to allocate for future HACOS projects or to reduce budget shortfalls, provided the use and receipt of funds is not otherwise restricted by law or regulations. Such transactions are subject to HACOS instrumentality or affiliate board approval.

Section 33. The Executive Director, or designee, is authorized to amend the Budget to reflect all required debt service payments, pass through payments, loan repayments and other existing obligations based on actual higher or lower revenues.

Section 34. The Executive Director, or designee, is authorized to amend the operating budget or capital project budget or transfer funding of approved capital projects or operating budgets within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.

Section 35. The Executive Director, or designee, on behalf HACOS serving as the County Successor Housing Entity, is authorized to execute, and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed for the completion of enforceable housing obligations of the former redevelopment agency to assure receipt of anticipated revenues.

Section 36. The Executive Director, or designee, is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. Agency is authorized to enter into "loan work outs," to the extent reasonably necessary to protect Agency assets, and in entering such "work outs," Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria. Further, The Executive Director, or designee, is authorized to renegotiate existing Agency debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide the Agency with more favorable loan terms.

Section 37. All project appropriations in existence as of December 31, 2017 will be carried over and continued in 2018.

Section 38. All multi-year operating grant budgets in existence as of December 31, 2017 shall be continued in 2018.

Section 39. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2017 may remain in effect in 2018. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2017, but only to the extent that the applicable division's 2017 operating budget appropriations exceeded 2017 expenditures.

Section 40. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2018 Budget.

Section 41. If any entity requires a separate resolution to confirm any action approved within this resolution the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.

Section 42. The Agency is authorized to delegate the authorities as set out in this resolution to the Agency's Executive Director.

Section 43. This resolution shall take effect immediately.

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Housing Authority of the County of Sacramento, State of California, this 7th day of November, 2017, by the following vote, to wit:

AYES: Members,

NOES: Members,

ABSTAIN: Members,

ABSENT: Members,

Chair of the Housing Authority of the
County of Sacramento, California

SEAL:

ATTEST: _____
Clerk

EXHIBIT A

SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY PROPOSED 2018 BUDGET

Approved 2018 Total Operating Budget	\$ 155,208,358
Revised Approved 2018 Total Operating Budget	\$0
Approved 2018 New Projects	\$ 35,514,464
Revised Approved 2018 New Projects	\$0
TOTAL SHRA BUDGET	\$ 190,722,822

County Public Housing AMP, Central Office and Central Services Budget

January 1 - December 31, 2018

PHA Code: CA007 County of Sacramento	County AMP 1	County AMP 2	County AMP 3	County AMP 5	Total County Public Housing	County COCC Central Office & Central Svc
Beginning fund equity	\$ 494,908	\$ 474,311	\$ 1,021,620	\$ 815,555	\$ 2,806,394	\$ 324,535
Revenues:						
HUD Operating Subsidy	707,980	767,691	1,736,905	925,764	4,138,340	-
Maintenance Charges to Tenants	4,000	6,000	3,800	7,000	20,800	-
Washer/Dryer Income	2,000	7,000	7,500	2,000	18,500	-
Rental Income - Dwelling	542,000	777,000	847,000	570,000	2,736,000	-
Rental Income - Other	-	-	10,500	7,620	18,120	-
Interest Income - Investment	5,000	2,000	5,800	5,000	17,800	3,000
Bad Debt Recovery	1,000	1,000	1,200	4,000	7,200	-
Miscellaneous income	6,000	7,000	6,000	4,000	23,000	-
Return Check Fee	30	30	45	60	165	-
Management Fee	-	-	-	-	-	1,846,845
IT/Bookkeeping Fee	-	-	-	-	-	89,550
Asset Management Fee	-	-	-	-	-	55,080
Admin Fee (CFP) & (HCV)	-	-	-	-	-	2,018,677
Central services fees	-	-	-	-	-	181,702
Total operating revenue	1,268,010	1,567,721	2,618,750	1,525,444	6,979,925	4,194,854
CFP operating transfers	-	78,000	-	-	78,000	-
CFP Mgmt impr transfers	19,255	27,498	27,498	26,129	100,380	-
Total revenues and transfers in	1,287,265	1,673,219	2,646,248	1,551,573	7,158,305	4,194,854
Expenditures:						
Employee Services:						
- Management/Maintenance	334,232	488,992	485,429	423,246	1,731,899	743,579
- Resident Trainees	19,255	27,498	27,498	26,129	100,380	-
Total Employee Services	353,487	516,490	512,927	449,375	1,832,279	743,579
Services & Supplies:						
- Management/Maintenance	416,507	767,176	977,647	752,559	2,913,889	3,676,657
Other Charges:						
Financial Transactions	526	264	686	720	2,196	214
- Central Service Fees	38,570	47,345	52,463	43,324	181,702	-
- Miscellaneous (PILOT, Depr.)	29,405	47,137	47,137	24,086	147,765	-
Management Fee	171,133	209,434	236,326	193,951	810,844	-
IT / Bookkeeping Fee	18,900	23,130	26,100	21,420	89,550	-
Asset Management Fee	26,160	-	-	28,920	55,080	-
Total operating expense	1,054,668	1,610,976	1,853,286	1,514,355	6,033,305	4,420,450
Ending Balance	\$ 727,485	\$ 536,554	\$ 1,814,582	\$ 852,773	\$ 3,931,394	\$ 98,939

PHA Board Resolution
Approving Operating Budget

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)

OMB No. 2577-0026
(exp. 04/30/2016)

Public reporting burden for this collection of information is estimated to average 10 minutes 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. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority-County of Sacramento PHA Code: CA007

PHA Fiscal Year Beginning: 01/01/2018 Board Resolution Number:

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

- X Operating Budget approved by Board resolution on: 11/7/2017
[] Operating Budget submitted to HUD, if applicable, on:
[] Operating Budget revision approved by Board resolution on:
[] Operating Budget revision submitted to HUD, if applicable, on:

I certify on behalf of the above-named PHA that:

- 1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, 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 and 3802)

Table with 3 columns: Print Board Chairperson's Name (Don Nottoli), Signature, Date

RESOLUTION NO. SHDC ____

ADOPTED BY THE SACRAMENTO HOUSING DEVELOPMENT CORPORATION

ON DATE OF

**SACRAMENTO HOUSING DEVELOPMENT CORPORATION RIVERVIEW PLAZA
RESIDENTIAL PROJECT OPERATING BUDGET; RELATED FINDINGS,
AUTHORIZATIONS AND APPROVALS**

**NOW THEREFORE BE IT RESOLVED AND ORDERED BY THE BOARD OF
DIRECTORS OF THE SACRAMENTO HOUSING DEVELOPMENT CORPORATION:**

Section 1. Approval of the budget is an administrative and fiscal activity and does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b), and is exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3). Actions necessary for the effective management of the Riverview Plaza Residential Project property are exempt under CEQA per Guidelines Section 15301 and are either exempt under NEPA per 24 CFR 58.34(a)(3) or categorically excluded per 24 CFR 58.35(b)(3).

Section 2. The Budget totaling \$769,785 for the Riverview Plaza Residential project, which is incorporated in the budget of the Sacramento Housing and Redevelopment Agency, all as further described in the “2018 Proposed Budget”, a copy of which is on file with the Agency Clerk, is approved as the Operating Budget for the 2018 fiscal year for the Sacramento Housing Development Corporation (2018 Budget).

Section 3. The Executive Director of the Sacramento Housing Development Corporation (Executive Director) is authorized to obtain flood insurance for the Riverview Plaza Residential project through the federal flood insurance program, and is authorized to purchase liability insurance and enter into agreements with risk retention pools or other similar organizations, provided that the insurance requirements, coverage and terms are commercially reasonable and provided that the cost does not exceed the amounts in the approved 2018 Budget.

Section 4. The Executive Director is authorized to submit grant applications for any and all activities within the authority and jurisdiction of the Sacramento Housing Development Corporation. The Executive Director is authorized to accept such grants, to amend the 2018 Budget to receive and allocate the grant funds, and to implement the actions required by the grant for any projects and programs currently within the Sacramento Housing Development Corporation’s authorization and jurisdiction, provided that the activities are fully funded by the grant. Such

Budget amendments are permitted for, but not limited to, positions, services and supplies, equipment and projects.

Section 5. The Executive Director is authorized to make transfers of fund balances to accommodate reserve requirements. The Executive Director may allocate and transfer any available fund balances to accounts held for future projects or to reduce budget shortfalls in any other fund balances, provided monies so used are not restricted by law or regulations related to the funding source.

Section 6. The Executive Director is authorized to make payments on debt incurred by the Sacramento Housing Development Corporation as necessary to comply with the provisions of the Partnership Agreement within which the Corporation serves as the General Partner, and as deemed prudent and necessary by the Executive Director on behalf of the Sacramento Housing Development Corporation and within the 2018 Budget hereby adopted.

Section 7. The Executive Director is authorized to incorporate the changes listed on Exhibit A as part of the 2018 Budget.

Section 8. The Executive Director is authorized to act on behalf of the Sacramento Housing Development Corporation with the same authority as conferred upon the Executive Director of the Sacramento Housing and Redevelopment Agency.

Section 9. This resolution shall take effect immediately.

On a motion by Director _____, seconded by
Director _____, the foregoing Resolution was passed and adopted
by the Sacramento Housing Development Corporation, State of California, this 7th day of
November, 2017, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

ABSTAIN: Directors,

ABSENT: Directors,

ABSTAIN: Directors,

(PER POLITICAL REFORM ACT (§ 18702.5.))

Chair, Board of Directors
Sacramento Housing Development
Corporation

(SEAL)

ATTEST: _____
Clerk

RESOLUTION NO. _____

**APPROVAL OF MULTI-FAMILY LENDING AND MORTGAGE REVENUE BOND
POLICIES PROGRAM APPLICATION SCHEDULE**

WHEREAS, the Sacramento Housing and Redevelopment Agency (SHRA) proposes to revise and implement the Multifamily Lending and Mortgage Revenue Bond Policies Program Application Schedule to correspond with California Tax Credit Allocation Committee and California Debt Limit Allocation Committee application deadlines.

WHEREAS, the proposed action is administrative and fiscal activity and does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b), and is exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3).

NOW THEREFORE BE IT RESOLVED AND ORDERED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO:

Section 1. SHRA is authorized to adopt the 2018 Multifamily Lending and Mortgage Revenue Bond Policies Program Application Schedule as outlined Exhibit A.

On a motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this 7th day of November, 2017, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,
(PER POLITICAL REFORM ACT (§ 18702.5.))

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors

**Sacramento Housing and Redevelopment Agency
Multifamily Loan and Mortgage Revenue Bond Applications**

2018 Schedule

July 9% TCAC & CDLAC Applications:

Pre-Application Deadline	January 2, 2018
Application Deadline	March 1, 2018
Environmental Deadline*	April 26, 2018
Sacramento Housing and Redevelopment Commission (SHRC)	June 6, 2018
Board of Supervisors (Board) / City Council (Council)	June 19, 2018
Est. 9% TCAC/CDLAC Application Deadlines	June 27, 2018 / July 20, 2018

March 9% TCAC & CDLAC Applications:

Pre-Application Deadline	August 1, 2018
Application Deadline	October 1, 2018
Environmental Deadline*	December 20, 2018
SHRC	February 6, 2019
Board / Council	February 26, 2019
Est. 9% TCAC/CDLAC Application Deadlines	March 6, 2019 / March 15, 2019

Optional CDLAC Applications:
(based on funding availability)

Pre-Application Deadline	October 1, 2018
Application Deadline	December 3, 2018
Environmental Deadline*	February 28, 2019
SHRC	April 17, 2019
Board / Council	May 7, 2019
CDLAC Application Deadline	May 17, 2019

*Environmental clearance (CEQA and NEPA) not received by this date will result in project approvals being delayed and the TCAC/CDLAC application being submitted at a later date.

BACKGROUND

Housing Choice Voucher Program (HCV):

The Housing Choice Voucher (formerly Section 8 Housing Assistance) program is funded by HUD through Annual Contribution Contracts (ACC). The Agency administers this program on behalf of the Housing Authority of the County of Sacramento. The Housing Choice Voucher (HCV) program permits the applicant to obtain housing in the private rental market using housing vouchers or in site specific developments utilizing HCV Project Based Vouchers (PBV's). The program participants pay a portion of their income (an adjusted 30 percent of gross family income) towards rent and the remaining due to the owner is paid by the Housing Authority. Participants can utilize their voucher anywhere in the City or County of Sacramento or port out to jurisdictions around the country.

Revenue under the HCV program is received from HUD in the form of Housing Assistance Payments (HAP) and Administrative Fees (AF). The federal appropriations process dictates the amount of funding that will be allocated to the HCV program on a national level. Jurisdictional funding allocations are performance based, with the funding level determined by the number of authorized vouchers leased. Currently, the Housing Authority has 12,177 vouchers authorized for leasing each month and the program strives to maintain a leasing level between 98-100 percent utilization of all vouchers authorized by HUD. In addition, the Agency also administers an additional 575 certificates for the Shelter Plus Care program serving disabled, homeless individuals and families.

The utilization level of vouchers makes the HCV program eligible for maximum funding from HUD. However, despite being entitled to maximum funding for the program, depending upon federal appropriations, HUD prorates the amount received by each Agency to remain within the parameters of the federal budget. In 2017, the Agency's HAP eligibility was at 96.4 percent and staff anticipates a slight decrease in 2018. In addition, HUD intentionally provides less funding than required to cover HAP costs in an effort to recapture accumulated HAP reserves from public housing authorities across the country. In 2017 HUD intentionally recaptured HAP reserves leaving the Housing Authority with approximately two weeks of reserves; therefore, managing leasing levels effectively became exceptionally critical.

HCV administrative funding eligibility is based upon the number of units leased within the Housing Authority's authorized voucher allocation, currently 12,177 units per month. Once eligibility is determined, HUD uses a formula to determine administrative fees for the Agency. For 2017, the Agency receives \$89.25 per unit for the first 7200 unit months leased and \$83.30 per unit on all remaining unit months leased. HUD then applies a proration to the formula to reduce fees paid so that the administrative fees paid to housing authorities' matches the appropriations provided by Congress. In 2016 the proration was 84 percent of administrative funding eligibility. This proration was decreased to 77.5 percent of administrative funding eligibility in 2017.

Public Housing:

The Housing Authority manages a total of 3214 units of affordable housing for over 7600 extremely low-, very low- and low-income persons, including children, seniors, and disabled individuals. Of this total, 2712 are part of the Public Housing Program which utilizes apartments, duplexes, and some single family homes to house qualified low income families. Public Housing is owned, managed, and maintained by the Housing Authority, making it one of the largest landlords in Sacramento County.

HUD provides an annual operating subsidy to pay the cost of the Public Housing Program not covered by tenant rents which is appropriated annually through the federal budget process. The federal budget process has recently been erratic, with annual appropriations reaching as high as 103 percent of funding eligibility in 2010 to as low as 82 percent in 2013. In 2017, the program was funded at 93 percent of funding eligibility, meaning that the program received only 93 percent of what HUD believes the Agency needs to run the program. This requires that the Public Housing Program cut operating costs whenever possible and utilize operating reserves. The slight revenue decline reflected in the 2018 budget is based upon federal budget projections.

Local Housing (Non-Federal):

The Housing Authority also owns and manages 271 affordable units funded with tax credits and local funds. These local housing projects, units not regulated by HUD, have shown 2018 projected revenues to be relatively status quo with 2017.

The non-profit organization Sacramento Housing Authority Repositioning Program Inc. (SHARP) owns three high-rise properties funded through project based vouchers. These properties contain 231 elderly only units which are also managed by Housing Authority staff.

Also included in the Agency budget is the Sacramento Housing Development Corporation (SHDC), a nonprofit public benefit corporation created to serve as the general partner of Riverview Plaza Associates (RPA). SHDC is the General Partner of the 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. The 2018 budget of SHDC and its limited partnership is \$769,785 and is approved annually by the County Board of Supervisors sitting as the Board of SHDC.

Capital Fund Program (CFP):

The HUD CFP provides funding specifically intended for the development, financing, modernization, and management improvements needed at properties owned under the HUD public housing program. Funds are allocated annually via a formula. The Agency receives funding for the public housing properties owned by both the City and County Housing Authorities. Between 2003 and 2015, HUD funding for the CFP decreased 36 percent, with the sharpest decrease coming in 2011 at 21 percent. 2018 HUD funding for the CFP is expected to decrease slightly from the 2017 level. Revenue estimates are based on the current year grant amounts and are adjusted based upon Federal appropriation proposals.

Community Development Block Grant (CDBG):

CDBG is a federal entitlement program provided to communities annually for the benefit of low-income persons through housing improvement, public improvements, economic development, public service and elimination of blighting conditions. Areas of Sacramento which are low-income and extremely physically blighted have been selected for targeted CDBG assistance in the areas of capital improvements, housing preservation and renovation, and economic development and commercial revitalization activities. These funds must be used to augment but not replace local funds and responsibilities.

The annual HUD CDBG entitlement budget is allocated to cities and counties based on a formula comprised of several measures. The Agency receives grants for both the City and the County of Sacramento. Since 2010, CDBG appropriations have been cut by as much as 25 percent. Though funding levels are currently unknown, 2018 revenues are projected to be status quo with 2017 levels.

Home Investment Partnership Program (HOME):

The Agency administers the HOME program on behalf of the City and County of Sacramento as well as the City of Citrus Heights through a consortium agreement. This program provides for the preservation and expansion of affordable housing to very low and low-income persons. Housing developers and sponsors (both for-profit and non-profit) apply to the Agency for funding. In the past, HOME funds have assisted families in purchasing their first home, renovating deteriorating housing units, and assisting with the development of special housing programs.

The annual HUD HOME budget is allocated to participating jurisdictions as formula grants. Since 2010, federal appropriations for the HOME program have declined significantly. 2018 federal funding levels are anticipated to be status quo with 2017 funding levels.

Housing Trust Funds (HTF):

The Agency administers Housing Trust Funds on behalf of both the City and County of Sacramento. The City and County of Sacramento adopted ordinances in 1989 and 1990 respectively, for the purposes of generating fees for the development of affordable housing near employment centers. Fees collected from non-residential development are deposited in the Housing Trust Fund, and are used to fund affordable housing projects that are intended to serve the low income workforce employed by commercial businesses in the surrounding area.

Housing Trust Fund fees dropped dramatically from 2009 to 2012 due to the sharp decline in the number of commercial building permits being issued. Since 2013, there has been a steady increase in revenues due to an increase in building permits and prior year loan repayments.

Emergency Solutions Grant (ESG)

The ESG program is designed to directly assist homeless individuals and families by providing funding to support the provision of emergency shelters and rapid rehousing assistance. ESG funding is used for operations and essential social services necessary to support shelter residents and for the rapid re-housing of eligible individuals and families. The ESG program is designed to assist homeless subpopulations within this group, such as victims of domestic violence, youth, people with mental illness, families with children, and veterans. ESG funds can also be used, in narrowly defined situations, to aid people who are imminently at risk of becoming homeless. Revenues for 2018 are projected to be relative status quo with 2017 levels.

Housing Opportunities for Persons With AIDS (HOPWA)

HOPWA funding provides housing assistance and related supportive services in an effort to develop consortium-wide strategies and to form partnerships with area nonprofit organizations. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. HOPWA funds may also be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services. Revenues for 2018 are projected to be relative status quo with 2017 levels.

RESOLUTION NO. SHRC – 2017

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981

ON DATE OF
October 25, 2017

APPROVAL OF 2018 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

WHEREAS, the Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency created to eliminate duplicate staffing efforts to manage and administer federal housing and community development programs on behalf of the City and County and to provide a competitive advantage to the City and County when seeking federal and other housing and community development funding opportunities. The consolidation of multiple departments from different jurisdictions achieves close coordination of housing and community development programs and provides budget savings for operation and overhead. The Agency Executive Director reports directly to the City and the County governing boards. The Agency is recognized statewide and nationally as a model public agency that achieves multi-jurisdictional cooperation and effectively leverages local, state and federal housing and community development funds.

WHEREAS, the Agency receives annual funding from a combination of federal, state and local sources. The sources of Agency revenues require an operating budget adopted prior to the start of each new fiscal year;

WHEREAS, Agency's fiscal year is the calendar year from January 1st through December 31.

WHEREAS, pursuant to Health and Safety Code Section 34176 the City and County of Sacramento designated the Housing Authorities of the City and County of Sacramento, managed and staffed by the Agency, as the designated local authorities to retain the housing-assets and housing-functions previously performed by the respective Redevelopment Agencies.

NOW, THEREFORE, BE IT RESOLVED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION:

Section 1. The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b), and are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 2. The 2018 Operating Budget totaling \$155,208,358 and the 2018 Project Budget totaling \$35,514,464, all as further described in the 2018 Proposed Agency Budget (hereinafter "2018 Agency Budget" or "Budget"), a copy of which has been provided to the respective governing board members, are approved as the Budget of Agency for the 2018 fiscal year. The 2018 Agency Budget incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 3. A total of 232.5 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.

Section 4. The budgeted amount for any item in the Budget may be amended by majority vote of the governing body of each entity actually undertaking and funding the activity. Such an amendment to the Budget so enacted shall be deemed to have been approved by all of the entities that originally adopted the Budget without further action of the remaining entities.

Section 5. The Executive Director, or designee, is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate legal directives of the United States Department of Housing and Urban Development (HUD), the California State Department of Finance and/or the State Controller's Office and the actions taken by the Successor Agencies of the former Redevelopment Agencies approved by the Successor Agency oversight Boards.

Section 6. The Executive Director, or designee, is authorized to submit the 2018 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Executive Director, or designee, is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects.

Section 7. The proposed expenditures under the 2018 Housing Operating Budget are necessary in the efficient and economical operation of Agency housing to serve low-income families.

Section 8. The housing financial plan set forth in the 2018 Housing Operating Budget is reasonable in that:

- a. It indicates a source of funding adequate to cover all proposed expenditures.
- b. It does not provide for the use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
- c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract.
- d. It implements the fee for service provisions and support service costs based on the HUD requirement for public housing authorities to implement Asset Management that includes fee for service,. The fee for service provision is predicated on the concept that fee revenues will cover the cost of the services provided.

Section 9. The Executive Director, or designee, is authorized to submit applications to HUD for the Capital Fund Plan and Program. If such grants are awarded, the Executive Director, or designee, is authorized to accept the grant or grants, execute all related documents, execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements, and amend the Budget accordingly. The Executive Director, or designee, is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Executive Director, or designee, is authorized to submit the Comprehensive Plan or annual statement to HUD, after receiving public comments and resident review.

Section 10. On an annual basis, HUD requires the Agency to conduct a physical inventory, analyze receivables for collectability and accordingly, reconcile and adjust related financial records. The Executive Director, or designee, is authorized to amend the Budget and financial records as needed for such adjustments.

Section 11. The Executive Director, or designee, is authorized to purchase all lines of applicable insurance for its properties and operations through local independent agents, direct carriers, or risk retention pools, provided that the insurance requirements, coverage and terms are commercially reasonable and provided that the cost does not exceed the amounts in the approved Budget. Agency is also authorized to obtain flood insurance through the federal flood insurance program for Agency properties and this coverage may be secured through a local independent agent.

Section 12. Subject to availability under the Budget of any required funds, The Executive Director, or designee, is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with adopted Agency/Housing Authority policy and governing board approvals. The Executive Director, or her designee, is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the approved HUD approved conversion.

Section 13. The Executive Director, or designee, is authorized and directed to approve, submit, and implement the Public Housing Agency (PHA) Annual Plan, PHA Five-Year Plan, and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998.

Section 14. The Executive Director, or designee, is authorized to submit to HUD the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for People with AIDS (HOPWA). The Agency is delegated authority to administer federal funds appropriated by HUD and is the designated recipient of funds outlined in the One Year action Plan. If such grants are awarded, the Executive Director, or designee, is authorized to accept the grant or grants, execute all related documents and amend the Budget accordingly. The Executive Director is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. The Executive Director, or designee, is authorized to amend the Capital Reserve Project in the event that the actual entitlement exceeds, or is less than, that estimated in the Budget.

Section 15. The Executive Director, or designee, is authorized to administer funds or delegate authority to other appropriate entities approved by the governing boards, to administer ESG and HOPWA programs and expend funds and to execute contracts with the appropriate entities to carry out the activities contained in the Action Plan utilizing ESG and HOPWA funds, strictly in accordance with the terms of the Action Plan and funding source requirements.

Section 16. The Executive Director, or designee, is authorized to enter into necessary grants and agreements with HUD, the State Housing and Community Development Department (HCD), and other governmental or private entities for homeless programs for which the Agency is the designated recipient of grant funds or contracting agency. Agency is authorized to accept such grants, execute contracts to implement homeless activities funded in the Budget and amend the Budget accordingly (provided that the activities are fully funded by the grant or are within the Agency Budget). The Executive Director, or designee, is authorized to execute contracts for homeless activities funded in the Agency Budget as outlined in the Agency public services schedule.

Section 17. The Executive Director, or designee, is authorized to submit grant applications on behalf of any of the Agency constituent members for any and all housing and community development activities within the jurisdiction of Agency. If such grants are awarded, Agency is authorized to accept the grant or grants execute contracts to implement grant activities with the appropriate entities (provided that the activities are fully funded by the grant or within the Budget), execute all related documents and amend the Budget. Budget expenditure and amendments for such grants are permitted for positions, services and supplies, equipment and projects. The Executive Director is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Such grants may include but are not limited to the following:

- Homeless Prevention and Rapid Re-housing Program (HPRP)
- Neighborhood Stabilization Program

- Family Unification Program
- Family Self Sufficiency
- Veteran’s Assistance and Supportive Housing
- United States Environmental Protection Agency Brownfield Assessment
- United States Environmental Protection Agency Brownfield Clean Up
- United States Environmental Protection Agency Brownfield Revolving Loan Fund
- United States Environmental Protection Agency Brownfield Job Training
- California State Water Resources Control Board – Underground Storage Cleanup
- CAL REUSE Cleanup Grant and Loan Program
- Social Innovation Fund

Section 18. The proposed expenditure of tax increment housing funds for activities serving the homeless, including providing subsidies to, or for the benefit of, extremely low income households through either site specific rental assistance or tenant based rental assistance, as set out in the budget, will not cause or exacerbate racial, ethnic or economic segregation and will be beneficial to all Redevelopment Project Areas as set forth in City Redevelopment Agency Resolution 2004-062 and County Redevelopment Agency Resolution RA-0757, by facilitating the production of affordable housing and providing housing for a homeless population which remains in or frequents the Redevelopment Project Areas and is perceived as a blighting influence by business owners, property owners, workers and residents, and as a result impedes redevelopment of the Project Areas.

Section 19. The expenditure of tax increment housing funds from the Project Areas to provide subsidies to, or for the benefit of, extremely low income households through either site specific rental assistance or tenant based rental assistance, increasing, improving, and preserving the community’s supply of low and moderate-income housing available at an affordable housing cost to persons and families that are extremely low, very low, low or moderate income households for proposed projects, will be of benefit to all the community.

Section 20. The proposed planning and administrative expenses paid for from the low and moderate income housing fund are necessary for the production, improvement and/or preservation of low and moderate income housing during the 2018 Agency Budget year.

Section 21. The Executive Director, or designee, is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Executive Director, or designee, may allocate and transfer any available fund balances to accounts held for future projects or reduce budget shortfalls in any other fund balances, provided monies so used are not otherwise restricted by law or regulations related to the funding source. Further, Agency is authorized to expend available balances from the payroll fund for the cost of liabilities such as post retirement medical benefits, sick leave, and vacation accruals.

Section 22. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.

Section 23. The Executive Director, or designee, is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.

Section 24. The Executive Director, or designee, is authorized to increase or decrease operating Budget appropriations up to \$100,000. Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

Section 25. The Executive Director, or designee, is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.

Section 26. The Executive Director, or designee, is authorized to transfer project appropriations among fund groups.

Section 27. The Executive Director, or designee, is authorized to amend the Budget to reflect all required debt service payments, pass through payments loan repayments, and other existing obligations based on actual higher tax increment revenues.

Section 28. The Executive Director, or designee, is authorized to transfer funding of approved capital projects within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable redevelopment laws and regulations or changes to the aforementioned.

Section 29. The Executive Director, or designee, is authorized to execute and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed to assure receipt of anticipated revenues.

Section 30. The Executive Director, or designee, is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. Agency is authorized to enter into "loan work outs," to the extent reasonably necessary to protect Agency assets, and in entering such "work outs," Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria (including forgiveness of principal as necessary to reflect underwriting the loan at current fair market value of the subject property). Further, The Executive Director, or designee, is authorized to renegotiate existing Agency debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide the Agency with more favorable loan terms.

Section 31. All project appropriations in existence as of December 31, 2017 will be carried over and continued in 2018.

Section 32. All multi-year operating grant budgets in existence as of December 31, 2017 shall be continued in 2018.

Section 33. All encumbrances for valid purchase orders and contracts in effect as of

December 31, 2017 may remain in effect in 2018. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2017, but only to the extent that the applicable division's 2017 operating budget appropriations exceeded 2017 expenditures.

Section 34. The Executive Director, or designee, is authorized to incorporate the changes as listed on Exhibit A as part of the 2018 Budget.

Section 35. The Executive Director, or designee, is authorized to delegate the authorities as set out in this resolution.

Section 36. This resolution shall take effect immediately.

CHAIR

ATTEST

CLERK

The 2018 SHRA Budget Document will be delivered via email on October 23rd. We apologize for any inconvenience.