



INVESTING IN COMMUNITIES

**NOTICE OF MEETING**  
**Sacramento Housing and Redevelopment  
Commission**

**Wednesday, October 17, 2012 - 6:00 p.m.**  
**801 12<sup>th</sup> Street, Sacramento, Commission Room**

**ROLL CALL**

**APPROVAL OF AGENDA**

**APPROVAL OF ACTION SUMMARY SYNOPSIS**

1. Synopsis – October 3, 2012

**CITIZENS COMMENTS**

2. While the Commission welcomes and encourages participation in the Commission meetings, it would be appreciated if you would limit your comments to three minutes so that everyone may be heard. Please fill out a speaker card and present it to the Agency Clerk if you wish to speak under Citizen Comments or on a posted agenda item. Matters under the jurisdiction of the Commission, and not on the posted agenda, may be addressed by the general public at this time. Commission attendees are requested to silence any cell phones or pagers that they have in their possession.

**CONSENT**

3. Acquisition of 2793 Meadowview Road

**PUBLIC HEARING**

4. 2013 Sacramento Housing and Redevelopment Agency Proposed Budget – County of Sacramento
5. 2013 Sacramento Housing and Redevelopment Agency Proposed Budget – City of Sacramento

**BUSINESS**

6. Approval of Disposition and Development Agreement, Loan Modification and Assignment for Quinn Cottages
7. Approval of Grant Agreement with the Sacramento County Tobacco Securitization Corporation for the 41<sup>st</sup> Avenue Community Center

**EXECUTIVE DIRECTORS REPORT**

Activities Calendar

## ITEMS AND QUESTIONS OF COMMISSION MEMBERS

### ADJOURNMENT

Staff reports are available for public review on the Agency's website [www.shra.org](http://www.shra.org) and include all attachments and exhibits. Hard copies are available at the Agency Clerk's office (801 12<sup>th</sup> Street) for 10 cents per page. A copy of materials for this agenda will be available at the meeting for public review.

**Assistance for the Disabled:** 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.



## SYNOPSIS

### **Sacramento Housing and Redevelopment Commission (SHRC) October 3, 2012**

#### ROLL CALL

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

PRESENT: Alcalay, Chan, Gore, Griffin, Johnson, LeDuc, Morgan, Rosa, Stivers

ABSENT: Morton, Shah

STAFF PRESENT: Vickie Smith, Tia Patterson, LaShelle Dozier, Don Cavier, Nick Chhotu, Chris Pahule, MaryLiz Paulson, Karen Wallace, Brian Lengyl, Jim Shields, Housing Authority managers

#### APPROVAL OF AGENDA

The Chair announced that item number 4 would be presented prior to item number 3.

1. APPROVAL OF ACTION SUMMARY SYNOPSIS

Action Summary Synopsis for September 5, 2012 was approved

2. CITIZEN COMMENTS

Sandra Strong made comments about the HPRP Program.

Mary Liz Paulson introduced Keri Valdez and Fabiola De Luna of her staff who presented Tenesha Love with a check for graduating from the Family Self Sufficiency program.

#### BUSINESS

3. 2013 Public Housing Agency Annual Plan for the Housing Authorities of the City and County of Sacramento

Nick Chottu presented the item.

The Commission recommended approval of the staff recommendation for the item listed above. The votes were as follows:

AYES: Alcalay, Chan, Gore, Griffin, Johnson, LeDuc, Morgan, Rosa Stivers

NOES: none

ABSENT: Morton, Shah

4. Selection of Master Developer to serve as Housing Lead for the Choice Neighborhoods Initiative – Twin Rivers Public Housing Site.

Chris Pahule presented the item.

Commissioner Stivers asked if local developers would be involved. Staff indicated that they would be involved and that the selected developer planned to establish a local office.

Commissioner LeDuc asked about the compensation for the developer. Staff indicated that this would be negotiated over the next few months.

The Commission recommended approval of the staff recommendation for the item listed above. The votes were as follows:

AYES: Alcalay, Chan, Gore, Griffin, Johnson, LeDuc, Morgan, Rosa Stivers

NOES: none

ABSENT: Morton, Shah

WORKSHOP

5. Sacramento Housing and Redevelopment Agency Budget – Housing Authority

Nick Chhotu and MaryLiz Paulson presented an overview of the Housing Authority's budget and introduced their staff.

EXECUTIVE DIRECTORS REPORT

La Shelle Dozier reviewed the following items:

- Activities calendar  
Freedom Park Drive enhancements  
626 I Street open house  
Kelsey Village roof raising
- Next Commission meeting will be October 17<sup>th</sup> and November 7<sup>th</sup>. Still working on final end of year meeting schedule.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

Commissioner Stivers congratulated Tia Patterson on her appointment to the Cal HFA board.

Commissioner Alcalay thanked staff for their hard work on the Hotel Berry.

SHRC Synopsis  
October 3, 2012

ADJOURNMENT

As there was no further business to be conducted, Chair Rosa adjourned the meeting at 7:30 p.m.

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AGENCY CLERK



October 12, 2012

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Acquisition of 2793 Meadowview Road


SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment



**REPORT TO HOUSING AUTHORITY**  
**City of Sacramento**  
915 I Street, Sacramento, CA 95814-2671  
[www.CityofSacramento.org](http://www.CityofSacramento.org)

**Consent**  
**October 30, 2012**

**Honorable Chair and Members of the Housing Authority Board**

**Title: Acquisition of 2793 Meadowview Road**

**Location/Council District: 2793 Meadowview Road, District 8**

**Recommendation:** Adopt a **Housing Authority Resolution** a) approving the acquisition of a multi-family residential four-plex property located at 2793 Meadowview Road for fair market value as determined by an independent appraisal; b) establishing the budget for the acquisition, tenant relocation, and rehabilitation of the property, in an amount not to exceed \$675,000; and c) authorizing the Executive Director to take all actions and enter into any agreements and contracts as may be necessary to carry out the project.

**Contact:** Chris Pahule, Program Manager, 440-1350

**Presenters:** None

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue:** The Coral Gables neighborhood is a collection of twenty properties located near Meadowview Road and 24<sup>th</sup> Street. In the early 1990s, the Housing Authority (Authority) invested significantly in the neighborhood, converting deteriorated four-plex properties into high quality affordable public housing units. Between 2005 and 2011, two additional four-plex units were acquired and rehabilitated to complement these efforts. To date, the Authority owns all but six of the fifteen four-plex properties located within the neighborhood.

On May 22, 2012, the Authority declared a 5.1 acre vacant property located at 8389 Kastanis Way as surplus and authorized its sale for \$580,000. The proceeds were to be utilized for the rehabilitation of existing Authority assets or for the acquisition and rehabilitation of properties that would have a direct benefit to existing Authority assets. Consistent with this direction, staff is recommending

that the sales proceeds be utilized to acquire and rehabilitate a highly visible four-plex property fronting on Meadowview Road, at the entrance to the Coral Gables neighborhood.

Based on previous authorities granted in February 2011 for the implementation of the Neighborhood Stabilization Program Three (NSP-3), the Authority may execute agreements and take such additional actions as may be necessary to implement the activities set forth in the NSP-3 guidelines. As a result, the Authority proposes to allocate supplemental funding in the amount of \$95,000 from the NSP-3 Property Recycling Program to complete the acquisition, tenant relocation, and rehabilitation of 2793 Meadowview Road. Under these same authorities, as well as those that were granted in conjunction with the disposition of the Kastanis Way property, the Authority and SHRA will enter into a Memorandum of Understanding for the purpose of setting forth the terms for financing, construction management, tenant relocation, and the operation of the property following completion of construction.

**Policy Considerations:** The recommended actions are consistent with the NSP-3 Property Recycling Program guidelines and federal requirements for the expenditure of Community Development Block Grant (CDBG) funds for the rehabilitation of rental housing.

**Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The proposed action is Categorically Exempt from CEQA pursuant to CEQA Guidelines Section 15301 (d). Efforts to rehabilitate or restore deteriorated or damaged structures to meet current standards of public health and safety, which involve negligible or no expansion of an existing use, are categorically exempt from the provisions of CEQA.

**Sustainability Considerations:** The project has been reviewed for consistency with the goals, policies and targets of the Sustainability Master Plan and the 2030 General Plan. If approved, the project will assist in promoting Goal Number 5 - Public Health and Nutrition, and more specifically Target Number 5, to redevelop or rehabilitate areas within the City based on old, wasteful and/or dysfunctional designs to achieve better results for people and the environment.

**Other: National Environmental Policy Act (NEPA):** The proposed action is Categorically Excluded per Section 58.35 (a)(3)(i) of NEPA. The acquisition and rehabilitation of an existing one to four unit residential building where there is no increase in density beyond four units, no change in land use, and where the footprint of a building located within a floodplain or wetland is not increased, is excluded from the provisions of NEPA.



**Commission Action:** At its meeting of October 17, 2012, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

**AYES:**

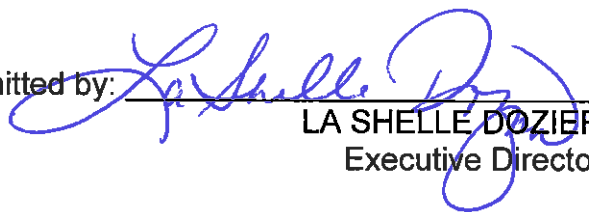
**NOES:**

**ABSENT:**

**Rationale for Recommendation:** The proposed action will complement and result in direct benefits to existing Authority assets located within the Coral Gables neighborhood. Through strategic investments where the market alone cannot ensure change, the Authority will be contributing to the transformation of the local neighborhood, assisting in the removal of blight through acquisition and rehabilitation activities, and improving the supply of long-term affordable housing within the City of Sacramento. Upon completion of the acquisition, the Authority will control 65 percent of the properties within the immediate neighborhood.

**Financial Considerations:** Staff has estimated the budget for the acquisition, tenant relocation, and rehabilitation of the property to be \$675,000. This report recommends the use of \$580,000 in sales proceeds from the sale of the 8389 Kastanis Way property. Furthermore, it is recommended that supplemental funding in the amount of \$95,000 be allocated to the project from the NSP-3 Property Recycling Program pursuant to existing authorities granted by the City Council. Staff estimates that these funds will be sufficient to take all actions reasonably necessary to acquire and rehabilitate the Property.

**M/WBE Considerations:** Minority and Women’s Business Enterprise requirements will be applied to all activities to the extent required by federal funding to maintain that federal funding.

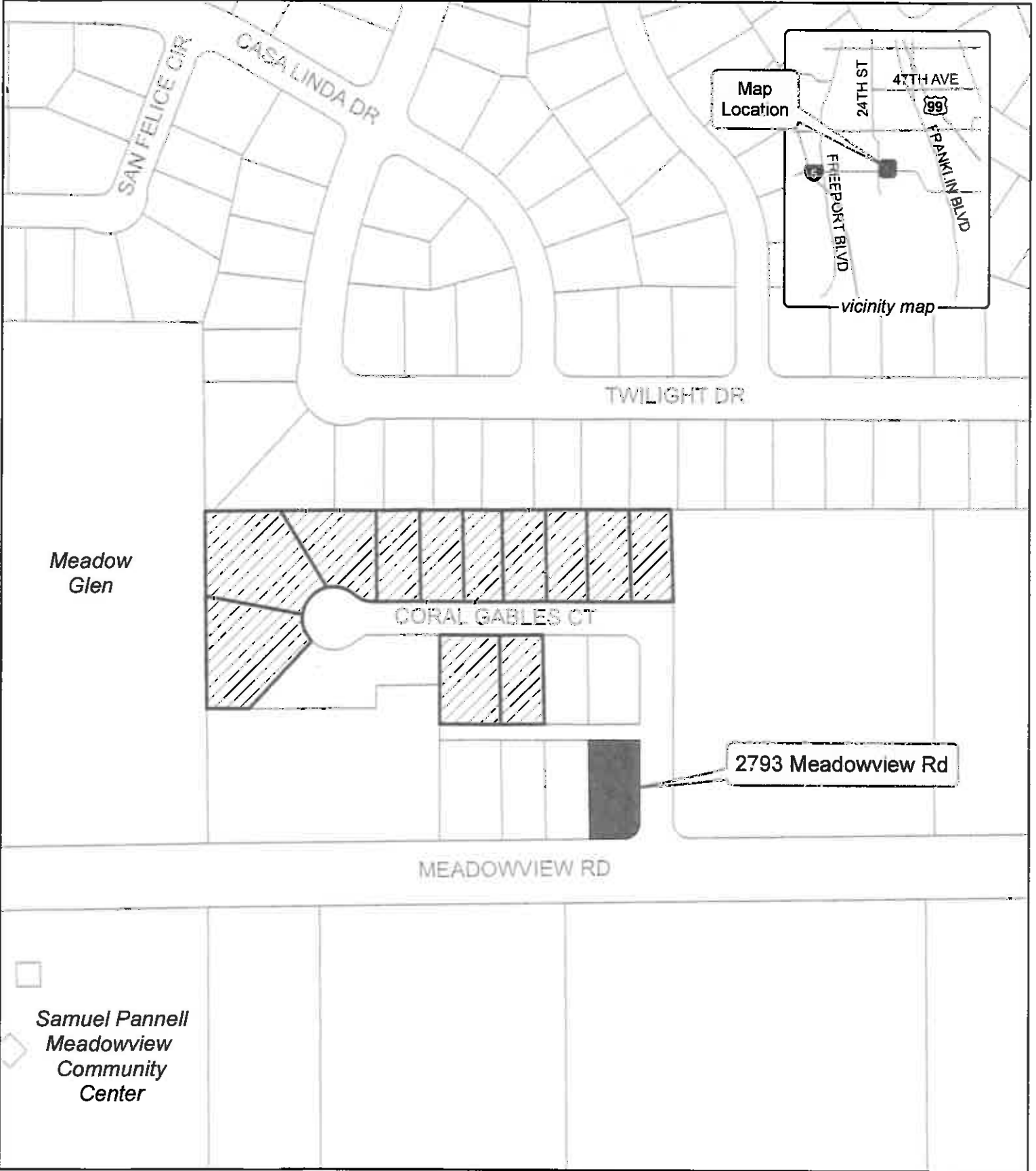
Respectfully Submitted by:   
LA SHELLE DOZIER  
Executive Director



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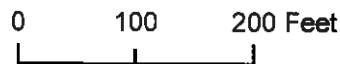
**Attachments**  
1 Vicinity Map pg. 4  
2 Resolution – Housing Authority pg. 5



# 2793 Meadowview Rd



-  Housing Authority Owned Parcel
-  2793 Meadowview Rd



SHRA GIS  
October 8, 2012

## **RESOLUTION NO. 2012 -**

**Adopted by the Housing Authority of the City of Sacramento**

On date of

### **AUTHORITY TO PURCHASE AND REHABILITATE PROPERTY AT 2793 MEADOWVIEW ROAD**

#### **BACKGROUND**

- A. On May 22, 2012, the Housing Authority of the City of Sacramento (Authority) declared by Resolution No. 2012-007 that: a 5.31 acre vacant property located at 8380 Kastanis Way was surplus and sold it for \$580,000, with the proceeds being returned to the Community Development Block Grant (CDBG) fund as program income, and authorized the Executive Director to amend the Authority's budget and enter into an agreement with the Sacramento Housing and Redevelopment Agency (SHRA) to utilize up to \$580,000 in CDBG program income funds for the rehabilitating of existing Authority assets and/or rehabilitate properties that would have a direct benefit to existing Authority assets.
- B. In February 2011, as necessary for the implementation of the Neighborhood Stabilization Program Three (NSP-3), the City Council authorized the Housing Authority (via Resolution No. 2011-087) to execute agreements and take such additional actions as may be necessary to implement the activities as set forth in the NSP-3 guidelines. Pursuant to these authorities, the Authority and SHRA entered into an agreement for the purpose of setting forth the financing commitment and terms for acquisition, construction management, tenant relocation, and the rehabilitation of the four-plex property located at 2793 Meadowview Road (the "Property"), in the Coral Gables multi-family neighborhood. Furthermore, it is the intent of SHRA to allocate supplemental funding in the amount of \$95,000 from the NSP-3 Property Recycling Program for the purpose of completing the acquisition, tenant relocation, and rehabilitation of the Property.
- C. The acquisition of the 2793 Meadowview Road Property will assist in the removal of blight caused by deteriorated, vacant and abandoned properties, help achieve the long-term affordable housing goals of the City, and will have a direct benefit to existing Authority assets located within the Coral Gables neighborhood and surrounding area.
- D. Efforts to rehabilitate or restore deteriorated or damaged structures to meet current standards of public health and safety, which involve negligible or no expansion of an existing use, are Categorically Exempt from the provisions of

the California Environmental Quality Act pursuant to Guidelines Section 15301 (d).

- E. The acquisition and rehabilitation of an existing one-to-four unit residential buildings where there is no increase in density beyond four units, no change in land use, and where the footprint of a building located within a floodplain or wetland is not increased, is Categorically Excluded from the provisions of the National Environment Policy Act (NEPA) pursuant to Section 58.35 (a)(3)(i).

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

- Section 1. Based on the evidence presented, it is determined that the above facts, including the environmental findings, are true and correct.
- Section 2. The Executive Director is authorized to take all actions, and enter into any agreements and contracts as may be necessary to purchase 2793 Meadowview Road based on its fair market value as determined by an independent appraisal.
- Section 3. The budget for the acquisition, tenant relocation, and rehabilitation of 2793 Meadowview Road is to be set at an amount not to exceed \$675,000. The funding sources for the project include \$580,000 in proceeds from the sale of 8380 Kastanis Way and \$95,000 in Neighborhood Stabilization Program Three – Property Recycling Program funds.
- Section 4. The Executive Director is authorized to take all actions, and enter into any agreements and contracts as may be necessary to carry out the project. These activities shall be carried out in accordance with the procurement policies of SHRA.

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
November 6, 2012  
11:30 am

To: Board of Supervisors, Housing Authority, Sacramento Housing Development Corporation, County of Sacramento, and the County of Sacramento as Redevelopment Agency Sucessor Agency

From: Sacramento Housing and Redevelopment Agency

Subject: 2013 Sacramento Housing and Redevelopment Agency Proposed Budget

Supervisorial

District: All

Contact: LaShelle Dozier, Executive Director, 440-1319  
Don Cavier, 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. As of February 1, 2012 the fiscal administration of the former Redevelopment Agency of the City and the former Redevelopment Agency of the County were assumed within the management structure of the City and County which elected to administer the affairs of the successor agencies. The budgets of the former redevelopment agencies (Redevelopment Successor Agency) are no longer incorporated within the Agency Budget. The Proposed 2013 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.

The Agency proposes a balanced budget in the amount of \$169.6 million representing the operational activities and projects for 2013. The 2013 proposed budget represents a \$66.3 million or 28 percent decrease in net appropriations compared with the prior year. This substantial change in annual budget appropriations is the direct result of the elimination or redevelopment by the State of California and substantial cuts to federal programs absorbed on 2012. Neither the City nor the County provides any General Funds in support of the Agency's budget.

**Calendar Year 2013 Proposed Budget (\$\$\$ In Millions)**

	2012 Budget	2013 Budget	Variance (2012 to 2013)	
<b>OPERATIONS</b>				
Salaries and Benefits	23.3	19.9	(3.3)	-14%
Services and Supplies	15.6	14.7	(0.9)	-6%
Housing Assistance Payments	101.9	107.2	5.3	5%
Debt Service	42.4	3.1	(39.3)	-93%
Financial Transactions	31.1	0.9	(30.2)	-97%
Public Services	3.6	5.1	1.6	44%
<b>Sub-Total</b>	<b>\$217.9</b>	<b>\$151.0</b>	<b>(\$66.9)</b>	<b>-31%</b>
<b>CAPITAL PROJECTS</b>				
Housing Development and Preservation	10.1	10.7	0.6	6%
Housing Authority Capital Projects	2.1	2.3	0.2	9%
Commercial	1.5	0.3	(1.1)	-76%
Infrastructure and Public Improvements	4.4	5.3	0.9	21%
<b>Sub-Total</b>	<b>\$18.0</b>	<b>\$18.6</b>	<b>\$0.6</b>	<b>3%</b>
<b>TOTAL</b>	<b>\$235.9</b>	<b>\$169.6</b>	<b>(\$66.3)</b>	<b>-28%</b>

**Recommendations**

Conduct a public hearing and upon conclusion adopt: 1) a County Board Resolution a) approving the 2013 Proposed Budget for the Sacramento Housing and Redevelopment Agency (Agency), and b) delegating authority to administer certain federal funds and authorizing the Agency to: i) submit the Comprehensive Plan to United States Department of Housing and Urban Development (HUD); ii) submit to HUD the One-Year Action Plan for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), American Dream Down Payment Initiative (ADDI), and Housing Opportunities for People with AIDS (HOPWA) programs; iii) submit grant applications for any and all activities within the jurisdiction of the Agency; and iv) 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; 2) a County of Sacramento as Redevelopment Agency Successor Agency Resolution (RASA) a) consenting to the adoption of the Agency Budget, b) authorizing RASA to enter into agreements with the Agency, make fund transfers, transfer project appropriations, amend the RASA budget and to take other fiscal actions which may be necessary to undertake the effective administration and wind down of the former redevelopment agency in compliance with state law as outlined in the attached resolution. 3) a Housing Authority Resolution (Authority) a) approving the 2013 proposed budget for the Housing Authority of the County of Sacramento; and b) delegating authority to administer certain federal funds and authorizing the Authority i) submit the Comprehensive Plan to United States Department of Housing and Urban Development (HUD); ii) submit to HUD the One-Year Action Plan for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), American

Dream Down Payment Initiative (ADDI), and Housing Opportunities for People with AIDS (HOPWA) programs; iii) submit grant applications for activities within the jurisdiction of the Agency; c) authorizing the Executive Director to: (i) submit the annual housing operating budgets to HUD; (ii) submit application to HUD for Capital Fund Plan funding; (iii) submit the Comprehensive Plan to HUD; (iv) submit grant applications for any and all activities within the jurisdiction of the Authority; and (v) 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. 4) Adopt a Sacramento Housing Development Corporation Resolution to: a) approve the 2013 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 necessary.

#### **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 in redevelopment and other targeted areas.

#### **Fiscal Impact**

The Agency's 2013 proposed budget of \$169.6 million includes \$107.2 million for housing assistance payments, \$19.9 million for salary and benefits, \$18.6 million in capital project funds, \$14.7 million for services and supplies, \$5.1 million in public service programs, \$3.2 million in debt service payments, \$0.9 million in financial transactions.

### **BACKGROUND**

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. As of February 1, 2012 the fiscal administration of the former Redevelopment Agency of the City and the former Redevelopment Agency of the County were assumed within the management structure of the City and County which elected to administer the affairs of the successor agencies. The budgets of the former redevelopment agencies (Redevelopment Successor Agency) are no longer incorporated within the Agency Budget. Appropriate financial planning and applicable government regulations require the Agency to have an operating budget and capital budget adopted prior to the start of each new fiscal year. Consequently, the Agency presents its budget to all governing bodies for approval annually.

### **DISCUSSION**

Much like the rest of the nation, the current recession has hit the Sacramento region hard and prospects for a quick turnaround remain unlikely. The local economy continues to suffer from a slow housing market, high rate for foreclosure filings, high vacancy rates among the commercial sector and an unemployment rate that is hovering around 10.4 percent.

Locally, the elimination of redevelopment has resulted in the loss of approximately \$54 million annually for the elimination of blight and for community development activities in the Sacramento region. Assembly Bill x1 26, enacted on June 29, 2011 for the express purpose of eliminating California redevelopment agencies, was upheld by the California Supreme Court on December 29, 2011. Accordingly, as of February 1, 2012, all redevelopment agencies in California, including the Redevelopment Agency of the City of Sacramento and the Redevelopment Agency of the County of Sacramento, ceased to exist and successor agencies were put in place to wind down the affairs of the former redevelopment agencies.

The City and County of Sacramento have elected to serve as the successor agencies for purposes of winding down the affairs of the former redevelopment agencies. Similarly, the Housing Authority of the City of Sacramento was designated as the local authority to retain the housing assets and housing functions of the former Redevelopment Agency of the City of Sacramento and the Housing Authority of the County of Sacramento was designated as the local authority to retain the housing assets and housing functions of the former Redevelopment Agency of the County of Sacramento for purposes of administering the completion of the remaining housing obligations.

All future tax increment revenues of the former redevelopment agencies are now received directly by the City or County of Sacramento as Successor Agencies in order to retire enforceable obligations including payments on bonds, Development and Disposition Agreements, Owner Participation Agreements and other redevelopment debt.

Cuts to federal programs continued in 2012 resulting in significant reductions to CDBG, HOME, Public Housing Capital Funds and administrative funding for the Housing Choice Voucher program reducing the Agency's capacity to fund housing projects, public services, and infrastructure/community development projects in the local community.

The emphasis on reduced spending for "discretionary" programs, which began in 2011 and continued in 2012, leaves a high level of uncertainty for 2013. The proposed budget for 2013 was developed based upon the multiple proposals put forth by the President and the various committees within congress. Based upon that information, federal funding for 2013 would be relatively status quo compared with 2012; however, the approach of the "fiscal cliff" at the end of 2012 and the potential for across the board cuts of 8.2 percent as result of the automatic cuts ("sequestration") that apply under current law to the 2013 federal budget offer little in the way of certainty. In light of this situation, staff has elected to move forward with the operational cuts necessary to address the elimination of redevelopment and the reduction of federal funding in 2012, but have estimated 2013 federal funding consistent with the reduced levels received in 2012.

This course of action is recommended because, without greater clarity as to the outcome of Congress' debate on automatic cuts to discretionary programs, staff does not want to implement the extent of cuts that might be required under current law at this time. Because the swings that could be experienced in federal funding are so wide, the 2013 Proposed Budget may require amendment in the first or second quarter of next year.



<b>City &amp; County Federal Funding (In Millions)</b>					
<b>Funding Source</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013 Est.</b>	<b>Percent Chg Since 2010</b>
CDBG	\$ 12.57	\$ 10.47	\$ 8.69	\$ 8.69	-31%
HOME	\$ 6.98	\$ 6.16	\$ 3.78	\$ 3.78	-46%
PHA OPERATING FUND	\$ 9.36	\$ 10.26	\$ 9.94	\$ 9.94	6%
PHA CAPITAL FUND	\$ 5.48	\$ 4.32	\$ 4.23	\$ 4.23	-23%
HCV ADMINISTRATIVE FEES	\$ 9.32	\$ 8.90	\$ 8.50	\$ 8.50	-9%

**COMMISSION ACTION**

At its meeting of October 17, 2012, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

**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 Agency’s 2013 proposed budget of \$169.6 million includes \$107.2 million for housing assistance payments, \$19.9 million for salary and benefits, \$18.6 million in capital project funds, \$14.7 million for services and supplies, \$5.1 million in public service programs, \$3.2 million in debt service payments, \$0.9 million in financial transactions.

Over the past several years the Agency has worked to restructure and re-engineer the organization which required an analysis of span of control (number of employees reporting to management), process improvements, adjusting service level expectations and implementation of initiatives that streamline and consolidate services and functions. Many of these initiatives have been implemented and have resulted in a much more cost effective and efficient organization. However, the loss of redevelopment tax increment in 2012 and the impact of federal funding cuts necessitated significant staffing reductions to absorb the impact of these sudden funding shortfalls.

The 2013 budget proposes that authorized full time equivalent positions (FTE) be maintained at 253, but recommends that 38.8 FTE be left unfunded for the 2013 budget. Reductions were achieved through unfunding of vacant positions, employee layoffs and position reclassification and downgrades.

The Agency further proposes to implement three additional closure days during 2013 in conjunction with the Agency's year-end closure schedule and to make additional cuts to services and supplies for added operational savings.

The estimated savings associated with these measures is a \$4.2 million reduction in operational costs. The proposed cuts represent a 14 percent reduction in salaries, benefits and a 6 percent reduction in services and supplies compared with 2012. Since 2011, the Agency has cumulatively reduced the salaries and benefit costs of the Agency by over \$6.8 million or 25 percent and services and supplies by \$1.5 million or 9 percent in response to the State's elimination of redevelopment and the cuts to federal programs.

These proposed actions represent the changes needed to reduce operational costs, modify span of control, and position Agency departments to better deliver projects and programs in 2013. As more information becomes available regarding the impact of the federal budget on Agency programs, the Agency will implement additional measures as needed to meet the new challenges.

### **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.

### **ENVIRONMENTAL REVIEW**

The proposed action to adopt the Budget does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b)(4). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. All other actions are associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

The proposed actions to adopt the Budget are considered administrative and management activities, and are exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). All other actions are associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any choice limiting action(s) being carried out with regard to such projects.

**M/WBE CONSIDERATIONS**

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

Respectfully submitted,

APPROVED

LA SHELLE DOZIER  
Executive Director  
Sacramento Housing and Redevelopment Agency

BRADLEY J. HUDSON  
County Executive

Attachments:

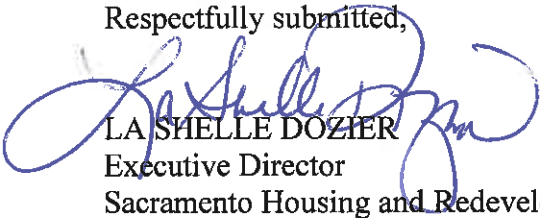
RES - County BOS Resolution  
    Exhibit A – Summary of Changes  
RES – County BOS RASA Resolution  
RES - HACOS Resolution  
    Exhibit A – Summary of Changes  
    Exhibit B-1 – Central Office and Central Services Budget  
    Exhibit B-2 – HUD Resolution Approving the AMP Budgets  
RES - SHDC Resolution  
ATT I - Background  
ATT II - Budget Document

The proposed actions to adopt the Budget are considered administrative and management activities, and are exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). All other actions are associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any choice limiting action(s) being carried out with regard to such projects.

**M/WBE CONSIDERATIONS**

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

Respectfully submitted,



LA SHELLE DOZIER  
Executive Director  
Sacramento Housing and Redevelopment Agency

APPROVED

BRADLEY J. HUDSON  
County Executive

Attachments:

- RES - County BOS Resolution
  - Exhibit A – Summary of Changes
- RES – County BOS RASA Resolution
- RES - HACOS Resolution
  - Exhibit A – Summary of Changes
  - Exhibit B-1 – Central Office and Central Services Budget
  - Exhibit B-2 – HUD Resolution Approving the AMP Budgets
- RES - SHDC Resolution
- ATT I - Background
- ATT II - Budget Document

## RESOLUTION NO. \_\_\_\_\_

### APPROVAL OF 2013 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 the Agency (Agency) is a joint powers Agency comprised of six separate legal entities: City of Sacramento, Redevelopment Agency of the City of Sacramento (or its Successor), Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento (or its Successor), and Housing Authority of the County of Sacramento;

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

**WHEREAS**, the sources of Agency revenues requires each constituent entity to have an operating budget adopted prior to the start of each new fiscal year; and

**WHEREAS**, On 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 manage the dissolution of its redevelopment agency and administer the County Redevelopment Agency Successor Agency (CRASA). The budget of the former Redevelopment Agency is no longer incorporated within the Agency Budget; and

**WHEREAS**, the Agency's fiscal year is the calendar year from January 1<sup>st</sup> through December 31<sup>st</sup>.

**WEREAS**, Pursuant to Health and Safety Code Section 34173 (g) CRASA is a separate public entity from the public agency that provides for its governance; 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 or Authority) as the local authority to retain the housing-assets and housing-functions previously performed by its Redevelopment Agency.

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

Section 1. The proposed actions to adopt the 2013 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt

from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. There is no federal funding associated with these actions; therefore, NEPA does not apply. All other actions are associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. 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 2013 Operating Budget totaling \$151,073,105 and the 2013 Project Budget totaling \$18,611,895, all as further described in the 2013 Proposed Agency Budget (hereinafter “2013 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 2013 fiscal year. The 2013 Agency Budget incorporates the budgets of the Redevelopment Agency of the City of Sacramento, the Redevelopment Agency of the County of Sacramento, 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 253 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 of the former Redevelopment Agency (CRASA) approved by the CRASA Oversight Board.

Section 6. The Agency is authorized to submit the 2013 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 2013 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 2013 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 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 and that in any given year the gain or loss is not more than five percent.

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 Comprehensive Plan or annual statement to HUD, after receiving public comments and resident review.

Section 10. On an annual basis, HUD requires HACOS, 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. 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. 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, 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 the 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 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 Shelter Grant (ESG) and Housing Opportunities for People with AIDS (HOPWA). The Authority, 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 15. Agency 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 approved Action Plans and funding source requirements.



Section 16. 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. 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 Agency is authorized to execute contracts for homeless activities funded in the Agency Budget as outlined in the Agency public services schedule.

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 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. 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 the Agency Brownfield Assessment
- United States Environmental Protection the Agency Brownfield Clean Up
- United States Environmental Protection the Agency Brownfield Revolving Loan Fund
- United States Environmental Protection the Agency Brownfield Job Training
- California State Water Resources Control Board – Underground Storage Cleanup
- CAL REUSE Cleanup Grant and Loan Program

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, 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 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 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 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. 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 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, 2012 will be carried over and continued in 2013.

Section 30. All multi-year operating grant budgets in existence as of December 31, 2012 shall be continued in 2013.

Section 31. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2012 may remain in effect in 2013. The Agency is authorized to increase the Budget for valid encumbrances as of December 31, 2012, but only to the extent that the applicable division’s 2012 operating budget appropriations exceeded 2012 expenditures.

Section 32. The Agency is authorized to incorporate the changes listed on Exhibit A as part of the 2013 Budget.

Section 33. 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 34. The Agency is authorized to delegate the authorities as set out in this resolution.

Section 35. 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 6th day of  
November, 2012, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

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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 2013 BUDGET

Approved 2012 Total Operating Budget	\$ 151,073,105
Revised Approved 2012 Total Operating Budget	\$0
Approved 2012 New Projects	\$ 18,611,895
Revised Approved 2012 New Projects	\$0
TOTAL SHRA BUDGET	\$ 169,685,000

**RESOLUTION NO. \_\_\_\_\_**

**ADOPTED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO ACTING AS THE REDEVELOPMENT AGENCY SUCCESSOR AGENCY**

ON DATE OF

**APPROVAL OF 2013 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 comprised of six separate legal entities: City of Sacramento, Redevelopment Agency of the City of Sacramento (or its Successor), Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento (or its Successor), and Housing Authority of the County of Sacramento;

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

**WHEREAS**, the sources of Agency revenues requires each constituent entity to have an operating budget adopted prior to the start of each new fiscal year. 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 manage the dissolution of its redevelopment agency and administer the County Redevelopment Agency Successor Agency (CRASA). The budget of the former Redevelopment Agency is no longer incorporated within the Agency Budget. Pursuant to Health and Safety Code Section 34173 (g) CRASA is a separate public entity from the public agency that provides for its governance; and

**WHEREAS**, Agency's fiscal year is the calendar year from January 1<sup>st</sup> through December 31<sup>st</sup>; 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) as the local authority to retain the housing-assets and housing-functions previously performed by its Redevelopment Agency.

**NOW, THEREFORE, BE IT RESOLVED AND ORDERED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO ACTING AS THE REDEVELOPMENT AGENCY SUCCESSOR AGENCY:**

Section 1. The proposed action consenting to the adoption of the 2013 Proposed Agency Budget and making related findings are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. There is no federal funding associated with these actions; therefore, NEPA does not apply. All other actions are associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 2. County Redevelopment Agency Successor Agency (CRASA) is authorized to transfer funds to the Agency and execute agreements with the Agency or HACS as necessary to facilitate legal directives of the California State Department of Finance and/or the State Controller's Office or to provide staffing services to CRASA, such agreements with the Agency are subject to CRASA Oversight Board Approval.

Section 3. CRASA 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 4. CRASA 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 5. CRASA 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 2013 Agency Budget year.

Section 6. CRASA is authorized to transfer funding consistent with an approved recognized payment obligation schedule to the Agency or HACS 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 7. 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 8. CRASA consents to the adoption of the 2012 Agency budget summarized in Exhibit A.

Section 9. 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 6th day of  
November, 2012, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

---

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 2013 BUDGET

Approved 2012 Total Operating Budget	\$ 151,073,105
Revised Approved 2012 Total Operating Budget	\$0
Approved 2012 New Projects	\$ 18,611,895
Revised Approved 2012 New Projects	\$0
<b>TOTAL SHRA BUDGET</b>	<b>\$ 169,685,000</b>

**RESOLUTION NO. \_\_\_\_\_**

**ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO**

ON DATE OF

**APPROVAL OF 2013 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 comprised of six separate legal entities: City of Sacramento, Redevelopment Agency of the City of Sacramento (or its Successor), Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento (or its Successor), and Housing Authority of the County of Sacramento;

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

**WHEREAS**, the sources of Agency revenues requires each constituent entity to have an operating budget adopted prior to the start of each new fiscal year. 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 manage the dissolution of its redevelopment agency and administer the County Redevelopment Agency Successor Agency (CRASA). The budget of the former Redevelopment Agency is no longer incorporated within the Agency Budget. Pursuant to Health and Safety Code Section 34173 (g) CRASA is a separate public entity from the public agency that provides for its governance; and

**WHEREAS**, Agency's fiscal year is the calendar year from January 1<sup>st</sup> through December 31<sup>st</sup>; 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) 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 proposed actions to adopt the 2013 Proposed Agency Budget are

considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. There is no federal funding associated with these actions; therefore, NEPA does not apply. All other actions are associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. 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 2013 Operating Budget totaling \$151,073,105 and the 2013 Project Budget totaling \$18,611,895, all as further described in the 2013 Proposed Agency Budget (hereinafter “2013 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 2013 fiscal year. The 2013 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 253 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. 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 are subject to CRASA Oversight Board Approval.

Section 5. 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 6. The Executive Director, or designee, is authorized to submit the 2013 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 7. The proposed expenditures under the 2013 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 2013 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 2013 Budget attached as Exhibit B-1.

Section 9. Form HUD-52574 (08/2005), 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 7d.

Section 10. 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.

Section 11. 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.

Section 12. 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 13. 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 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 14. 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 15. 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 16. 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). 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 17. 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 18. 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. 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 19. The Executive Director, or designee, 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 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. 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

Section 20. 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 21. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.

Section 22. The Executive Director, or designee, is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.

Section 23. 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 24. The Executive Director, or designee, is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.

Section 25. 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 26. 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 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 or lower revenues.

Section 28. 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 29. 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 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, 2012 will be carried over and continued in 2013.

Section 32. All multi-year operating grant budgets in existence as of December 31, 2012 shall be continued in 2013.

Section 33. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2012 may remain in effect in 2013. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2012, but only to the extent that the applicable division's 2012 operating budget appropriations exceeded 2012 expenditures.

Section 34. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2013 Budget.

Section 35. 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 36. The Executive Director, or designee, is authorized to delegate the authorities as set out in this resolution.

Section 37. 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 6<sup>th</sup> day of November, 2012, 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 2013 BUDGET

Approved 2012 Total Operating Budget	\$ 151,073,105
Revised Approved 2012 Total Operating Budget	\$0
Approved 2012 New Projects	\$ 18,611,895
Revised Approved 2012 New Projects	\$0
TOTAL SHRA BUDGET	\$ 169,685,000

# County Public Housing AMP, Central Office and Central Services Budget

## January 1 - December 31, 2013

PHA Code: CA007

County of Sacramento

	County AMP 1	County AMP 2	County AMP 3	County AMP 4	County AMP 5	Total County Public Housing	City COCC Central Office & Central Svc
Beginning fund equity	\$ 43,543	\$ 383,226	\$ 654,430	\$ 167,980	\$ 68,336	\$ 1,317,515	\$ 107,171
Revenues:							
HUD Operating Subsidy	589,640	489,980	733,500	531,000	807,000	3,151,120	-
Maintenance Charges to Tenants	18,600	22,900	16,100	15,000	12,000	84,600	-
Washer/Dryer Income	3,500	6,700	12,500	2,300	2,900	27,900	-
Rental Income - Dwelling	336,000	340,000	506,000	349,000	356,000	1,887,000	-
Interest Income - Investment	5,000	3,700	8,700	770	800	18,970	6,800
Bad Debt Recovery	-	-	-	-	-	-	-
Miscellaneous income	4,050	12,215	6,200	3,000	6,500	31,965	1,375
Management Fee	-	-	-	-	-	-	714,343
IT/Bookkeeping Fee	-	-	-	-	-	-	92,790
Asset Management Fee	-	-	-	-	-	-	76,080
Admin Fee (CFP) & (HCV)	-	-	-	-	-	-	1,799,624
Washer/Dryer Income	-	-	-	-	-	-	-
Central services fees	-	-	-	-	-	-	499,791
<b>Total operating revenue</b>	<b>956,790</b>	<b>875,495</b>	<b>1,283,000</b>	<b>901,070</b>	<b>1,185,200</b>	<b>5,201,555</b>	<b>3,190,803</b>
CFP operating transfers	-	-	-	-	-	-	-
CFP Mgmt impr transfers	98,534	49,447	104,105	84,858	81,256	418,200	-
AMP to AMP transfers	147,101	-	-	-	-	147,101	-
<b>Total revenues and transfers in</b>	<b>1,202,425</b>	<b>924,942</b>	<b>1,387,105</b>	<b>985,928</b>	<b>1,266,456</b>	<b>5,766,856</b>	<b>3,190,803</b>
Expenditures:							
Employee Services:							
- Management/Maintenance	320,034	364,513	379,884	325,005	382,350	1,771,786	974,404
- Resident Trainees	17,274	15,116	45,348	15,116	15,116	107,970	-
<b>Total Employee Services</b>	<b>337,308</b>	<b>379,629</b>	<b>425,232</b>	<b>340,121</b>	<b>397,466</b>	<b>1,879,756</b>	<b>974,404</b>
Services & Supplies:							
- Management/Maintenance	501,739	391,751	643,072	433,715	554,595	2,524,872	2,252,505
- Resident Trainees	81,260	34,331	58,757	69,742	66,140	310,230	-
<b>Total Services &amp; Supplies</b>	<b>582,999</b>	<b>426,082</b>	<b>701,829</b>	<b>503,457</b>	<b>620,735</b>	<b>2,835,102</b>	<b>2,252,505</b>
Other Charges:							
Financial Transactions	350	1,000	1,650	200	260	3,460	1,200
Central Service Fees	37,261	32,305	42,903	28,715	37,775	178,959	-
Miscellaneous (PILOT, Depr.)	20,810	17,838	23,784	15,856	20,810	99,098	-
AMP to AMP transfers	-	147,101	-	-	-	147,101	-
Management Fee	150,388	130,893	170,579	115,576	146,907	714,343	-
IT / Bookkeeping Fee	19,440	16,920	22,050	14,940	19,440	92,790	-
Asset Management Fee	26,160	22,680	27,240	-	-	76,080	-
<b>Total operating expense</b>	<b>1,174,716</b>	<b>1,174,448</b>	<b>1,415,267</b>	<b>1,018,865</b>	<b>1,243,393</b>	<b>6,026,689</b>	<b>3,228,109</b>
Ending Balance	\$ 71,252	\$ 133,720	\$ 626,268	\$ 135,043	\$ 91,399	\$ 1,057,682	\$ 69,865

Board Resolution Approving the AMP Budgets  
PHA Board Resolution  
Approving Operating Budget

OMB No. 2577-0026  
(exp. 10/31/2009)

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

Previous editions are obsolete form HUD-52574 (08/2005) 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: 01/01/13 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

- Operating Budgets (*for COCC and all Projects*) approved by Board resolution on: \_\_\_\_\_
- 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 expenditures 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(e) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.325.

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)

Print Board Chairman's Name: Mayor Kevin Johnson	Signature:	Date:
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**RESOLUTION NO. SHDC \_\_\_\_**

**ADOPTED BY THE SACRAMENTO HOUSING DEVELOPMENT CORPORATION**

**ON DATE OF**

**THE 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. The proposed actions to adopt the 2013 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. There is no federal funding associated with these actions; therefore, NEPA does not apply. All other actions are associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. 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 Budget totaling \$593,465 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 "2013 Proposed Budget", a copy of which is on file with the Agency Clerk, is approved as the Operating Budget for the 2013 fiscal year for the Sacramento Housing Development Corporation (2013 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 2013 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 2013 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 2013 Budget hereby adopted.

Section 7. The Executive Director is authorized to incorporate the changes listed on Exhibit A as part of the 2013 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 15th day of  
November, 2011, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

ABSTAIN: Directors,

ABSENT: Directors,

\_\_\_\_\_  
Chair, Board of Directors  
Sacramento Housing Development  
Corporation

(SEAL)

ATTEST: \_\_\_\_\_  
Clerk

## BACKGROUND

For many years, the Agency has effectively managed numerous budgetary challenges including the complete decentralization and streamlining of the Public Housing and Housing Choice Voucher programs in response to federal funding cuts and regulatory changes. In recent years, we have grappled with the drastic decline of tax increment revenues and the multiple ERAF/SERAF shifts of tax increment to the State of California. With the implementation of AB x1 26 and AB 1484 in 2012, the Agency has confronted our greatest challenge to date, the elimination of redevelopment.

To confront these challenges, the Agency has efficiently controlled costs through a variety of strategies:

- Managing the workforce through layoffs, attrition and filling vacant Housing Authority positions with qualified redevelopment staff. The Agency has also worked closely with its two bargaining units on implementing year end closures and reduced work schedules for the past three years.
- The services and supplies budget has been reduced to reflect the changes in head count and the new scope of projects and services provided by the Agency including the winding down of the one-time federal recovery funding.

As the Agency closes out the federal Neighborhood Stabilization Program (NSP) , we expect that the one-time administrative funding provided by HUD for NSP will be largely depleted by the end of 2013. Given the broad spectrum of funding reductions absorbed over the past two years, and the potential of continued cuts in 2013, the Agency has continued to make the necessary operational cuts to position the organization for the uncertain future.

## DISCUSSION

### Public Housing:

The Agency owns and manages approximately 3,494 housing units within the City and County of Sacramento. Approximately 3,068 of the units were developed under the federal public housing program administered by the Department of Housing and Urban Development (HUD) and are located throughout the Sacramento region with (2,021 units) in the City and (1,047 units) in the County. Of those units, approximately 1,000 units are designated as elderly and/or disabled only with the remaining units available to families. Program revenues are generated from tenant rent collections and operating subsidies provided by HUD. The amount of rent paid by the tenants is based on 30 percent of gross family income minus certain other adjustments. In addition to the public housing units, the Housing Authority manages another 426 units of local non-public housing.

The average occupancy rate in the Public Housing program is in the mid 90's for public housing properties available to be leased. The recent decline in rents is due to several factor including: 1) the vacancies in 626 I Street associated with the Agency's relocation from the

commercial space and the relocation of the tenants for the planned rehabilitation of the site, 2) the disposition of public housing units sold under the HUD 5h/Section 32 program, 3) the disposition of the Washington, Sutterview and Sierra Vista high-rises to the Agency affiliated non-profit the Sacramento Housing Asset Repositioning Program, Inc. (SHARP), 4) vacant and boarded units being sold under the NSP PRP program and 5) the reduction in TANF and SSI income to PHA tenants which reduces the tenants share of the rental payments (30 percent of income). Rent revenues are expected to improve beginning in late 2012 as both the commercial and residential floors of 626 I Street are brought back online.

HUD Operating subsidy levels have risen in recent years with federal appropriations for the program reaching as high as 103 percent of funding eligibility in 2010 and 100 percent in 2011. However, since program funding is determined annually, the level of subsidy received from HUD can be very volatile from year to year depending upon the federal appropriations process in Washington. Based upon the first 8 months of 2012, we expect to receive only 96 percent of our 2012 funding eligibility and have targeted a similar level of prorated for 2013.

#### Capital Fund Program:

The HUD Capital Fund program provides funding annually via a formula, and program funds are allocated to public housing authorities (PHA) across the nation. Capital Fund grants are intended specifically for the development, financing, modernization, and management improvements for properties owned under the HUD public housing program. The Agency receives funding for the public housing properties owned by the City and County Housing Authorities. In 2011, the federal government cut program funding by 21 percent compared with 2010 level and cut funding an additional 2 percent in 2012 for a cumulative loss of 23 percent over the last two years. Current Congressional proposals reflect status quo funding for 2013. Revenue estimates are based on the current year grant amounts and are adjusted based upon Federal appropriation proposals.

Additionally, the Housing Authority received one time federal stimulus funds provided to the Agency under the American Recovery and Reinvestment Act of 2009. The Housing Authority received \$7.2 million on a formula basis and an additional \$10 million under a competitive grant application. The City Housing authority was the only Housing Authority on the west coast to win a competitive award of the ARRA grant funds. The ARRA funds are to be used for the rehabilitation and modernization of public housing units in the portfolio, and the competitive grant funds were awarded for the specific purpose of rehabilitating a residential high-rise located in Downtown Sacramento. The Agency closed out the activities of these recovery grants in 2012.

#### Public Housing (Non-Federal):

While the public housing program has shown some decreases in rents and operating subsidy, the Agency's local housing projects, units not regulated by HUD, have shown positive revenue trends. The primary reason for this change is the implementation of the Housing Authority's asset repositioning strategy that has moved two Public Housing high-rise buildings to SHARP, Inc., an Agency controlled non-profit.

### Housing Choice Voucher Program (HCV):

The Housing Choice Voucher (formerly Section 8 Housing Assistance) program is funded by the 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 program permits the applicant to obtain housing in the private rental market using housing vouchers. Program participants pay a portion (an adjusted 30 percent of gross family income) of the lease rate to the owner and the remaining rent amount is paid by the Agency. Participants can utilize their voucher anywhere in the City or County of Sacramento.

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 Agency's HCV program has 11,762 housing choice vouchers authorized for leasing each month and the program has maintained leasing levels in excess of 98 percent since 2008. The high utilization level of vouchers makes the program eligible for maximum funding from HUD. Despite the fact that the Agency is entitled to maximum funding for the program, HUD has intentionally provided less funding than required to cover HAP costs in an effort to recapture accumulated HAP reserves from public housing authorities across the country. In 2008 and 2009 HUD intentionally recaptured HAP reserves leaving the Housing Authority with approximately two weeks of reserves; therefore, managing leasing levels becomes exceptionally important.

2013 funding for HAP is expected to cover our actual HAP costs provided federal appropriations for the program remain the same. However, 2012 administrative funding for the program appears to be headed for a 5 percent reduction compared with prior year. While we anticipate that administrative funding will be maintained at 2012 levels, there is still a potential for funding cuts in 2013 since the federal budget has still not been approved.

### 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 of Sacramento and the County of Sacramento. Funding for the CDBG program was relatively stable until 2011; when cuts to the federal budget resulted in a two year cumulative program reduction of 31 percent. For 2013, current funding proposals reflect a status quo funding level, but there is still the possibility of an additional funding cut should the sequestration cuts required by H.R. 5872 be implemented.

The Agency is currently administering CDBG entitlement funding and one time federal stimulus funds provided to the Agency under the Housing and Economic

Recovery Act (HERA) of 2008. In the first round of funding, the Agency received \$31.8 million of funding for the Neighborhood Stabilization Program (NSP) to assist with the acquisition and/or rehabilitation of foreclosed properties in the City and County of Sacramento. In 2010, HUD announced that the Agency would receive an additional \$8.3 million in NSP Funding. Also, the Agency received \$3.12 million in additional CDBG funding under the American Recovery and Reinvestment Act of 2009. In 2013 the Agency expects to close out the majority of the the activities under NSP program.

Home Investment Partnership Program (HOME):

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 SHRA for funding. In the past, HOME funds have assisted families in purchasing their first home, renovated deteriorating housing units and assisted in special housing programs. The annual HUD HOME budget is allocated to states and participating jurisdictions as formula grants. The Agency receives HOME entitlement for both the City of Sacramento and the County of Sacramento. The annual HUD HOME budget is allocated to states and participating jurisdictions as formula grants. The Agency receives HOME entitlement for both the City of Sacramento and the County of Sacramento. Funding has remained fairly level for the last several years, but since 2010 appropriations for HOME have declined by 46 percent. Current federal funding proposal reflect status quo funding levels for 2013. Estimates are generally based on the current year grant amounts and adjusted as needed based upon Federal appropriation proposals.

Redevelopment Tax Increment:

The revenues are generated from the incremental property taxes collected from properties within the boundaries of redevelopment project areas. The Agency administered 14 project areas throughout the City and County of Sacramento:

CITY	COUNTY	JOINT
65th Street	Florin Road	Auburn
Alkali Flat	Mather/McClellan	Franklin Boulevard
Army Depot		Stockton Boulevard
Del Paso Heights		
Merged Downtown		
North Sacramento		
Oak Park		
Railyards		
River District		

Assembly Bill x1 26, enacted on June 29, 2011 for the express purpose of eliminating California redevelopment agencies, was upheld by the California Supreme Court on December 29, 2011. Accordingly, as of February 1, 2012, all redevelopment agencies in California, including the Redevelopment Agency of the City of Sacramento and the Redevelopment Agency of the County of Sacramento, ceased to exist, and successor agencies were put in place to wind down the affairs of the former redevelopment agencies. The City and County of Sacramento have elected to be the successor agencies for purposes of winding down the affairs of the former redevelopment agencies. While the Housing Authority of the City of Sacramento has been designated as the local

authority to serve as the Housing Successor Agency for the former Redevelopment Agency of the City of Sacramento and the Housing Authority of the County of Sacramento has been designated as the local authority to serve as the Housing Successor Agency for the former Redevelopment Agency of the County of Sacramento for purposes of winding down the remaining housing obligations of the former redevelopment agencies.

The City and County of Sacramento, acting as the Successor Agencies, have received all assets of the former redevelopment agencies with the exception of current housing obligations, which are administered by the City and County Housing Authorities and staffed by the Agency. All future property tax revenues, previously tax increment, are now received by the City or County of Sacramento as Successor Agencies in order to retire enforceable obligations including payments on bonds, Development and Disposition Agreement, Owner Participation Agreements and other redevelopment debt.

## RESOLUTION NO. SHRC - \_\_\_\_\_

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

### **APPROVAL OF 2013 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 comprised of six separate legal entities: City of Sacramento, Redevelopment Agency of the City of Sacramento (or its Successor), Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento (or its Successor), and Housing Authority of the County of Sacramento;

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

**WHEREAS**, the sources of Agency revenues requires each constituent entity to have an operating budget adopted prior to the start of each new fiscal year. As of February 1, 2012, pursuant to Health and Safety Code Section 34173, the fiscal administration of the former City and County Redevelopment Agencies was assumed within the management structure of the City and County of Sacramento which elected to manage the dissolution and administration of their redevelopment agencies. The budgets of the former Redevelopment Agencies are no longer incorporated within the Sacramento Housing and Redevelopment Agency Budget. Pursuant to Health and Safety Code Section 34173 (g) CRASA is a separate public entity from the public agency that provides for its governance; and

**WHEREAS**, Agency's fiscal year is the calendar year from January 1<sup>st</sup> through December 31<sup>st</sup>; and

**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 as the 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 to adopt the 2013 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. There is no federal funding associated with these actions; therefore, NEPA does not apply. All other actions are associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. 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 2013 Operating Budget totaling \$151,073,105 and the 2013 Project Budget totaling \$18,611,895, all as further described in the 2013 Proposed Agency Budget (hereinafter "2013 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 2013 fiscal year. The 2013 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 253 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 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 2013 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 2013 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 2013 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 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 Budget. 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 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 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 or any of its constituent members 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

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 former 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 eliminating blight in the community.

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 2013 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 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 27. The Executive Director, or designee, is authorized to transfer project appropriations among fund groups.

Section 28. 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 29. 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 30. 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 31. 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 32. All project appropriations in existence as of December 31, 2012 will be carried over and continued in 2013.

Section 33. All multi-year operating grant budgets in existence as of December 31, 2012 shall be continued in 2013.

Section 34. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2012 may remain in effect in 2013. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2012, but only to the extent that the applicable division's 2012 operating budget appropriations exceeded 2012 expenditures.

Section 35. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2013 Budget.

Section 36. The Executive Director, or designee, is authorized to delegate the authorities as set out in this resolution.

Section 37. This resolution shall take effect immediately.

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CHAIR

ATTEST:

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CLERK



October 12, 2012

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2013 Sacramento Housing and Redevelopment Agency Proposed Budget

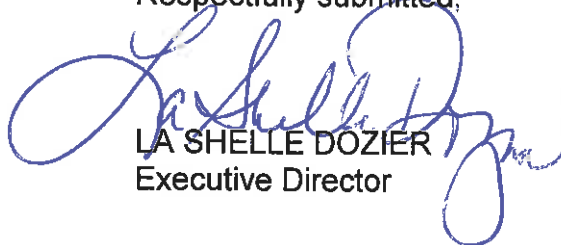
SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the City of Sacramento.

RECOMMENDATION

The staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,



LA SHELLE DOZIER  
Executive Director

Attachment



**REPORT TO HOUSING AUTHORITY,  
CITY COUNCIL, AND CITY  
COUNCIL AS REDEVELOPMENT  
AGENCY SUCCESSION AGENCY**

**City of Sacramento**

**915 I Street, Sacramento, CA 95814-2671**

**[www.CityofSacramento.org](http://www.CityofSacramento.org)**

**Public Hearing**

**November 8, 2012**

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

**Title: 2013 Sacramento Housing and Redevelopment Agency Proposed Budget**

**Location/Council District: Citywide**

**Recommendation:** Conduct a public hearing and upon conclusion adopt: 1) a **Council Resolution** a) approving the 2013 Proposed Budget for the Sacramento Housing and Redevelopment Agency (Agency), b) delegating authority to administer certain federal funds and authorizing the Agency to: i) submit the Comprehensive Plan to United States Department of Housing and Urban Development (HUD); ii) submit to HUD the One-Year Action Plan for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), American Dream Down Payment Initiative (ADDI), and Housing Opportunities for People with AIDS (HOPWA) programs; iii) submit grant applications for activities within the jurisdiction of the Agency; and iv) 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 c) 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 2013 proposed budget for the Housing Authority of the City of Sacramento; and b) delegating authority to administer certain federal funds and authorizing the Housing Authority to: i) submit the Comprehensive Plan to United States Department of Housing and Urban Development (HUD); ii) submit to HUD the One-Year Action Plan for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), American Dream Down Payment Initiative (ADDI), and Housing Opportunities for People with AIDS (HOPWA) programs; iii) submit grant applications for activities within the jurisdiction of the Agency; c) authorizing the Executive Director to: (i) submit the annual housing operating budgets to HUD; (ii) submit application to HUD for Capital Fund Plan funding; (iii) submit the Comprehensive Plan to HUD; (iv) submit grant applications for activities within the jurisdiction of the Authority; and (v) enter into contracts, make fund transfers, transfer project appropriations, amend the Agency

2013 SHRA Proposed Budget

budget in accordance with the limitations of the resolution, and undertake other actions necessary to implement the aforementioned. 3) a **City of Sacramento as Redevelopment Agency Successor Agency Resolution (RASA)** a) consenting to the adoption of the Agency Budget, b) authorizing RASA to enter into agreements with the Agency, make fund transfers, transfer project appropriations and to take other fiscal actions which may be necessary to undertake the effective administration and wind down of the former redevelopment agency in compliance with state law as outlined in the attached resolution, and c) making other related findings.

**Contact:** Don Cavier, Finance Director, 440 1325, LaShelle Dozier, Executive Director, 440-1319

**Presenters:** LaShelle Dozier, Executive Director, Donald Cavier, Director of Finance

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue:** 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. As of February 1, 2012 the fiscal administration of the former Redevelopment Agency of the City and the former Redevelopment Agency of the County were assumed within the management structure of the City and County which elected to administer the affairs of the successor agencies. The budgets of the former redevelopment agencies (Redevelopment Successor Agency) are no longer incorporated within the Agency Budget. The proposed 2013 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 1<sup>st</sup> through December 31<sup>st</sup>.

The Agency proposes a balanced budget in the amount of \$169.6 million representing the operational activities and projects for 2013. The 2013 proposed budget represents a \$66.3 million or 28 percent decrease in net appropriations compared with the prior year. This substantial change in annual budget appropriations is the direct result of the elimination of redevelopment by the State of California and substantial cuts to federal programs absorbed on 2012. Neither the City nor the County provides any General Funds in support of the Agency's budget.



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**Calendar Year 2013 Proposed Budget (\$\$\$ In Millions)**


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	2012 Budget	2013 Budget	Variance (2012 to 2013)	
<b>OPERATIONS</b>				
Salaries and Benefits	23.3	19.9	(3.3)	-14%
Services and Supplies	15.6	14.7	(0.9)	-6%
Housing Assistance Payments	101.9	107.2	5.3	5%
Debt Service	42.4	3.1	(39.3)	-93%
Financial Transactions	31.1	0.9	(30.2)	-97%
Public Services	3.6	5.1	1.6	44%
<b>Sub-Total</b>	<b>\$217.9</b>	<b>\$151.0</b>	<b>(\$66.9)</b>	<b>-31%</b>
<b>CAPITAL PROJECTS</b>				
Housing Development and Preservation	10.1	10.7	0.6	6%
Housing Authority Capital Projects	2.1	2.3	0.2	9%
Commercial	1.5	0.3	(1.1)	-76%
Infrastructure and Public Improvements	4.4	5.3	0.9	21%
<b>Sub-Total</b>	<b>\$18.0</b>	<b>\$18.6</b>	<b>\$0.6</b>	<b>3%</b>
<b>TOTAL</b>	<b>\$235.9</b>	<b>\$169.6</b>	<b>(\$66.3)</b>	<b>-28%</b>

Much like the rest of the nation, the current recession has hit the Sacramento region hard and prospects for a quick turnaround remain unlikely. The local economy continues to suffer from a slow housing market, high rate for foreclosure filings, notable vacancy rates among the commercial sector and an unemployment rate that is hovering around 10.4 percent.

Locally, the elimination of redevelopment has resulted in the loss of approximately \$54 million annually for the elimination of blight and community development to the Sacramento region. Assembly Bill x1 26, enacted on June 29, 2011 for the express purpose of eliminating California redevelopment agencies, was upheld by the California Supreme Court on December 29, 2011. Accordingly, as of February 1, 2012, all redevelopment agencies in California, including the Redevelopment Agency of the City of Sacramento and the Redevelopment Agency of the County of Sacramento, ceased to exist and successor agencies were put in place to wind down the affairs of the former redevelopment agencies.

The City and County of Sacramento have elected to serve as the successor agencies for purposes of winding down the affairs of the former redevelopment agencies. Similarly, the Housing Authority of the City of Sacramento was designated as the local authority to retain the housing assets and housing functions of the former Redevelopment Agency of the City of Sacramento and

## 2013 SHRA Proposed Budget

the Housing Authority of the County of Sacramento was designated as the local authority to retain the housing assets and housing functions of the former Redevelopment Agency of the County of Sacramento for purposes of administering the completion of the remaining housing obligations.

All future tax increment revenues of the former redevelopment agencies are now received directly by the City or County of Sacramento as Successor Agencies in order to retire enforceable obligations including payments on bonds, Development and Disposition Agreement, Owner Participation Agreements and other redevelopment debt.

Cuts to federal programs continued in 2012 resulting in significant reductions to CDBG, HOME, Public Housing Capital Funds and administrative funding for the Housing Choice Voucher program reducing the Agency's capacity to fund housing projects, public services, and infrastructure projects in the local community.

The emphasis on reduced spending for "discretionary" programs, which began in 2011 and continued in 2012, leaves a high level of uncertainty for 2013. The proposed budget for 2013 was developed based upon the multiple proposals put forth by the President and the various committees within congress. Based upon that information, federal funding for 2013 would be relatively status quo compared with 2012; however, the approach of the "fiscal cliff" at the end of 2012 and the potential for across the board cuts of 8.2 percent as result of the automatic cuts ("sequestration") that apply under current law to the 2013 federal budget offer little in the way of certainty. In light of this situation, we have elected to move forward with the operational cuts necessary to address the elimination of redevelopment and the reduction of federal funding in 2012, but have estimated 2013 federal funding consistent with the reduced levels received in 2012.

This course of action is recommended because, without greater clarity as to the outcome of Congress' debate on automatic cuts to discretionary programs, staff does not want to implement the extent of cuts that might be required under current law at this time. Because the swings that could be experienced in federal funding are so wide, the 2013 Proposed Budget may require amendment in the first or second quarter of next year.

City & County Federal Funding (In Millions)					
Funding Source	2010	2011	2012	2013 Est.	Percent Chg Since 2010
CDBG	\$ 12.57	\$ 10.47	\$ 8.69	\$ 8.69	-31%
HOME	\$ 6.98	\$ 6.16	\$ 3.78	\$ 3.78	-46%
PHA OPERATING FUND	\$ 9.36	\$ 10.26	\$ 9.94	\$ 9.94	6%
PHA CAPITAL FUND	\$ 5.48	\$ 4.32	\$ 4.23	\$ 4.23	-23%
HCV ADMINISTRATIVE FEES	\$ 9.32	\$ 8.90	\$ 8.50	\$ 8.50	-9%

**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 Authorities of the City and County, serving as Housing Successor to the former redevelopment agencies, the 2013 Proposed Budget contains provisions for rental assistance obligations of the former redevelopment agency previously funded from low and moderate tax increment revenues. These obligations have been reported on the Recognized Obligation Payment Schedule of the City Successor Agency and reviewed by the California Department of Finance without issue. However, obligations reported on the ROPS are subject to challenge every six months. If for any reason, the State later determines that these activities are not enforceable obligations the Housing Authority will have no ability to continue to fund these activities.

**Economic Impacts:** *Not applicable*

#### **Environmental Considerations:**

**California Environmental Quality Act (CEQA):** The proposed action to adopt the Budget does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b)(4). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. All other actions are associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

**Sustainability Considerations:** N/A

**Other:** The proposed actions to adopt the Budget are considered administrative and management activities, and are exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). All other actions are associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any choice limiting action(s) being carried out with regard to such projects.

2013 SHRA Proposed Budget

**Commission Action:** At its meeting on October 17, 2012, the Sacramento Housing and Redevelopment Commission considered 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 2013. The budget is in balance and complies with applicable federal, state and local regulations on the use of the funds.

**Financial Considerations:** The Agency's 2013 proposed budget of \$169.6 million includes \$107.2 million for housing assistance payments, \$19.9 million for salary and benefits, \$18.6 million in capital project funds, \$14.7 million for services and supplies, \$5.1 million in public service programs, \$3.2 million in debt service payments, \$0.9 million in financial transactions.

Over the past several years the Agency has worked to restructure and re-engineer the organization which required an analysis of span of control (number of employees reporting to management), process improvements, adjusting service level expectations and implementation of initiatives that streamline and consolidate services and functions. Many of these initiatives have been implemented and have resulted in a much more cost effective and efficient organization. However, the loss of redevelopment tax increment in 2012 and the impact of federal funding cuts necessitated significant staffing reductions to absorb the impact of these sudden funding shortfalls.

The 2013 budget proposes that authorized full time equivalent positions (FTE) be maintained at 253, but recommends that 38.8 be left unfunded for the 2013 budget. Reductions were achieved through the unfunding of vacant positions, employee layoffs and position reclassification and downgrades.

The Agency further proposes to implement three additional closure days during 2013 in conjunction with the Agency's year-end closure schedule and to make additional cuts to services and supplies for added operational savings.

The estimated savings associated with these measures is a \$4.2 million reduction in operational costs. The proposed cuts represent a 14 percent reduction in salaries, benefits and a 6 percent reduction in services and supplies compared with 2012. Since 2011, the Agency has cumulatively reduced the salaries and benefit costs of the Agency

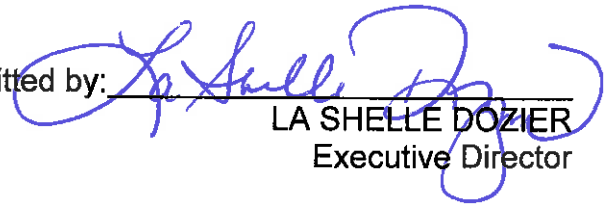
## 2013 SHRA Proposed Budget

by over \$6.8 million or 25 percent and services and supplies by \$1.5 million or 9 percent in response to the State's elimination of redevelopment and the cuts to federal programs.

These proposed actions represent the changes needed to reduce operational costs, modify span of control, and position Agency departments to better deliver projects and programs in 2013. As more information becomes available regarding the impact of the federal budget on Agency programs, the Agency will implement additional measures as needed to meet the new challenges.

**M/WBE Considerations:** The action proposed in this report has no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully Submitted by:



LA SHELLÉ DOZIER  
Executive Director

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4	Housing Authority of the City of Sacramento Resolution	pg.27
	Exhibit A - Summary of Changes to the Agency 2013 Budget	pg.34
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	Exhibit B - 2 – HUD Resolution Approving the 2013 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC) (Form HUD-52574)	pg.36
5	Agency Proposed 2013 Budget - separately numbered attachment	

## **BACKGROUND**

For many years, the Agency has effectively managed numerous budgetary challenges including the complete decentralization and streamlining of the Public Housing and Housing Choice Voucher programs in response to federal funding cuts and regulatory changes. In recent years, we have grappled with the drastic decline of tax increment revenues and the multiple ERAF/SERAF shifts of tax increment to the State of California. With the implementation of AB x1 26 and AB 1484 in 2012, the Agency has confronted our greatest challenge to date, the elimination of redevelopment.

To confront these challenges, the Agency has efficiently controlled costs through a variety of strategies:

- Managing the workforce through layoffs, attrition and filling vacant Housing Authority positions with qualified redevelopment staff. The Agency has also worked closely with its two bargaining units on implementing year end closures and reduced work schedules for the past three years.
- The services and supplies budget has been reduced to reflect the changes in head count and the new scope of projects and services provided by the Agency including the winding down of the one-time federal recovery funding.

As the Agency closes out the federal Neighborhood Stabilization Program (NSP) , we expect that the one-time administrative funding provided by HUD for NSP will be largely depleted by the end of 2013. Given the broad spectrum of funding reductions absorbed over the past two years, and the potential of continued cuts in 2013, the Agency has continued to make the necessary operational cuts to position the organization for the uncertain future.

## **DISCUSSION**

### **Public Housing:**

The Agency owns and manages approximately 3,494 housing units within the City and County of Sacramento. Approximately 3,068 of the units were developed under the federal public housing program administered by the Department of Housing and Urban Development (HUD) and are located throughout the Sacramento region with (2,021 units) in the City and (1,047 units) in the County. Of those units, approximately 1,000 units are designated as elderly and/or disabled only with the remaining units available to families. Program revenues are generated from tenant rent collections and operating subsidies provided by HUD. The amount of rent paid by the tenants is based on 30 percent of gross family income minus certain other adjustments. In addition to the public housing units, the Housing Authority manages another 426 units of local non-public housing.

## 2013 SHRA Proposed Budget

The average occupancy rate in the Public Housing program is in the mid 90's for public housing properties available to be leased. The recent decline in rents is due to several factor including: 1) the vacancies in 626 I Street associated with the Agency's relocation from the commercial space and the relocation of the tenants for the planned rehabilitation of the site, 2) the disposition of public housing units sold under the HUD 5h/Section 32 program, 3) the disposition of the Washington, Sutterview and Sierra Vista high-rises to the Agency affiliated non-profit the Sacramento Housing Asset Repositioning Program, Inc. (SHARP), 4) vacant and boarded units being sold under the NSP PRP program and 5) the reduction in TANF and SSI income to PHA tenants which reduces the tenants share of the rental payments (30 percent of income). Rent revenues are expected to improve beginning in late 2012 as both the commercial and residential floors of 626 I Street are brought back online.

HUD Operating subsidy levels have risen in recent years with federal appropriations for the program reaching as high as 103 percent of funding eligibility in 2010 and 100 percent in 2011. However, since program funding is determined annually, the level of subsidy received from HUD can be very volatile from year to year depending upon the federal appropriations process in Washington. Based upon the first 8 months of 2012, we expect to receive only 96 percent of our 2012 funding eligibility and have targeted a similar level of prorate for 2013.

**Capital Fund Program:**

The HUD Capital Fund program provides funding annually via a formula, and program funds are allocated to public housing authorities (PHA) across the nation. Capital Fund grants are intended specifically for the development, financing, modernization, and management improvements for properties owned under the HUD public housing program. The Agency receives funding for the public housing properties owned by the City and County Housing Authorities. In 2011, the federal government cut program funding by 21 percent compared with 2010 level and cut funding an additional 2 percent in 2012 for a cumulative loss of 23 percent over the last two years. Current Congressional proposals reflect status quo funding for 2013. Revenue estimates are based on the current year grant amounts and are adjusted based upon Federal appropriation proposals.

Additionally, the Housing Authority received one time federal stimulus funds provided to the Agency under the American Recovery and Reinvestment Act of 2009. The Housing Authority received \$7.2 million on a formula basis and an additional \$10 million under a competitive grant application. The City Housing authority was the only Housing Authority on the west coast to win a competitive award of the ARRA grant funds. The ARRA funds are to be used for the rehabilitation and modernization of public housing units in the portfolio, and the competitive grant funds were awarded for the specific purpose of rehabilitating a residential high-rise located in Downtown Sacramento. The Agency closed out the activities of these recovery grants in 2012.

**Public Housing (Non-Federal):**

While the public housing program has shown some decreases in rents and operating subsidy, the Agency's local housing projects, units not regulated by HUD, have shown positive revenue trends. The primary reason for this change is the implementation of the Housing Authority's asset repositioning strategy that has moved two Public Housing high-rise buildings to SHARP, Inc., an Agency controlled non-profit.

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

The Housing Choice Voucher (formerly Section 8 Housing Assistance) program is funded by the 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 program permits the applicant to obtain housing in the private rental market using housing vouchers. Program participants pay a portion (an adjusted 30 percent of gross family income) of the lease rate to the owner and the remaining rent amount is paid by the Agency. Participants can utilize their voucher anywhere in the City or County of Sacramento.

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 Agency's HCV program has 11,762 housing choice vouchers authorized for leasing each month and the program has maintained leasing levels in excess of 98 percent since 2008. The high utilization level of vouchers makes the program eligible for maximum funding from HUD. Despite the fact that the Agency is entitled to maximum funding for the program, HUD has intentionally provided less funding than required to cover HAP costs in an effort to recapture accumulated HAP reserves from public housing authorities across the country. In 2008 and 2009 HUD intentionally recaptured HAP reserves leaving the Housing Authority with approximately two weeks of reserves; therefore, managing leasing levels becomes exceptionally important.

2013 funding for HAP is expected to cover our actual HAP costs provided federal appropriations for the program remain the same. However, 2012 administrative funding for the program appears to be headed for a 5 percent reduction compared with prior year. While we anticipate that administrative funding will be maintained at 2012 levels, there is still a potential for funding cuts in 2013 since the federal budget has still not been approved.

**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,



## 2013 SHRA Proposed Budget

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 of Sacramento and the County of Sacramento. Funding for the CDBG program was relatively stable until 2011; when cuts to the federal budget resulted in a two year cumulative program reduction of 31 percent. For 2013, current funding proposals reflect a status quo funding level, but there is still the possibility of an additional funding cut should the sequestration cuts required by H.R. 5872 be implemented.

The Agency is currently administering CDBG entitlement funding and one time federal stimulus funds provided to the Agency under the Housing and Economic Recovery Act (HERA) of 2008. In the first round of funding, the Agency received \$31.8 million of funding for the Neighborhood Stabilization Program (NSP) to assist with the acquisition and/or rehabilitation of foreclosed properties in the City and County of Sacramento. In 2010, HUD announced that the Agency would receive an additional \$8.3 million in NSP Funding. Also, the Agency received \$3.12 million in additional CDBG funding under the American Recovery and Reinvestment Act of 2009. In 2013 the Agency expects to close out the majority of the the activities under NSP program.

### **Home Investment Partnership Program (HOME):**

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 SHRA for funding. In the past, HOME funds have assisted families in purchasing their first home, renovated deteriorating housing units and assisted in special housing programs. The annual HUD HOME budget is allocated to states and participating jurisdictions as formula grants. The Agency receives HOME entitlement for both the City of Sacramento and the County of Sacramento. The annual HUD HOME budget is allocated to states and participating jurisdictions as formula grants. The Agency receives HOME entitlement for both the City of Sacramento and the County of Sacramento. Funding has remained fairly level for the last several years, but since 2010 appropriations for HOME have declined by 46 percent. Current federal funding proposal reflect status quo funding levels for 2013. Estimates are generally based on the current year grant amounts and adjusted as needed based upon Federal appropriation proposals.

### **Redevelopment Tax Increment:**

The revenues are generated from the incremental property taxes collected from properties within the boundaries of redevelopment project areas. The Agency administered 14 project areas throughout the City and County of Sacramento:

## 2013 SHRA Proposed Budget

<b>CITY</b>	<b>COUNTY</b>	<b>JOINT</b>
65 <sup>th</sup> Street Alkali Flat Army Depot Del Paso Heights Merged Downtown North Sacramento Oak Park Railyards River District	Florin Road Mather/McClellan	Auburn Franklin Boulevard Stockton Boulevard

Assembly Bill x1 26, enacted on June 29, 2011 for the express purpose of eliminating California redevelopment agencies, was upheld by the California Supreme Court on December 29, 2011. Accordingly, as of February 1, 2012, all redevelopment agencies in California, including the Redevelopment Agency of the City of Sacramento and the Redevelopment Agency of the County of Sacramento, ceased to exist, and successor agencies were put in place to wind down the affairs of the former redevelopment agencies. The City and County of Sacramento have elected to be the successor agencies for purposes of winding down the affairs of the former redevelopment agencies. While the Housing Authority of the City of Sacramento has been designated as the local authority to serve as the Housing Successor Agency for the former Redevelopment Agency of the City of Sacramento and the Housing Authority of the County of Sacramento has been designated as the local authority to serve as the Housing Successor Agency for the former Redevelopment Agency of the County of Sacramento for purposes of winding down the remaining housing obligations of the former redevelopment agencies.

The City and County of Sacramento, acting as the Successor Agencies, have received all assets of the former redevelopment agencies with the exception of current housing obligations, which are administered by the City and County Housing Authorities and staffed by the Agency. All future property tax revenues, previously tax increment, are now received by the City or County of Sacramento as Successor Agencies in order to retire enforceable obligations including payments on bonds, Development and Disposition Agreement, Owner Participation Agreements and other redevelopment debt.

## **RESOLUTION NO. 2012-**

**Adopted by the Sacramento City Council**

on date of

### **APPROVAL OF 2013 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 comprised of six separate legal entities: City of Sacramento, Redevelopment Agency of the City of Sacramento (or its Successor), Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento (or its Successor) and Housing Authority of the County of Sacramento.
- B. Agency receives annual funding from a combination of federal, state and local sources.
- C. The sources of Agency revenues require each constituent entity to have an operating budget adopted prior to the start of each new fiscal year.
- D. As of February 1, 2012, pursuant to Health and Safety Code Section 34173 and resolution # 2012-018, the fiscal administration of the former Redevelopment Agency of the City was assumed within the management structure of the City of Sacramento which elected to manage the dissolution of its redevelopment agency and administer the Redevelopment Agency Successor Agency (RASA). The budget of the former Redevelopment Agency is no longer incorporated within the Agency Budget.
- E. Agency's fiscal year is the calendar year from January 1<sup>st</sup> through December 31<sup>st</sup>.
- F. Pursuant to Health and Safety Code Section 34173 (g) RASA is a separate public entity from the public agency that provides for its governance.
- G. Pursuant to Health and Safety Code Section 34176 and resolution # 2012-001, the City of Sacramento designated the Housing Authority of the City of Sacramento (HACS or Authority) as the local authority to retain the housing-assets and housing-functions previously performed by its Redevelopment Agency.

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

Section 1. The proposed actions to adopt the 2013 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. There is no federal funding associated with these actions; therefore, NEPA does not apply.

All other actions are associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. 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 2013 Operating Budget totaling \$151,073,105 and the 2013 Project Budget totaling \$18,611,895, all as further described in the 2013 Proposed Agency Budget (hereinafter "2013 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 2013 fiscal year. The 2013 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 253 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 of the former Redevelopment Agency approved by the Successor Agency's Oversight Board.
- Section 6. The Agency is authorized to submit the 2013 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, 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 2013 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 2013 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 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.
- 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, 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. Agency is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. Agency 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 Authority, staffed by the Agency, to conduct a physical inventory, analyze receivables for collectability, and, accordingly, reconcile and adjust related financial records. Agency is authorized to amend the Budget and financial records as needed for such adjustments.
- Section 11. 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. 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, 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.
- 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 Shelter Grant (ESG) and Housing Opportunities for People with AIDS (HOPWA). The Authority, 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, the 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 15. Agency 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 approved Action Plans and funding source requirements.

Section 16. 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. 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 Agency is authorized to execute contracts for homeless activities funded in the Agency Budget as outlined in the Agency public services schedule.

Section 17. 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 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. 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

- Section 18. Agency is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. 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, 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. Agency is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.
- Section 21. 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. Agency is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 23. 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. Agency is authorized to transfer project appropriations among fund groups.
- Section 25. 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. 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. 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. 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 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, 2012 will be carried over and continued in 2013.

Section 30. All multi-year operating grant budgets in existence as of December 31, 2012 shall be continued in 2013.

Section 31. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2012 may remain in effect in 2013. Agency is authorized to increase the Budget for valid encumbrances as of December 31, 2012, but only to the extent that the applicable division's 2012 operating budget appropriations exceeded 2012 expenditures.

Section 32. Agency is authorized to incorporate the changes listed on Exhibit A as part of the 2013 Budget.

Section 33. 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 34. Agency is authorized to delegate the authorities as set out in this resolution.

Section 35. This resolution shall take effect immediately.

**Table of Contents:**

Exhibit A - Summary of Changes to Sacramento Housing and Redevelopment Agency Proposed 2013 Budget

**EXHIBIT A****SUMMARY OF CHANGES TO SACRAMENTO HOUSING  
AND REDEVELOPMENT AGENCY PROPOSED 2013 BUDGET**

Approved 2012 Total Operating Budget	\$ 151,073,105
Revised Approved 2012 Total Operating Budget	\$0
Approved 2012 New Projects	\$ 18,611,895
Revised Approved 2012 New Projects	\$0
<b>TOTAL SHRA BUDGET</b>	<b>\$ 169,685,000</b>

## **RESOLUTION NO. 2012 -**

**Adopted by the Sacramento City Council  
acting as the Redevelopment Agency Successor Agency**

on date of

### **CONSENTING TO 2013 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY: RELATED FINDINGS AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR FUND TRANSFERS**

#### **BACKGROUND**

- A. The Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency comprised of six separate legal entities: City of Sacramento, Redevelopment Agency of the City of Sacramento (or its Successor), Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento (or its Successor) and Housing Authority of the County of Sacramento.
- B. Agency receives annual funding from a combination of federal, state and local sources.
- C. The sources of Agency revenues require each constituent entity to have an operating budget adopted prior to the start of each new fiscal year.
- D. As of February 1, 2012, pursuant to Health and Safety Code Section 34173 and resolution # 2012-018, the fiscal administration of the former Redevelopment Agency of the City was assumed within the management structure of the City of Sacramento which elected to manage the dissolution of its redevelopment agency and administer the Redevelopment Agency Successor Agency (RASA). The budget of the former Redevelopment Agency is no longer incorporated within the Agency Budget.
- E. Agency's fiscal year is the calendar year from January 1<sup>st</sup> through December 31<sup>st</sup>.
- F. Pursuant to Health and Safety Code Section 34173 (g) RASA is a separate public entity from the public agency that provides for its governance.
- G. Pursuant to Health and Safety Code Section 34176 and resolution #2012-001 the City of Sacramento designated the Housing Authority of the City of Sacramento (HACS) as the local authority to retain the housing-assets and housing-functions previously performed by its Redevelopment Agency.

**BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY OF SACRAMENTO AS THE REDEVELOPMENT AGENCY SUCCESSOR AGENCY RESOLVES AS FOLLOWS:**

Section 1. The proposed action consenting to the adoption of the 2013 Proposed Agency Budget is considered an administrative and management activity. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. There is no federal funding associated with these actions; therefore, NEPA does not apply.

All other actions related to the adoption of the 2013 proposed budget, do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 2. RASA is authorized to transfer funds to the Agency and execute agreements with the Agency or HACS as necessary to facilitate legal directives of the California State Department of Finance and/or the State Controller's Office or to provide staffing services to RASA, such agreements with the Agency are subject to Successor Agency Oversight Board Approval.

Section 3. RASA 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 4. RASA further finds and declares that the proposed expenditure of tax increment housing funds, as set forth in approved Recognized Obligation 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 5. RASA 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 2013 Agency Budget year.
  
- Section 6. RASA is authorized to transfer funding consistent with an approved Recognized Obligation Payment Schedule to the Agency or HACS 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 7. 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 8. This resolution shall take effect immediately.

**Table of Contents:**

- Exhibit A - Summary of Changes to Sacramento Housing and Redevelopment Agency Proposed 2013 Budget

**EXHIBIT A**

**SUMMARY OF CHANGES TO SACRAMENTO HOUSING  
AND REDEVELOPMENT AGENCY PROPOSED 2013 BUDGET**

Approved 2012 Total Operating Budget	\$ 151,073,105
Revised Approved 2012 Total Operating Budget	\$0
Approved 2012 New Projects	\$ 18,611,895
Revised Approved 2012 New Projects	\$0
<b>TOTAL SHRA BUDGET</b>	<b>\$ 169,685,000</b>

## **RESOLUTION NO. 2012-**

**Adopted by the Housing Authority of the City of Sacramento**

on date of

### **APPROVAL OF 2013 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 comprised of six separate legal entities: City of Sacramento, Redevelopment Agency of the City of Sacramento (or its Successor), Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento (or its Successor), and Housing Authority of the County of Sacramento.
- B. Agency receives annual funding from a combination of federal, state and local sources.
- C. The sources of Agency revenues require each constituent entity to have an operating budget adopted prior to the start of each new fiscal year. As of February 1, 2012, pursuant to Health and Safety Code Section 34173 and resolution 2012-018, the fiscal administration of the former Redevelopment Agency of the City was assumed within the management structure of the City of Sacramento which elected to manage the dissolution of its redevelopment agency and administer the Redevelopment Agency Successor Agency (RASA). The budget of the former Redevelopment Agency is no longer incorporated within the Agency Budget. Pursuant to Health and Safety Code Section 34173 (g) RASA is a separate public entity from the public agency that provides for its governance.
- D. Agency's fiscal year is the calendar year from January 1<sup>st</sup> through December 31<sup>st</sup>.
- E. Pursuant to Health and Safety Code Section 34176 and resolution 2012-001 the City of Sacramento designated the Housing Authority of the City of Sacramento (HACS) as the local authority to retain the housing-assets and housing-functions previously performed by its Redevelopment Agency.

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

Section 1. The proposed actions to adopt the 2013 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. There is no federal funding associated with these actions; therefore, NEPA does not apply.

All other actions associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. 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 2013 Operating Budget totaling \$151,073,105 and the 2013 Project Budget totaling \$18,611,895, all as further described in the 2013 Proposed Agency Budget (hereinafter "2013 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 2013 fiscal year. The 2013 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 253 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. Subject to availability under the Budget of any required funds, the Executive Director, or her designee, 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 Redevelopment Agency Successor Agency (RASA). Such



transactions must comply with applicable laws and regulations and agreements to provide staffing services for RASA are subject to RASA Oversight Board Approval.

- Section 5. 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 6. The Executive Director, or designee, is authorized to submit the 2013 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 7. The proposed expenditures under the 2013 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 2013 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 and Central Office 2013 Budget attached as Exhibit B-1.
- Section 9. Form HUD-52574 (08/2005), 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 7d.
- Section 10. 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 concept that fee revenues will cover the cost of the services provided.

- Section 11. 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 12. On an annual basis the Agency, on behalf of the Housing Authority of the City of Sacramento (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 13. 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, 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 14. 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 15. 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 16. 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. 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 17. 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 approved Action Plans utilizing ESG and HOPWA funds, strictly in accordance with the terms of the approved Action Plans and funding source requirements.

Section 18. 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. 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 19. 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. 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

Section 20. 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 21. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.

Section 22. The Executive Director, or designee, is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.

Section 23. 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 24. The Executive Director, or designee, is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.

Section 25. 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 26. 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 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 or lower revenues.
- Section 28. 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 29. 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 30. 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. 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," 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 31. All project appropriations in existence as of December 31, 2012 will be carried over and continued in 2013.
- Section 32. All multi-year operating grant budgets in existence as of December 31, 2012 shall be continued in 2013.
- Section 33. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2012 may remain in effect in 2013. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2012, but only to the extent that the applicable division's 2012 operating budget appropriations exceeded 2012 expenditures.
- Section 34. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2013 Budget.
- Section 35. 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 36. The Executive Director, or designee, or designee, is authorized to delegate the authorities as set out in this resolution.
- Section 37. This resolution shall take effect immediately.

**Table of Contents:**

Exhibit A: Summary of Changes To Sacramento Housing and Redevelopment Agency Proposed 2013 Budget

Exhibit B-1: 2013 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)

Exhibit B-2: HUD Resolution Approving the 2013 AMP Budgets

**EXHIBIT A****SUMMARY OF CHANGES TO SACRAMENTO HOUSING  
AND REDEVELOPMENT AGENCY PROPOSED 2013 BUDGET**

Approved 2012 Total Operating Budget	\$ 151,073,105
Revised Approved 2012 Total Operating Budget	\$0
Approved 2012 New Projects	\$ 18,611,895
Revised Approved 2012 New Projects	\$0
<b>TOTAL SHRA BUDGET</b>	<b>\$ 169,685,000</b>

# City Public Housing AMP, Central Office and Central Services Budget

## January 1 - December 31, 2013

PHA Code: CA005 City of Sacramento	City AMP 1	City AMP 2	City AMP 3	City AMP 4	City AMP 5	City AMP 6	City AMP 7	Total City Public Housing	City COCC Central Office & Central Svc
Beginning fund equity	\$ 635,988	\$ 1,021,107	\$ 929,734	\$ (68,625)	\$ 104,363	\$ 391,930	\$ (53,088)	2,961,409	\$ 225,959
Revenues:									
HUD Operating Subsidy	1,423,000	1,732,000	511,000	648,000	677,000	472,000	598,000	6,061,000	-
Maintenance Charges to Tenants	19,000	20,000	5,500	10,000	22,000	400	18,000	94,900	-
Washer/Dryer Income	6,000	-	7,000	8,000	4,000	4,000	6,000	35,000	-
Rental Income - Dwelling	585,000	578,000	464,000	496,000	418,000	309,000	415,000	3,265,000	-
Rental Income - Commercial	-	-	-	-	-	183,853	-	183,853	-
Interest Income - Investment	10,000	10,000	12,000	1,000	700	3,500	1,000	38,200	2,300
Bad Debt Recovery	-	200	-	-	1,000	-	200	1,400	-
Miscellaneous income	9,015	16,715	3,615	2,515	9,515	1,015	4,715	47,105	75,830
Management Fee	-	-	-	-	-	-	-	-	1,445,395
IT/Bookkeeping Fee	-	-	-	-	-	-	-	-	207,180
Asset Management Fee	-	-	-	-	-	-	-	-	155,520
Admin Fee (CFP)	-	-	-	-	-	-	-	-	214,147
Central services fees	-	-	-	-	-	-	-	-	344,514
<b>Total operating revenue</b>	<b>2,052,015</b>	<b>2,356,915</b>	<b>1,003,115</b>	<b>1,165,515</b>	<b>1,132,215</b>	<b>973,768</b>	<b>1,042,915</b>	<b>9,726,458</b>	<b>2,444,886</b>
CFP operating transfers	-	-	-	-	-	-	-	-	-
CFP Mgmt impr transfers	74,872	90,165	125,321	60,799	105,077	42,071	82,798	581,103	-
AMP to AMP transfers	-	-	-	167,539	-	-	182,642	350,181	-
<b>Total revenues and transfers in</b>	<b>2,126,887</b>	<b>2,447,080</b>	<b>1,128,436</b>	<b>1,393,853</b>	<b>1,237,292</b>	<b>1,015,839</b>	<b>1,308,355</b>	<b>10,657,742</b>	<b>2,444,886</b>
Expenditures:									
Employee Services:									
- Management/Maintenance	677,233	678,764	445,100	382,070	380,669	237,890	388,257	3,189,983	983,102
- Maintenance	-	-	-	-	-	-	-	-	-
- Resident Trainees	17,274	15,116	15,116	15,116	15,116	15,116	15,116	107,970	-
<b>Total Employee Services</b>	<b>694,507</b>	<b>693,880</b>	<b>460,216</b>	<b>397,186</b>	<b>395,785</b>	<b>253,006</b>	<b>403,373</b>	<b>3,297,953</b>	<b>983,102</b>
Services & Supplies:									
- Management/Maintenance	786,032	805,398	296,140	628,733	599,160	549,164	542,587	4,207,214	1,536,491
- Maintenance	-	-	-	-	-	-	-	-	-
- Resident Trainees	57,598	75,049	110,205	45,683	89,961	26,955	67,682	473,133	-
<b>Total Services &amp; Supplies</b>	<b>843,630</b>	<b>880,447</b>	<b>406,345</b>	<b>674,416</b>	<b>689,121</b>	<b>576,119</b>	<b>610,269</b>	<b>4,680,347</b>	<b>1,536,491</b>
Other Charges:									
Financial Transactions	2,300	2,700	3,100	280	225	800	200	9,805	30
- Central Service Fees	69,288	75,254	31,564	47,732	44,075	32,141	44,460	344,514	-
- Miscellaneous (PILOT, Depr.)	29,653	34,101	13,344	19,275	19,275	13,344	19,275	148,267	-
- AMP to AMP transfers	-	350,181	-	-	-	-	-	350,181	-
Management Fee	248,558	268,749	167,794	165,009	156,654	116,272	157,350	1,280,386	-
IT / Bookkeeping Fee	32,130	34,740	21,680	21,330	20,250	15,030	20,340	165,510	-
Asset Management Fee	43,200	46,920	19,680	-	-	20,040	-	129,840	-
Capital Expenditures	-	-	-	-	-	-	-	-	-
<b>Total operating expense</b>	<b>1,963,266</b>	<b>2,386,972</b>	<b>1,123,733</b>	<b>1,325,228</b>	<b>1,325,385</b>	<b>1,026,752</b>	<b>1,255,267</b>	<b>10,406,603</b>	<b>2,519,623</b>
HUD mandated restricted operating reserve (1/12)	-	-	-	-	-	-	-	-	-
<b>Ending Balance</b>	<b>\$ 799,609</b>	<b>\$ 1,081,215</b>	<b>\$ 934,437</b>	<b>\$ -</b>	<b>\$ 16,270</b>	<b>\$ 381,017</b>	<b>\$ -</b>	<b>\$ 3,212,548</b>	<b>\$ 151,222</b>



Board Resolution Approving the AMP Budgets  
PHA Board Resolution  
Approving Operating Budget

OMB No. 2577-0026  
(exp. 10/31/2009)

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

Previous editions are obsolete form HUD-52574 (08/2005) 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- City of Sacramento PHA Code: CA005

PHA Fiscal Year Beginning: 01/01/13 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

Operating Budgets (*for COCC and all Projects*) approved by Board resolution on:

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 expenditures 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(e) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.325.

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)

Print Board Chairman's Name: Mayor Kevin Johnson	Signature:	Date:
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