



Sacramento Housing and Redevelopment Agency
SACRAMENTO, CALIFORNIA

Comprehensive Annual Financial Report

for the year ended December 31, 2018

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2018

ACKNOWLEDGEMENT

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COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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Introductory Section



June 28, 2019

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

State law requires that the Sacramento Housing and Redevelopment Agency (the Agency) publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) applied to governmental entities. The financial statements are to be audited by certified public accountants in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Agency for the year ended December 31, 2018.

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

The Agency's financial statements have been audited by Clifton Larson Allen, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Agency as of and for the year ended December 31, 2018, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Agency's financial statements as of and for the year ended December 31, 2018, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report, which can be found on pages 1 and 3.

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

PROFILE OF THE AGENCY

The Agency is located in Sacramento, California. The City of Sacramento (City), established in 1849, serves as the capitol for the State of California and is the center of state government. Sacramento also serves as the seat of Sacramento County government. It is the sixth largest populated city in California and continues to see a migration of people from the San Francisco Bay Area and Southern California. The United States Census Bureau estimates the population on July 1, 2018 at 508,529 for the City and 1,540,975 for the County of Sacramento (County). Sacramento encompasses 99 square miles and is located in the northern section of California's burgeoning Central Valley. Sacramento is a charter city and operates under a Council-Manager form of government.

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

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

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

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

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

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

Blended Component Unit

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

Discretely Presented Component Units

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

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

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

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

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

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

Budget

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

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

FACTORS AFFECTING ECONOMIC CONDITION

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

Local Economy

According to the Urban Land Institute 2019 Emerging Trends in Real Estate, the Sacramento population is expected to grow at twice the national rate. While cost of housing is rising, Sacramento is still considered one of the more affordable markets in the Pacific Region. The national shift towards urban living and the synergetic growth in downtown Sacramento have created a new market for development. The lack of affordability in the Bay Area has had a significant effect on the Sacramento market, with more Bay Area residents moving to Sacramento thereby increasing rent and housing costs. While the Sacramento area expressed concern for the market's ability to attract enough qualified workers, it could be beneficial to Sacramento that higher costs in other markets such as the Bay Area, as companies and employees are moving from those higher-cost areas into the Sacramento market. Investor demand in Sacramento is classified as Average while Development/Redevelopment opportunities are considered Strong.

State Economy

The Center for Business and Policy Research indicates in its February 2019 report that the California's economic growth has slowed but is expected to continue to expand steadily at 2.5 to 3.0 percent. The unemployment rate was 4.2% in 2018 and is expected to fall to 4% for 2019. California has continued to add jobs and is expected to lead Northern California in job growth in 2019. The solid job growth is fueling increased demand for housing across California. It is expected that strong demand for housing will drive a significant increase in construction activity in 2019.

Long-term Financial Planning

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

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

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

Relevant Financial Policies

The Agency is committed to increasing the supply of affordable housing and in past years has worked closely with the City and County in the development of inclusionary ordinances, the development of a ten year plan to end chronic homelessness and other policies that will help increase rental housing production and homeownership opportunities. In the spring of 2017, at your direction, SHRA

developed a multi-faceted Homeless Housing Solution Strategy designed to serve homeless individuals and families in Sacramento using Housing Authority resources. This strategy, to be enacted over a three year period, included several options that will serve a total of 1,755 homes families through vouchers and public housing units. As a lender and developer, the Agency strives to efficiently manage its resources in order to address the range of need and reach special populations, the workforce population, and those who are moving out of the rental market and buying their first homes.

2018 Accomplishments

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

Promise Zone

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

- Alchemist Community Development Corporation was awarded over \$137,000 by the Financial Institution Partnership Opportunity to create a food business incubator that will provide opportunities for job creation, economic growth, and increased access to healthy, local food products that will support the Promise Zone Initiative.
- The Rapid Acceleration Innovation & Leadership in Sacramento (RAILS) Program is a \$1 million annual grant from the City of Sacramento that supports community-based initiatives and programs that develop the entrepreneurial and innovation ecosystem in Sacramento.
- The Sacramento Promise Zone partnered with the National Society of Black Engineers (NSBE), and Sacramento Municipal Utilities District (SMUD) to bring the Summer Engineering Experience for Kids (SEEK) Program back to Sacramento.
- The Samuel Merritt University and Kaiser Permanente designed a bachelor degree program for working registered nurses.
- The Reduction of African American Child Deaths (RAACD) program supports the Health goals of the Promise Zone.
- A ribbon cutting celebration on August 28 launched the opening of a new Sacramento State Downtown campus at 304 S Street.
- The Sacramento County Office of Education's Early Learning Department convened the Superintendent's Early Learning Committee (SELC) to develop a vision for Sacramento County's youngest learners.

- A new Grocery Outlet brings healthy food options and jobs to north Promise Zone residents. Grocery's Outlet's opening brought over 50 permanent jobs to the area.

Asset Repositioning

- Completed the first phase of relocation of residents and demolition of existing structures in the Twin Rivers Transit Oriented Development project.
- The Sacramento Housing and Redevelopment Agency's began redevelopment activities on the Twin Rivers public housing project. The 22 acre \$310 million dollar neighborhood revitalization project is the largest housing project currently under construction Downtown.
- Completed an Asset Repositioning Plan Update to initiate conversion of the entire Public Housing portfolio to a Project Based Section 8 platform through the use of the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition programs.

Sustainable Communities

- Received the 2017 Pacific Southwest Regional Council of the National Association of Housing & Redevelopment Officials Partnership Innovation Award for the Community CarShare Sacramento Pilot Program.

Neighborhood Stabilization Program (NSP)

- Continued the close-out process for the NSP program by concluding the final actions for three remaining land banked projects and five vacant or foreclosed properties yet to be rehabilitated.

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

City

- Completed the Midtown Street Lighting (21st -25th between J and K) Project.
- Completed the 4th Avenue Park Playground.
- Completed the Hite Park Playground.
- Completed the Carl Johnston Park Project.
- Completed the Multi-Park Water Cross-Connection Improvement Project.
- Completed the Mack Road Pedestrian Lighting Project.
- Completed the Pannell Center Pool Kitchen Improvement Project.
- Completed the Fruit Ridge Collaborative Lighting Improvements Project.

County

- Completed the Bellview Park Improvements.
- Completed the Olde Florintown Park Improvements.
- Completed the McComber Parking Lot Improvements.
- Continued ongoing infrastructure and public facilities improvements:
 - In the City, these projects include 3601 Pansy Avenue Garden and Playground, Robertson Community Center Sports Field Improvements, North 16th Street Plan, Susan B. Anthony Elementary School Joint-Use Park Project, Twin Rivers Light Rail Station Design, Midtown Street Lighting (G and I Streets and 16th and 19th Streets), Meadowview Streetscape Improvement Project, and Stanford Settlement Center Improvements.
 - In the County, these projects included the Bing Kong Tong Phase II, 44th Avenue Pedestrian and Beautification Phase II, 47th Avenue Pedestrian and Bicycle Improvements, Jack Davis Park Improvements, Rosemont Area Street Light Project, Rutter Park Improvement Improvements and Galt Central Corridor Improvements.

Public Service Programs

- The Agency's Emergency Solutions Grant Rapid Rehousing Program was recognized by the National Alliance to End Homelessness as an innovative best practice for progressive engagement.
- Continued the Pilot Tenant-Based Rental Assistance program as part of the Housing Opportunities for Persons With AIDS (HOPWA) program.
- Successfully provided for and coordinated health and human services, crisis intervention, independent living skills, drug and alcohol recovery, and community building activities for 175 residents living in downtown SRO's.
- Supported the year-round operation of the Salvation Army Shelter on North B Street and the Volunteers of America Shelter on North A Street.
- The Meals on Wheels program will deliver an estimated 364,732 meals to congregate sites or residences of home-bound individuals; serving approximately 3,871 seniors in total.
- Successfully assisted 150 households with transitioning into permanent housing as part of the Rapid Rehousing program supported by the Emergency Solutions Grant (ESG).
- Continued the ongoing implementation of a comprehensive countywide Fair Housing program covering all jurisdictions within Sacramento County in partnership with all of the incorporated cities and the unincorporated County, Legal Services of Northern California, Self Help Housing, and the Rental Housing Association.

- Continued the Bringing Families Home Program leveraging the Emergency Solutions Grant (ESG) Rapid Rehousing and Prevention funds to support family reunifications by addressing housing supports to end homelessness or housing instability.

Affordable Housing

- Provided approximately \$21 million in Multifamily Loan assistance and approved issuance of \$84 million in Mortgage Revenue Bonds to eight projects for the rehabilitation and construction of 720 of affordable units
 - Courtyard Inn
 - Southwind
 - Twin Rivers Phase I
 - Victory Townhomes
 - Dixianne
 - Nowrwood Annex
 - 700 K
- Completed renovation and/or construction of five multifamily developments totaling 221 newly affordable or preserved units:
 - Pensione K
 - Crossroads Gardens
 - Belvue
- Implemented City Mixed Income and County Affordable Housing Ordinances; including approving the Panhandle Affordable Housing Strategy.
- Managed a \$325 million portfolio of 1,100+ loans.
- Continued to work with stakeholders to update the Multifamily Lending and Mortgage Revenue Bond Policies.
- Certified homebuyers, calculated sales prices, and coordinated recording of regulatory agreements on 15 new and two resale single family homes per the City's Mixed Income and County Affordable Housing Ordinances.
- Approved financing for 75 families for Home Buyer and Mortgage Credit Certificate programs; including 17 families participating in the Welcome Home Program
- Managed the disposition of three vacant lots to Habitat for Humanity and the rehabilitation and sale of one owner-occupied single family home through the NSP program.
- Monitored resident services at 94 multifamily properties.
- Physically inspected over 2,489 resident units in multifamily properties consisting of over 21,227 units.
- Audited over 2,489 tenant files to ensure compliance with income eligibility and property management procedures.

- Completed annual audit confirmations for 86 multifamily developments.
- Provided calculations and prepared invoices for the Supplemental Annual Administrative Fee for 49 multifamily bond developments.
- Completed CDLAC Certifications on 86 Mortgage Revenue Bond Projects.
- Processed 5 loan subordination requests for existing single family home loans.
- Monitored compliance of over 1,200 single family home loans.
- Provided funding to Boys and Girls Club in North Natomas in order to provide after school and summer programs to children residing in Agency funded developments.
- Managed Capital Operating Reserve Agreements with seven multifamily developments providing supportive housing for 478 extremely low income households.

Job Creation and Employment Opportunities

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

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

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

Housing Administration

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

Housing Choice Voucher Program

The Agency continues to deliver a successful HCV program. In 2018, the Agency is expected to lease 98-100% of our HUD vouchers, providing rental assistance to an estimated 12,397 families each month. The focus of the voucher program in 2019 will be to serve families off of our waiting lists as well as house homeless individuals and families. In 2018, HUD notified SHRA that the HCV program had received "High Performer" designation for receiving maximum Section 8 Management Assessment Plan (SEMAP) points. This is the assessment that HUD conducts to ensure that the program is run efficiently, and meets all 14 standards tested through this evaluation process. Staff is

continually assessing quality control standards and implementing the tools and technology needed to ensure that we are able to maintain these high standards.

- Awarded additional vouchers from the Department of Veterans Affairs to provide housing opportunities for homeless veterans and their families; bringing the total VASH vouchers to 643 administered by the Housing Authority.
- Awarded \$4.5 million through the Shelter Plus Care program to serve 567 homeless, disabled individuals and families.

Public Housing and Local Housing Programs

The Housing Authorities own and/or manage approximately 3,214 housing units within the City and County of Sacramento. Of these, 2,712 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 (1,699 units) in the City and (1,013 units) in the County. In addition to the public housing units, the Housing Authority manages another 502 units of local non-public housing.

In 2018, HUD notified SHRA that the City Housing Authority had received “High Performer” status based upon 2017 operating results. Staff is continuing to streamline operations where possible and diligently monitoring operating activities to ensure that the high standards of performance are maintained into the future. In addition, the Housing Authority:

- Increased resident participation in the Jobs Plus Program by assisting residents at Alder Grove and Marina Vista to become employed. To date, four hundred eighteen (418) residents enrolled in the program and two hundred three (203) Jobs Plus participants obtained full or part time employment.
- Consistently maintained a 98% rent collection rate.
- Established a summer lunch program at Marina Vista and Alder grove sites that provided meals to an average of 30 children per day.
- Enrolled 28 youth participants in a 3-D STEM program at Alder Grove between the ages of 8-17. The Your Place on Mars STEM program participants took home the first place trophy for the middle school age range.
- Maintained an average 98% occupancy rate.
- Received overall favorable ratings from the residents that responded to the customer service survey; (54%) Excellent & (30%) Good.
- Implemented a new Online Rent Payment System.
- Launched a safety and security program at Marina Vista and Alder Grove that included the use of enhanced security and a parking permit program.

Supportive Services Programs

Renewal grant funding from the U.S. Department of Housing and Urban Development for the City's Resident Opportunity and Self Sufficiency (ROSS) Program, the City and County's Family Self Sufficiency (FSS) Program and public and private resources helped to ensure continued success in furthering PH residents' progression towards self-sufficiency. Participants in these voluntary programs are provided opportunities to increase earned income while reducing their dependency on welfare assistance and rental subsidies; gain economic independence and increase financial literacy.

- By midyear 2018, 39 families were enrolled in the City FSS, 40 families were enrolled in the County FSS and 150 families were enrolled in the City ROSS program.
 - Over 82% of City participants and 72% of County participants have accrued escrow balances.
 - The average increase in earned income was \$7,910.
 - Eight participants received Financial Coaching or Education in a classroom setting.
 - Ten residents have successfully completed and graduated from the FSS Program; an additional four residents will graduate by the end of 2018.

Effective/Efficient Governance

- Provided internship opportunities through the City of Sacramento Summer at City Hall program for six high school students in our Public Information Office, Public Housing, Housing Choice Voucher, Finance, Community Development and Human Resources Departments.
- Developed, tested and implemented a new SHRA website: SHRA.org.
- Implemented new Pay portal system for housing residents to pay bills online.
- Implemented a new Performance Management System that allows more timely and accurate processes to manage employee's performance.
- Initiated and Implemented Van Organization, inventory control and preventative maintenance program.
- Increased social media outreach by adding two new platforms: Instagram and LinkedIn
- Produced a series of spot interviews for our YouTube channel highlighting Agency programs and activities.

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

INITIATIVES

In early 2017, public workshops were held where the Agency's role was to strategize the alignment of federally-funded resources that offer housing assistance through HUD including HCV and

Conventional Public Housing (Public Housing) Programs. In order to begin this new initiative, significant changes are required to the Housing Authorities' policy documents including changes to the Annual Plan and Admissions and Continued Occupancy Policy (ACOP). The Agency will continue to partner with the City and County of Sacramento to initiate projects and programs that maximize affordable housing opportunities for low-income, very low-income, and extremely low-income households and revitalize low-income communities.

In 2018, HUD authorized a Section 108 loan for the purpose of financing the Twin Rivers Housing Project. This note is collateralized by and payable from future CDBG entitlements. The funds from the Section 108 loan will be used to finance the installation of new infrastructure at the 22 acre Twin Rivers Redevelopment site. The Twin Rivers Transit-Oriented Development project will replace 218 units of obsolete public housing with up to 500 units of new affordable and moderate income housing within a master planned community. The project was awarded a \$30 million Choice Neighborhoods Initiative (CNI) grant from HUD in 2015, and CNI funds will be combined with State funds and tax credits to develop the housing units. In 2018, the project was awarded a \$23 million State Transformative Climate Communities grant to develop a new Light Rail Station adjacent to the property and to install solar systems, a community garden and street trees. The demolition and environmental mitigation work will be completed in the first half of 2019. Then, Section 108 loan funds will be used to pay for the backbone infrastructure that will make it feasible for the residential development to proceed.

In 2018, HUD authorized the City and County Housing Authorities to convert Public Housing properties under the Rental Assistance Demonstration (RAD) program. The purpose of the RAD program is to allow Housing Authorities to convert properties to long-term, project based Section 8 rental assistance units which also allows Housing Authorities to access private debt and equity to address immediate and long-term capital needs. A combined total of 124 units in both the City and the County were approved to convert to the new program. It is expected that the first round of RAD properties will convert in the fall of 2019.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Agency for its comprehensive annual financial report for the year ended December 31, 2017. This was the twenty-sixth consecutive year that the Agency has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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


The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Their dedication to professional excellence is reflected in an improved comprehensive annual financial report. We would also like to commend the Agency's Commission, the City Council, and the County Board of Supervisors for their interest, support of this

substantial effort, and shared commitment to assuring the financial viability of the Agency which remains progressively committed to meeting the economic, redevelopment and housing needs of the communities we serve.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director



SUSANA JACKSON
Director of Finance



Government Finance Officers Association

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

Presented to

**Sacramento Housing and
Redevelopment Agency California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Executive Director/CEO

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
DIRECTORY OF OFFICIALS
December 31, 2018**

COUNTY HOUSING AUTHORITY

Phil Serna
District 1

Susan Peters
District 3

Patrick Kennedy
District 2

Sue Frost
District 4

Don Nottoli – District 5

CITY HOUSING AUTHORITY

Darrell Steinberg
Mayor

Angelique Ashby
District 1

Jay Schenirer
District 5

Allen Warren
District 2

Eric Guerra
District 6

Jeff Harris
District 3

Rick Jennings, II
District 7

Steve Hansen
District 4

Larry Carr
District 8

HOUSING AND REDEVELOPMENT COMMISSION

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

Cacile Nunley
Staajabu
Sam Starks
Tyffanie Wedding

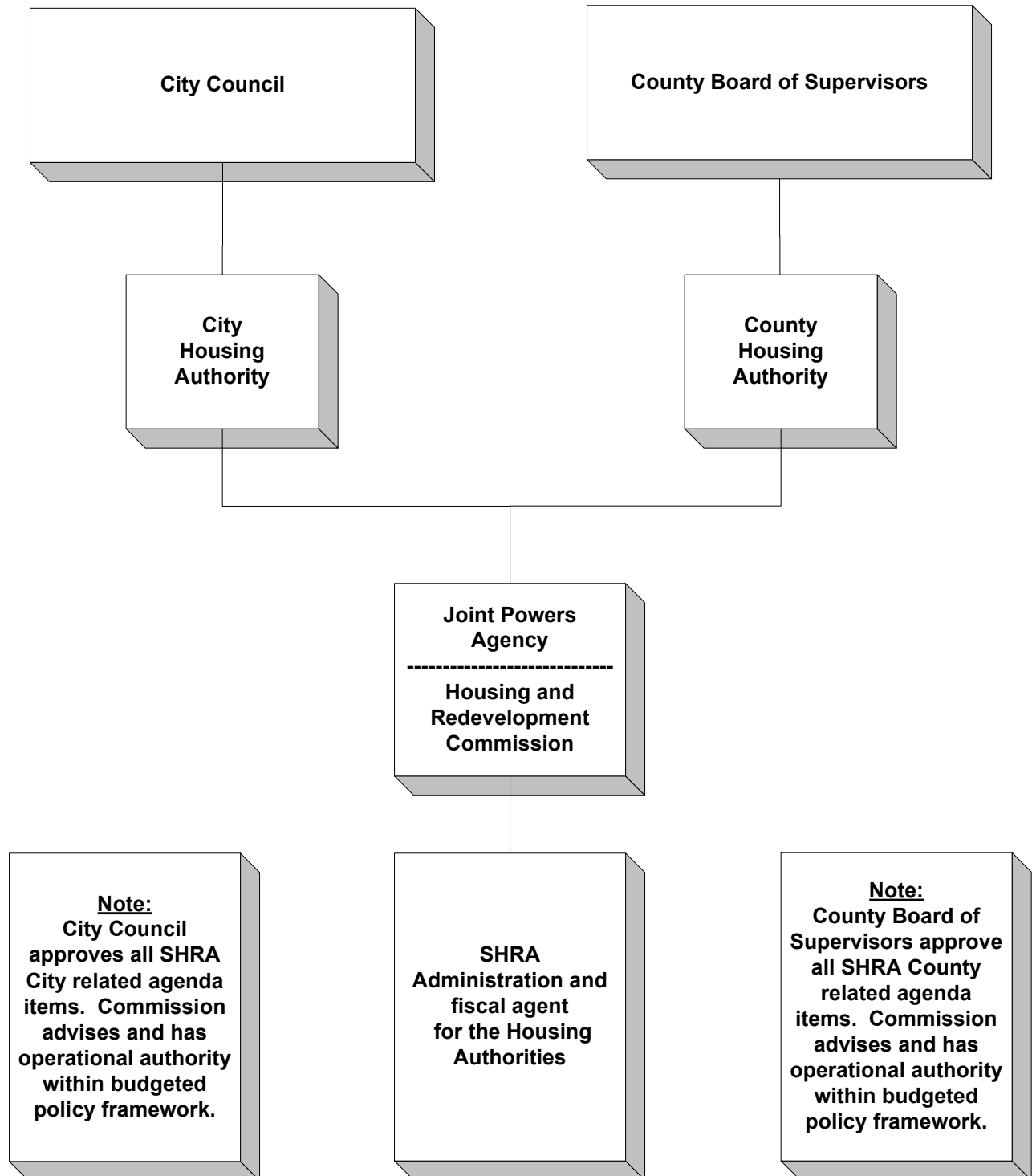
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

EXECUTIVE STAFF

Executive Director (Appointed).....La Shelle Dozier
Director of Administration..... James Shields
Director of Finance... ..Susana Jackson
General CounselDavid Levin
Director of Development.....Tyrone Roderick Williams
Assistant Director..... Christine Weichert
Assistant Director.....LaTanna Jones
Assistant Director.....Sarah O’Daniel
Public Information Officer..... Angela Jones

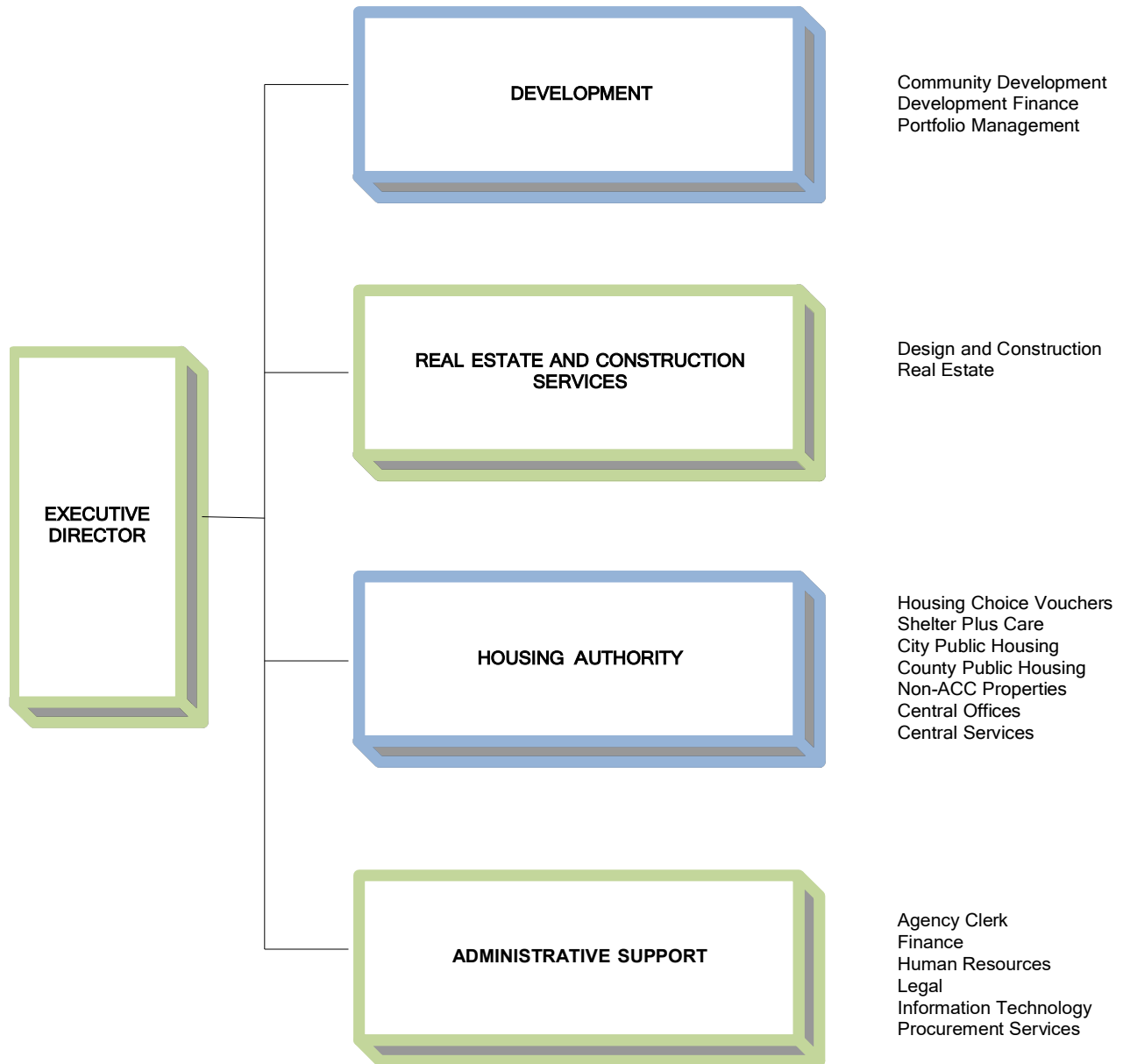
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

GOVERNING BODIES AND ADMINISTRATION ORGANIZATION CHART



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

DEPARTMENT/DIVISION ORGANIZATION CHART



Financial
Section



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sacramento Housing and Redevelopment Agency (Agency) as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Shasta Hotel Corporation (Shasta Hotel Investors Partnership) (Hotel) and the Norwood Avenue Housing Corporation (Corporation), which are discretely presented component units. The Hotel and Corporation represent 25.7 percent, (2.8) percent and 42.4 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hotel and Corporation, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Agency's

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

preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Agency, as of December 31, 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

During the fiscal year ended December 31, 2018, the Agency adopted GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*. As a result of the implementation of this standard, the Agency reported a restatement for the change in accounting principle (See Note I.B.). Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-28, and the Schedule of the Agency's Proportionate Share of Net Pension Liability, Schedule of Agency's Contributions – Pension, Schedule of the Agency's Proportionate Share of the Net OPEB Liability and the Schedule of Agency Contributions - OPEB on pages 81-84, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Introductory Section, Combining and Individual Fund Statements and Schedules, Schedule of Annual Contribution Contracts for Capital

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

Fund Program (CFP), ROSS Public Housing Self Sufficiency (FSS), ROSS Service Coordinator (SC) Programs, Choice Neighborhoods Initiative (CNI), Choice Neighborhoods Implementation and Jobs Plus Grant, Schedule of Purchase and Resale Agency (PRE) Sales Proceeds and Expenditures and Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 27, 2019, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Roseville, California
June 27, 2019

*Management's
Discussion
and
Analysis*

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

This portion of the Sacramento Housing and Redevelopment Agency's (Agency) annual financial report presents a narrative overview and analysis of the Agency's financial activities for the year ended December 31, 2018. Please read this in conjunction with the transmittal letter at the beginning of this report and the Agency's financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

FINANCIAL HIGHLIGHTS

Net Position

	Governmental Activities	Business-type Activities	Total
Net investment in capital assets	\$ 24,937	\$ 142,172	\$ 167,109
Restricted	363,970	806	364,776
Unrestricted	(25,796)	51,978	26,182
Total net position	\$ 363,111	\$ 194,956	\$ 558,067

The assets and deferred outflows of resources of the Agency exceeded liabilities and deferred inflows of resources at the end of the 2018 year by \$558,067 (net position). A more detailed explanation of the major categories of the Agency's net position is discussed below:

- \$167,109 is the Agency's net investment in capital assets.
- \$364,776 is restricted for specific purposes (restricted net position). Of this amount \$755 was restricted for Debt Service, \$181,235 for Housing Operations, \$396 for Housing Choice Vouchers, \$179,621 for Community Development and \$2,769 for Community Services.
- The unrestricted net position of \$26,182 is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Agency's total government-wide net position, excluding the discretely presented component units, decreased in the current year by \$10,175 primarily as a result of GASB 75 implementation.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

The government-wide financial statements can be found on pages 29-30 of this report.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

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

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

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

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

The Agency maintains 137 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the City and County Home Investment Partnerships (HOME) funds and the City and County Housing Successor funds as each is considered a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The governmental funds financial statements can be found on pages 31-34 of this report.

Proprietary funds include two different types of funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Agency uses enterprise funds to account for City and County Public Housing Authorities' operations, locally funded housing projects, units funded by the State of California's Housing Finance Agency and the Housing Choice Vouchers program. The Agency maintains 40 individual enterprise funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Agency's various functions. The Agency uses internal service funds to account for the internal support services of administrative divisions, payroll, the Agency's administration building and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included with *governmental activities* in the government-wide financial statements.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

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

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

The proprietary funds financial statements can be found on pages 35-38 of this report.

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

Required Supplementary Information. In addition to the financial statements and accompanying notes, this report presents certain Required Supplementary Information which includes the Schedule of the Agency's Proportionate Share of Net Pension Liability, Schedule of Agency Contributions – Pension, Schedule of the Agency's Proportionate Share of Net OPEB Liability and Schedule of Agency Contributions – OPEB.

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

Combining and individual fund statements and schedules can be found on pages 87-165 of this report.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Condensed Statement of Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Assets:						
Current and other assets	\$373,625	\$363,988	\$ 82,461	\$ 82,856	\$456,086	\$446,844
Capital assets	32,763	33,457	144,417	154,202	177,180	187,659
Total assets	<u>406,388</u>	<u>397,445</u>	<u>226,878</u>	<u>237,058</u>	<u>633,266</u>	<u>634,503</u>
Deferred Outflows of Resources	<u>1,835</u>	<u>3,281</u>	<u>2,347</u>	<u>3,995</u>	<u>4,182</u>	<u>7,276</u>
Liabilities:						
Long-term liabilities	36,401	39,006	29,631	27,765	66,032	66,771
Other liabilities	8,145	2,942	3,915	3,704	12,060	6,646
Total liabilities	<u>44,546</u>	<u>41,948</u>	<u>33,546</u>	<u>31,469</u>	<u>78,092</u>	<u>73,417</u>
Deferred Inflows of Resources	<u>566</u>	<u>52</u>	<u>723</u>	<u>68</u>	<u>1,289</u>	<u>120</u>
Net position:						
Net investment in capital assets	24,937	25,008	142,172	151,897	167,109	176,905
Restricted	363,970	349,470	806	806	364,776	350,276
Unrestricted	(25,796)	(15,752)	51,978	56,813	26,182	41,061
Total net position	<u>\$363,111</u>	<u>\$358,726</u>	<u>\$194,956</u>	<u>\$209,516</u>	<u>\$558,067</u>	<u>\$568,242</u>

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In case of the Agency, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$558,067 at the close of the most recent fiscal year. Combined net position decreased slightly by 1.8% from 2017.

Governmental activities

Current and other assets of governmental activities had a net increase of \$9,637 from 2017. This is mainly due to the following:

- The County Affordable Housing and the City and County Housing Trust funds received developer fees and the majority of these revenues were not expended. City and County Housing Trust funds also received payoffs from loans, namely North Natomas Apartments II. Increased revenues resulted in an increase in cash and receivables of \$9,463.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

- The Agency's financing of affordable housing projects in the City HOME, City Housing Successor, City and County Housing Trust and County CDBG, funds resulted in an increase in notes receivable of \$12,881.
- Assets held for resale decreased by net \$1,259 due to sales of land and buildings.

Capital assets of governmental activities had a net decrease of \$694 from 2017 due to the following:

- \$1,602 of construction in progress was added from the City Capital Fund Program and \$1,572 was added from the County Capital Fund Program.
- Construction in progress amounts from the City Capital Fund Program of \$1,290 and County Capital Fund Program of \$663 were transferred to buildings in the enterprise funds.
- Sales of land and buildings from assets originally funded by the City Housing Successor funds in the amount of \$1,439, City CDBG NSP 1 in the amount of \$55, and County CDBG NSP 1 in the amount of \$48.
- Depreciation expense of \$325.

Deferred outflows of resources of governmental activities had a net decrease of \$1,446. This is due to implementation of GASB 75.

Long-term liabilities of governmental activities had a net decrease of \$2,605 compared with 2017 mainly due to the following:

- The net pension and OPEB liabilities for Governmental Activities for the current year decreased long-term liabilities by \$2,495.
- The overall costs of pollution remediation estimates decreased by \$3,551.
- Decreased compensated absences of \$148 due to increased use of vacation, sick leave and management leave taken in the current year.
- Decreases to long-term liabilities were scheduled debt service principal payments of \$1,401.

Deferred inflows of resources of governmental activities had a net increase of \$514 from the prior year. This is due to implementation of GASB 75.

\$167,109 of the Agency's net position reflects its investment in capital assets (e.g., land, buildings, property, and equipment); less any related debt used to acquire those assets that is still outstanding. The Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although this investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The amount

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

invested in capital assets Agency-wide decreased by \$9,796 in the current year.

The amount invested in capital assets for governmental activities had a net decrease of \$71 in the current year. A detailed listing of the net decrease in the amount of \$694 is shown in the prior section. A reduction in debt related to capital assets of \$623 also contributed to increase the net investment in capital assets.

Restricted net position represents amounts that must be used in accordance with external restrictions. Restricted net position in governmental activities increased by a net of \$14,500 mainly due to the following:

- Restricted for Debt Service increased \$1 due to interest on the Del Paso Nuevo restricted cash account in the Internal Support fund.
- Restricted for Housing increased \$4,110. City Housing Successor increased by \$856 due to bond proceeds that were returned from the City Redevelopment Successor Agency and loan repayments. City MIHO increased by \$562 from housing impact fees as this was the third year of operations. City Housing Trust increased \$1,838 and County Affordable Housing increased \$3,136 due to developer fees received but not spent in the current year.
- City and County Section 32 and Public Housing Homeownership programs had a net decrease of \$1,919 due to expending funds for the Welcome Home (PRE) program.
- Restricted for Community Development increased \$10,600 mainly due to unavailable revenues of \$11,047 from new loan in the County CDBG, City and County HOME, and HOPWA funds. Revenues received in the City and County HOME funds for loan repayments and investment earnings were less than the operating expenses and resulted in a net decrease of \$689.
- Restricted for Community Services decreased \$211. City HOPWA decreased \$490 due to new loan made in the current year.

Unrestricted net position in governmental activities decreased by a net of \$10,044 mainly due to the following:

- Internal Support decreased due to spending prior year revenues for projects in the current year \$1,126.
- Self Insurance decreased due to a transfer of \$743 to the Internal Support fund to cover the Agency's cost of workers compensation.
- Employee services in 2018 of \$8,100 decreased by \$12 compared to \$8,112 in 2017.
- GASB 75 implementation \$827.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

Business-type activities

Current and other assets of business-type activities had a net decrease of \$395 from 2017 mainly due to the following:

- Cash and investments decreased by \$3,576. This is mainly due to \$1,072 in Housing Choice Vouchers, \$460 in City and County COCC, and \$4,641 in Mortgage Revenue Bond. Mortgage Revenue Bond covered the prior years' roll forward for the cost allocation plan.
- Receivables decreased by \$166 mainly due to portable vouchers receipts of \$175 from other housing authorities not received until 2019. Mortgage Revenue Bond had \$87 in loan repayments due from AmeriNational Community Services, Inc.
- Other long-term assets increased due to accrued interest of \$265 on Phoenix Park loans.
- Advances to component units decreased by \$717 as Phoenix Park was repaid.

Capital assets for business-type activities had a net decrease of \$9,785 in the current year due to the following:

- The following increases in buildings were related to the rehabilitation of the property: \$3 in the City AMP 5 fund, and \$2 in the County AMP 5 fund.
- Transfers in of \$1,973 in added property value from governmental activities.
- Sales of \$315 in land from the City AMPs and Locally Funded Projects per the Vacant Lot Disposition Strategy Plan.
- \$6,549 in depreciation expense.
- Demolition of Twin Rivers project \$9,025

The net increase in other liabilities of \$211 in business-type activities was mainly due to the following:

- Accounts Payable increased \$96 due to year-end expenditures accrual.
- Accrued liabilities increased \$60 due to the salaries payable accruals.

The amount invested in capital assets for business-type activities had a net decrease of \$9,725 in the current year. A detailed listing of the net decrease in capital assets in the amount of \$9,785 is shown in the prior section. A reduction in debt related to capital assets of \$61 increases the investment in capital assets.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

Restricted net position for business-type activities was unchanged.

Unrestricted net position in Business-type activities decreased by a net of \$4,835 mainly due to the following:

- County Housing Choice Vouchers operating expenses were more than revenues for a net decrease of \$4,678.
- Mortgage Revenue Bond had decreased administrative fee revenues and operating expenses were more than revenues for a net decrease of \$2,066.
- Phoenix Park increased \$247 due to increased revenues and decreased expenses.
- City Asset Repositioning increased \$794 due to accrued interest on loans.
- The City and County AMPs had a net increase of \$1,188 mainly due to increased transfers from the capital fund program for operations, GASB 68 pension and capital asset adjustments.
- County Norcade Circle increased \$244 due to unspent revenues.
- City and County COCC decreased \$651 due to increased expenses over revenue.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

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

Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Revenues:						
Program revenues:						
Charges for services	\$ 1,896	\$ 2,501	\$ 11,958	\$ 11,818	\$ 13,854	\$ 14,319
Operating grants and contributions	42,924	27,661	122,488	118,502	165,412	146,163
Capital grants and contributions	6,271	6,594	-	-	6,271	6,594
Investment earnings	3,009	4,595	1,693	1,312	4,702	5,907
Miscellaneous	5,618	8,485	1,117	1,091	6,735	9,576
Total revenues	<u>59,718</u>	<u>49,836</u>	<u>137,256</u>	<u>132,723</u>	<u>196,974</u>	<u>182,559</u>
Expenses:						
Housing operations	10,417	17,837	-	-	10,417	17,837
Community development	23,656	18,514	-	-	23,656	18,514
Community social services	6,853	5,957	-	-	6,853	5,957
Interest expense	632	688	-	-	632	688
Local housing	-	-	8,999	6,717	8,999	6,717
Public housing	-	-	29,749	25,042	29,749	25,042
Housing choice vouchers	-	-	113,644	109,914	113,644	109,914
Total expenses	<u>41,558</u>	<u>42,996</u>	<u>152,392</u>	<u>141,673</u>	<u>193,950</u>	<u>184,669</u>
Increase (decrease) in net position before transfers	18,160	6,840	(15,136)	(8,950)	3,024	(2,110)
Transfers	<u>(3,443)</u>	<u>(3,016)</u>	<u>3,443</u>	<u>3,016</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	14,717	3,824	(11,693)	(5,934)	3,024	(2,110)
Net position - beginning, as restated	348,394	354,902	206,649	215,450	555,043	570,352
Net position - ending	<u>\$ 363,111</u>	<u>\$ 358,726</u>	<u>\$ 194,956</u>	<u>\$ 209,516</u>	<u>\$ 558,067</u>	<u>\$ 568,242</u>

Analysis of the changes in net position:

Total government-wide revenues of the primary government increased \$14,415, a 7.9% increase from the prior year, and total expenses increased \$9,281, a 5.0% increase from the prior year. These fluctuations are discussed in more detail below.

Governmental Activities

Total revenues for governmental activities increased \$9,882, a 19.8% increase from the prior year. Total expenses decreased \$1,438, a 3.3% decrease from the prior year, and net transfers out increased \$427 from the prior year. These fluctuations are discussed in more detail below.

Revenue

- Charges for services decreased by \$605 mainly due to less developer fees received in City and County Admin Fee programs and decreased fees received in City Mixed Income Housing Ordinance (MIHO).

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

- Operating grants and contributions had a net increase of \$15,263 mainly due to increased expenditures and more loan repayment revenue in the County CDBG and County HOME entitlement funds and developer fee increased in City Housing Trust and County Affordable Housing funds.
- Investment earnings decreased by \$1,586 mainly due to less interest received from deferred loan payoffs in the City HOME, County HOME and City Housing Trust funds.

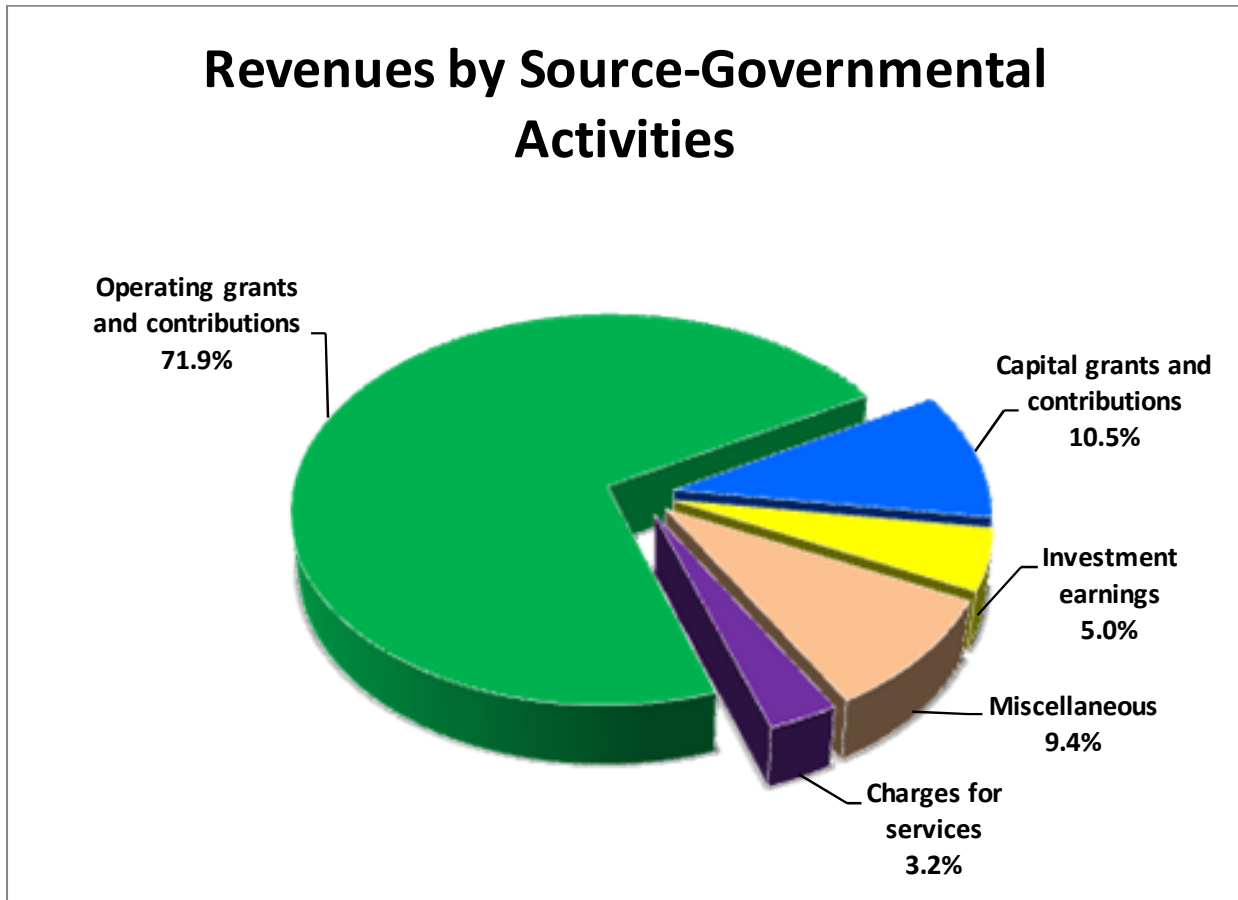
Expenses

- Housing operations decreased by \$7,420 mainly due to reduced expenditures in the City Housing Successor, City ROSS Service Coordinator, County Housing Trust, City Inclusionary Housing, County CNI Grant, and City Jobs Plus funds..
- Community development operations increased by a net of \$5,142 mainly due to progress and completion of City and County HOME projects in the current year. Crossroad Gardens, Courtyard Inn Transit Oriented Development, Saint Francis Terrace Apartments, and Village Park Apartments were largely completed and, Ethan Terrace Apartments and Pensione K Street Apartments were completed .
- Community social services increased by a net of \$896 mainly due to an increase in City HOPWA for expenses on the Courtyard Inn Transit Oriented Development Project.
- Interest expense decreased by \$56 mainly due a reduction in amortized interest in the internal service and debt service funds.

The net transfers of \$3,443 are mainly due to transfers of construction in progress from governmental activities to buildings in business-type activities for costs incurred in the City Capital Fund Program of \$1,290 and County Capital Fund Program of \$663. Other transfers were to cover operating deficits in various funds, including a transfer of \$743 to the Internal Support fund to cover the Agency's cost of workers compensation.

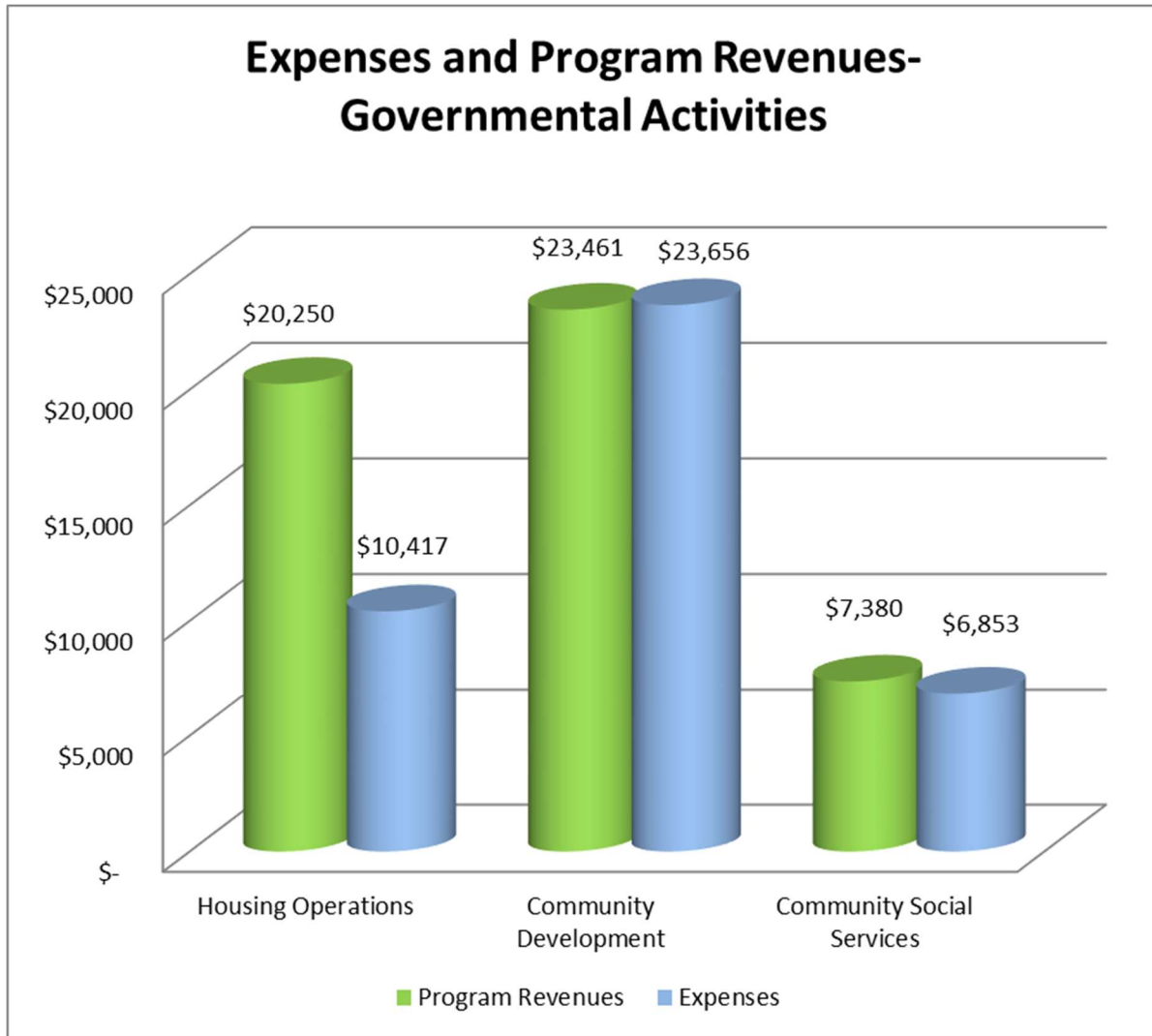
**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

The following graph shows the breakdown of revenue by source.



**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

The following graph shows a comparison of expenses and program revenues for governmental activities.



The variance in Housing operations between revenues and expenses is mainly due to increased developer fees in City and County Housing Trust funds and increased collection of service fees in County Affordable Housing funds.

The variance in Community development between revenues and expense is mainly due to timing differences between expenditure and reimbursement.

The variance in Community Social Services between revenues and expenses is mainly due to unspent revenues in the City Supplemental Admin Fees program.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

Business-type Activities

Total revenues for business-type activities increased \$4,533, a 3.4% increase from the prior year. Total expenses increased \$10,719, a 7.6% increase, and net transfers to business-type activities increased \$427. These fluctuations are discussed in more detail below.

Revenue

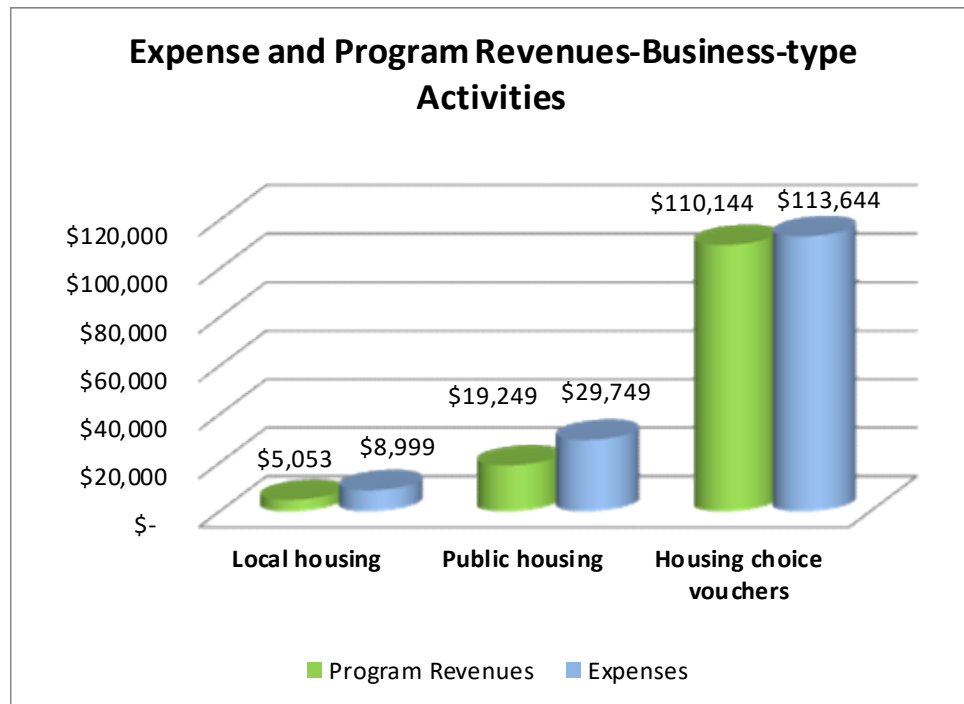
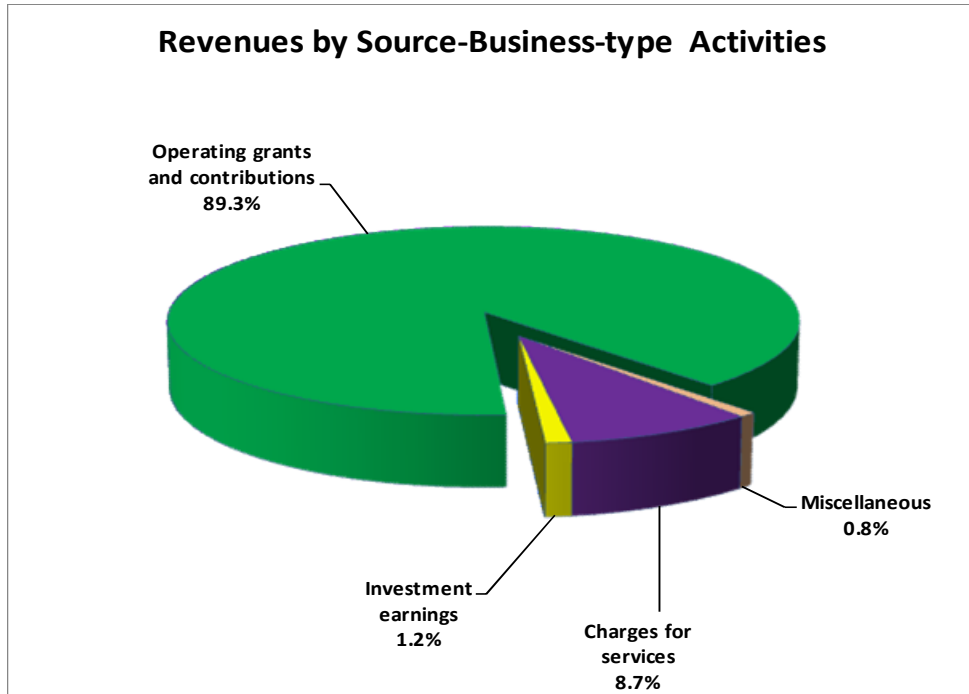
- Charges for services increased by \$140. Rental income increased by \$130 due to higher lease up in the Public Housing AMPs and local housing projects.
- Operating grants and contributions increased by \$3,986 mainly due to HUD proration increases for HAP revenues and awarded additional VASH and PBV vouchers from HUD in County Housing Choice Vouchers.
- Investment earnings increased by \$381 mainly due to accrued interest in Asset Repositioning and \$111 increase in earned interest in Mortgage Revenue Bond.

Expenses

- Local housing expenses increased by \$2,282 due mainly to increased overhead charges in City and County COCC and Mortgage Revenue Bond to pay for administrative staff.
- Public housing expenses increased by \$4,707 due to an adjustment of OPEB expense due to the implementation of GASB Statement No. 75 and a loss of disposal of property at Twin Rivers.
- Housing choice vouchers expenses increased by \$3,730 mainly due to an adjustment of OPEB expense due to the implementation of GASB Statement No. 75 and higher housing assistance payments made in the current year compared to previous year.
- The net transfers of \$3,443 are mainly due to construction in progress from governmental activities to buildings for costs incurred by City Capital Fund Program of \$1,290 and County Capital Fund Program of \$663. Other transfers were to cover operating deficits in various funds.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

The following graphs show the breakdown of revenues by source and a comparison of expenses and program revenues for business-type activities.



**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

In the second graph, the variance in the revenues and expenses in Local Housing is primarily due to increased administrative expenses related to the Mortgage Revenue Bond, and City and County COCC

The variance in Public Housing is due to the Public Housing AMPs using prior year resources to cover operating costs in the current year as well as transfers in for management improvement and operating costs from the Capital Fund Program and increased OPEB expenses due to the implementation of GASB Statement No. 75.

The variance in Housing Choice Vouchers is mainly due to the increase of OPEB expense due to the implementation of GASB Statement No. 75.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

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

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

Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. The governmental funds financial statements can be found on pages 31-34 of this report.

The Agency's governmental funds reported combined ending fund balances of \$199,777. There was a net increase of \$1,240 in comparison with the prior year. The major funds listed below are responsible for an increase of \$49 in the combined fund balances and the nonmajor funds are responsible for a \$1,191 increase.

The City HOME fund has a total fund balance of \$2,313, which is restricted for community development. The net decrease in fund balance during the current year was \$558. This decrease is mainly due to an increase in expenditures due to completion of projects.

The County HOME fund has a total fund balance of \$3,526, which is restricted for community development. The net decrease in fund balance during the current year was \$131. This decrease is mainly due to an increase in expenditures due to completion of projects.

The City Housing Successor fund has a total fund balance of \$76,732, which is restricted for housing activities. The net increase in fund balance during the current year was \$656. This increase is mainly due to investment earnings, seller carryback loans made and proceeds from property sales.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

The County Housing Successor fund has a total fund balance of \$16,735, which is restricted for housing activities. The net increase in fund balance during the current year was \$82. This increase is mainly due to unspent investment earnings.

Proprietary funds. The Agency's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail (See Business-type Activities section on page 17).

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Agency's investment in capital assets for its governmental and business-type activities as of December 31, 2018, amounted to \$177,180 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, property and equipment, and construction in progress.

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

	Capital Assets (net of depreciation)						Increase/ (Decrease) Percent of Change
	Governmental Activities		Business-type Activities		Total		
	2018	2017	2018	2017	2018	2017	
Land	\$ 14,956	\$ 16,522	\$ 15,314	\$ 15,606	\$ 30,270	\$ 32,128	-5.78%
Building and improvements	9,152	9,422	128,890	138,451	\$ 138,042	\$ 147,873	-6.65%
Property and equipment	104	181	213	145	\$ 317	\$ 326	-2.76%
Construction in progress	\$ 8,551	7,332	-	-	\$ 8,551	\$ 7,332	16.63%
Total	<u>\$ 32,763</u>	<u>\$ 33,457</u>	<u>\$ 144,417</u>	<u>\$ 154,202</u>	<u>\$ 177,180</u>	<u>\$ 187,659</u>	<u>-5.58%</u>

In addition to the decreases to capital assets mentioned previously, the items below also contributed to the decrease in investment in capital assets under governmental activities of \$694:

- The decrease in land in the governmental activities was due to sales of land that occurred in the City Housing Successor, City CDBG NSP1, and County CDBG NSP 1 funds.
- The decrease in buildings and improvements was due to depreciation.
- The decrease in property and equipment was due to disposals of equipment and machinery.
- Construction in progress increased in both the City Capital Fund and the County Capital Fund Programs. The construction in progress will be transferred to buildings in the Public Housing AMPs when the grants close.

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

In addition to the decrease to capital assets mentioned previously, the items below also contributed to the decrease in investment in capital assets under business-type activities of \$9,785:

- The net decrease in land and buildings and improvements was due to the sale of properties in City AMP 5, demolition of the Twin Rivers project buildings and depreciation expense. Increases to property values were added from governmental activities construction in progress transfers.
- Property and equipment increased due to depreciation expense and acquisition of new printer for Housing Choice Vouchers.

Long-term Debt. At the end of December 31, 2018, the Agency had long-term debt outstanding of \$14,406. This is a net decrease of \$5,013 from the prior year total of \$19,419.

Outstanding Debt

	Governmental Activities		Business-type Activities		Total	
	2018	2017	2018	2017	2018	2017
Notes payable	\$ 11,736	\$ 13,137	\$ 2,245	\$ 2,306	\$ 13,981	\$ 15,443
Pollution remediation	425	3,976	-	-	425	3,976
Total	<u>\$ 12,161</u>	<u>\$ 17,113</u>	<u>\$ 2,245</u>	<u>\$ 2,306</u>	<u>\$ 14,406</u>	<u>\$ 19,419</u>

Governmental activities notes payable decreased by \$1,401 due to scheduled debt service principal payments which reduced the year-end balances.

Pollution remediation obligations decreased by \$3,551 mainly due to a decrease in estimated costs.

Business-type activities notes payable decreased \$61 due to scheduled debt service principal payments which reduced the year-end balances. There were no notes issued in 2018.

Additional information about the Agency's capital assets and total long-term debt is presented in Note III.C. and Note III.F., respectively, to the financial statements on pages 58-59 and 64-69 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

BUDGET SUMMARY

The 2019 Proposed Budget recommends total expenses of \$192.7 million and is comprised of the Housing Assistance Payments (HAP) Budget of \$100.3 million; the Operating Budget of \$45.1 million; the Capital Projects Budget of \$39.3 million; the Public Services Budget of \$5.1 million; and the Debt Service and Financial Transactions Budget of \$2.9 million.

The 2019 Proposed Budget of \$192.7 million represents a \$2.0 million or 1.1 percent increase in net appropriations compared with the prior year. This change in annual budget appropriations is primarily the result of an increase in capital projects related to the Twin Rivers Redevelopment Project.

The Agency's funding sources are independent of the City or County's General Fund. In addition, eighty-four percent of the Agency's funding originates from federal appropriations allocated to HUD. Given the aforementioned factors, it was particularly prudent while preparing the budget to maintain a fiscally conservative approach in the funding outlook.

As with previous year's budgets, the 2019 budget centers on conveying the Mission, Vision & Goals of the Organization, by

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

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

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

Federal Funding Trends:

The **Housing Choice Voucher (HCV)** program provides rental assistance to nearly 2.2 million low income families nationwide to rent privately-owned units in the location of their choosing. In addition to the large number of people served, the HCV program also serves a wide variety of program participants including families, seniors, and persons with disabilities, households displaced

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

by disasters, homeless veterans and children aging out of the foster care system. Both the size of the program and the diverse populations that the program serves make it critical that Congress highly prioritize the HCV program when making funding decisions.

The Housing Authority currently has 12,397 vouchers authorized for leasing each month and the program strives to maintain a leasing level between 98-100% utilization of all vouchers authorized by HUD. The Agency also administers an additional 567 certificates for the Shelter Plus Care (SPC) program serving disabled, homeless individuals and families. The Agency was recently awarded additional Veterans Affairs Supportive Housing (VASH) vouchers to assist homeless veterans bringing the current total to 643 administered by the Housing Authority.

The utilization level of vouchers makes the HCV program eligible for maximum Housing Assistance Payments (HAP) funding from HUD. However, despite being entitled to maximum funding for the program, depending upon federal appropriations, HUD prorates the amount received by each Agency to remain within the parameters of the federal budget.

In 2018, the Agency's HAP eligibility was at 98.8% and staff anticipates a slight decrease in 2019. In addition, HUD intentionally provides less funding than required to cover HAP costs in an effort to recapture accumulated HAP reserves from public housing authorities across the country.

Federal funding for the HCV program is appropriated through two accounts. In addition to the HAP payments that Public Housing Agencies (PHAs) send to landlords on behalf of program participants, Congress also funds the administrative fees to support the operations of the programs. The **HCV Administrative Funding** eligibility is based upon the number of units leased within the Housing Authority's authorized voucher allocation. Once eligibility is determined, HUD uses a formula to determine administrative fees for the Agency. For 2018, the Agency receives \$92.06 per unit for the first 7,200 unit months leased and \$85.92 per unit on all remaining unit months leased. HUD then applies a proration to the formula to reduce fees paid so that the administrative fees paid to the housing authorities match the appropriations provided by Congress. In 2017, the proration was 77.5% of administrative funding eligibility. This proration was increased to 80% of administrative funding eligibility in 2018. The Agency expects funding in 2019 to remain the same given the wide array of levels proposed the administration and Congress.

It is noteworthy that in FY 2016, Congress fully funded the HAP payments; however the administrative fee funding to reimburse PHAs for the costs they incurred has fallen to inadequate levels. In the summer of 2015, HUD published the HCV Program Administrative Fee Study which among other things supported evidence that the administrative fee funding does not consider all potential costs and as a result has forced PHAs to lay off staff, enact hiring freezes and strained PHAs' ability to remain in compliance with the myriad of HUD regulations. In addition the low funding levels have consequences for the low-income families that are being served including a reduction in the level of services provided.

Public Housing Agencies own and operate over 1.1 million units of federally subsidized public housing, providing affordable housing to families, the elderly, disabled persons, and veterans on a national level. Although the public housing inventory is an integral component of our nation's

**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

infrastructure, chronic underfunding of the Public Housing Capital and Operating Funds, coupled with burdensome over-regulation, has placed the inventory at risk. The public housing inventory faces a mounting capital needs backlog, but Capital Fund appropriations continue to lag dangerously behind accruing modernization needs. At the same time, funding for operations has endured deep cuts, forcing PHAs to forego critical maintenance functions and further jeopardizing the long term sustainability of many properties. Each year PHAs receive funding that is significantly less than what is needed to address the old and newly occurring physical needs at the properties.

HUD provides an annual **Operating Subsidy** to pay the cost of the Public Housing Program not covered by tenant rents which is appropriated annually through the federal budget process and in recent years has been very erratic. In 2018, the program was funded at 93% of funding eligibility, meaning that the program received only 93% of what HUD believes the Agency needs to run the program. This requires that the Public Housing Program cut operating costs whenever possible and utilize operating reserves. The slight revenue decline reflected in the 2019 budget is based upon federal budget projections.

Between 2003 and 2015, HUD funding for SHRA's **Capital Fund Program (CFP)** decreased 36%, with the sharpest decrease in 2011 of 21%. 2019 HUD funding for the CFP is expected to decrease slightly from the 2018 level.

In spite of the **Community Development Block Grant (CDBG)** program's proven track record, CDBG funding has declined by 25% on a national level from FY 2010 to FY 2016, even before adjusting for inflation.

On a local level, the decrease in appropriations of Federal programs such as Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) since the 2013 sequestration have impacted the number of housing projects, public services and infrastructure improvements the Agency can fund. For 2019, it is anticipated that Agency programs will be funded at levels similar to 2018.

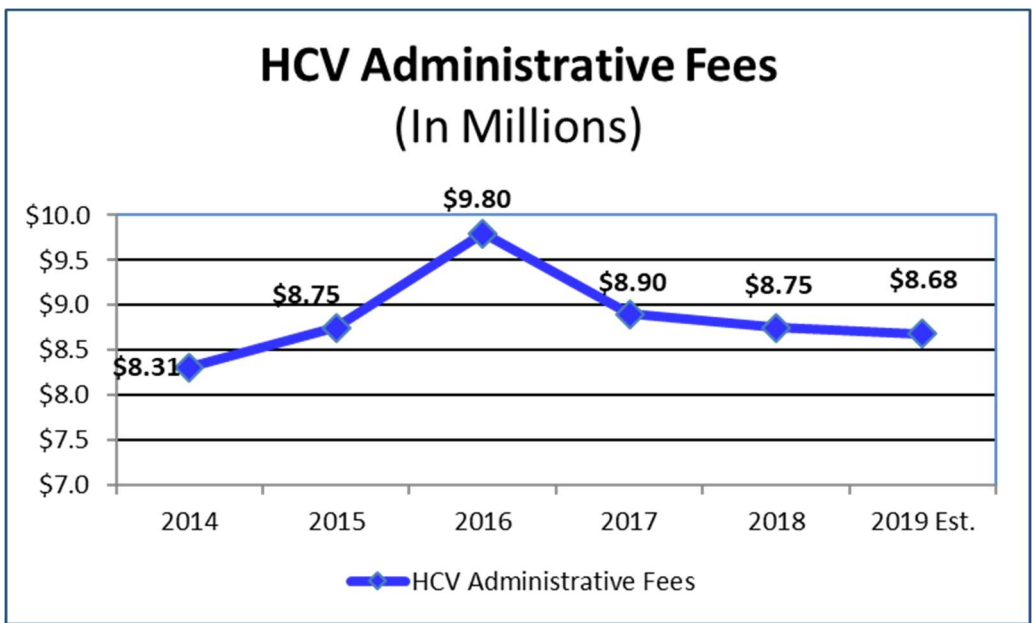
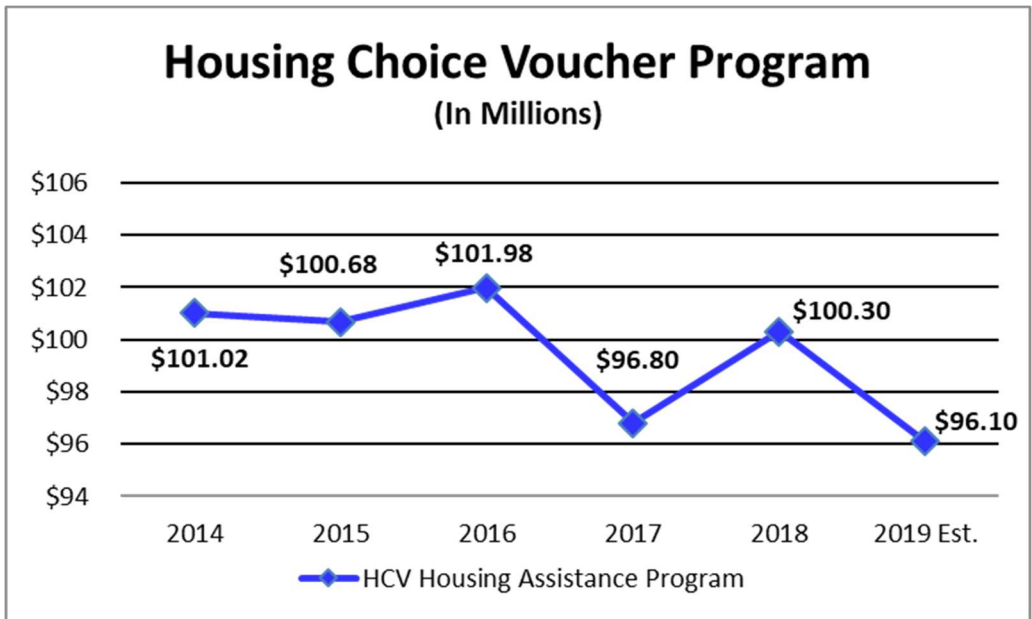
For over 20 years HOME funds have been used by states and localities to design and implement affordable housing based on locally determined need as the funds can be used for new construction, rehab of existing housing, down payment assistance, and tenant-based rental assistance. The annual HUD HOME budget 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. As with CDBG funding, appropriations for HOME funds have declined significantly since 2010. Funding improved slightly in 2016 and the 2019 levels are projected to be relatively status quo with 2018 levels.

In conclusion, in 2014, the opening of the HCV waitlist resulted in over 46,000 applications in a two week period. Currently the Agency has over 33,000+ families on five different wait lists for tenant and project based vouchers and 46,000+ families on six different wait lists for public housing. Housing statistics such as these underscore the continued need for affordable housing opportunities in the Sacramento region.

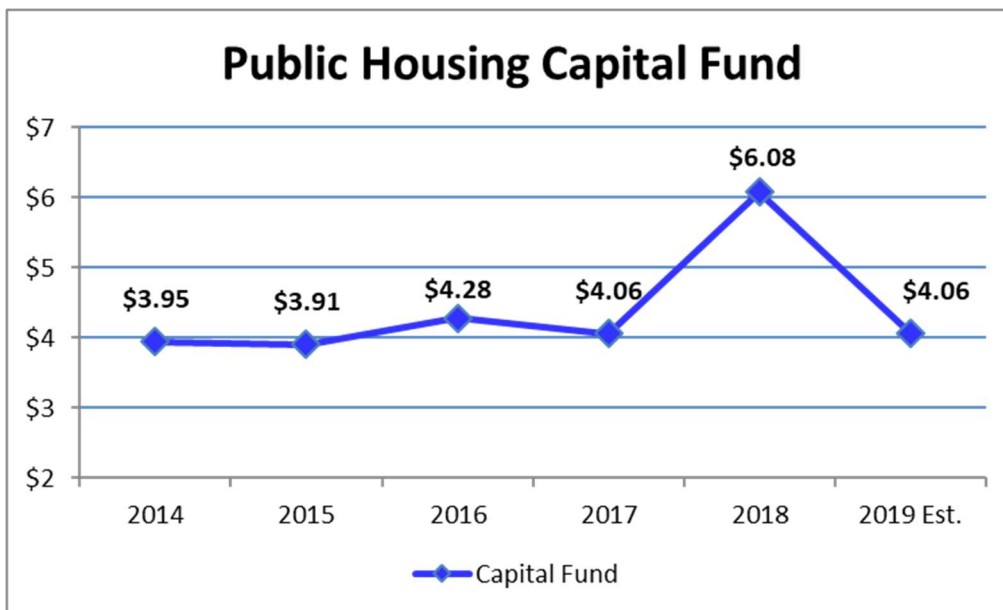
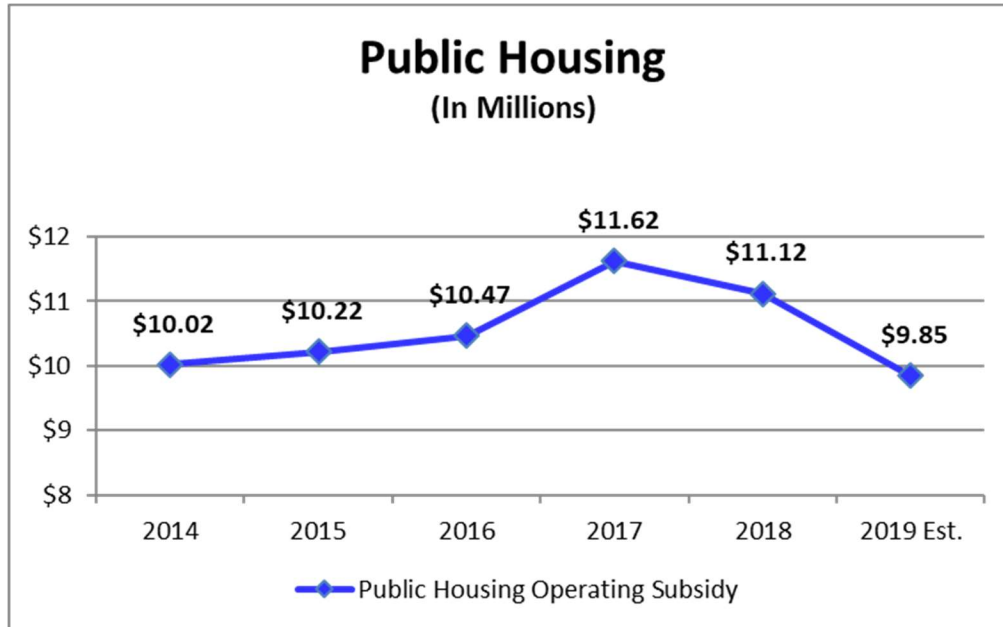
**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

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

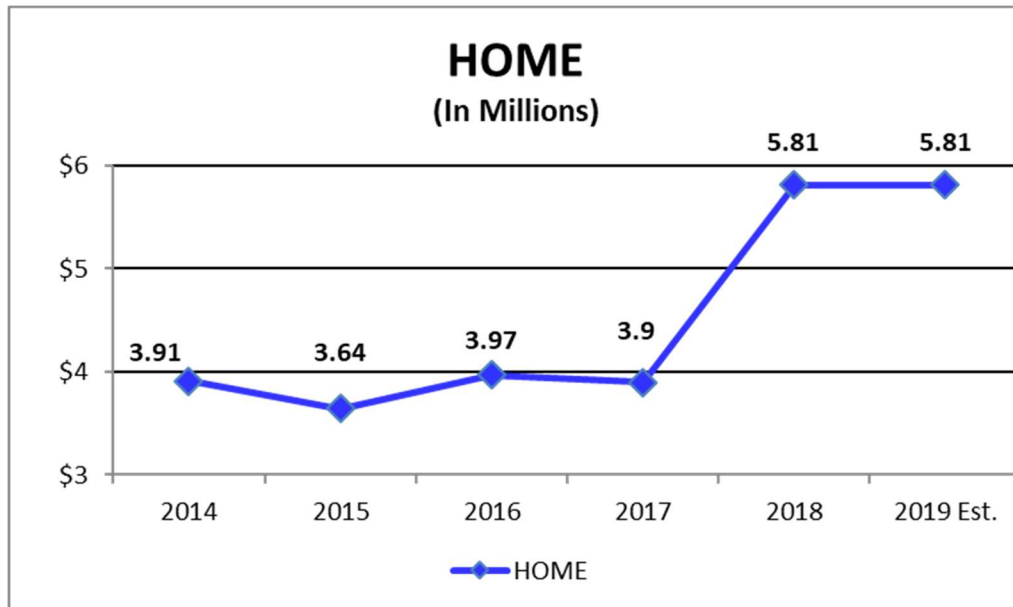
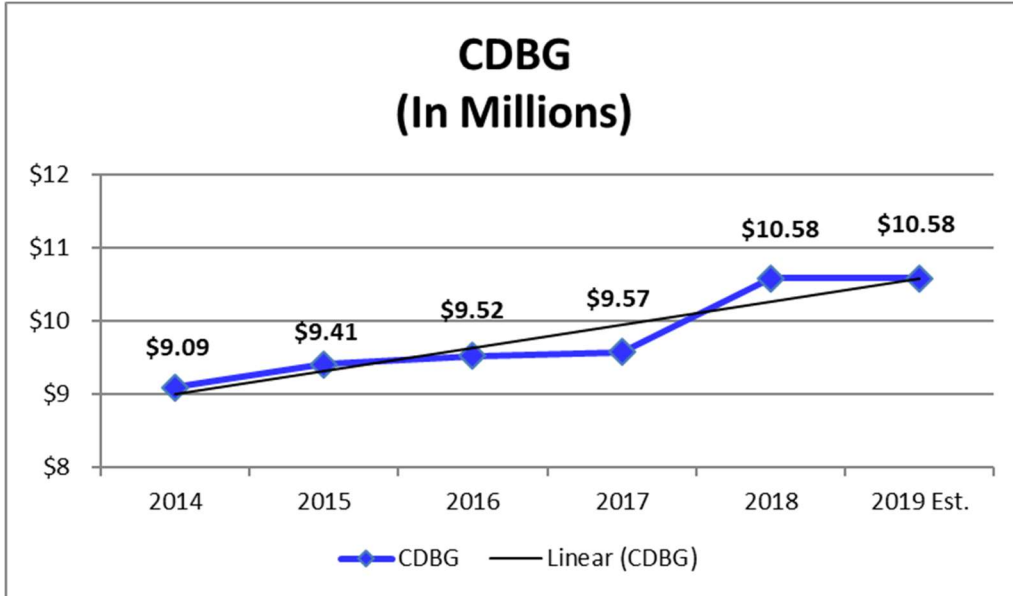
The charts on the following pages provide a visual representation of the trends of the major federal funding administered by the Agency over the past several years and as notated above.



**Sacramento Housing and Redevelopment Agency
 Management's Discussion and Analysis (Continued)
 For the Year Ended December 31, 2018
 (dollar amounts expressed in thousands)**



**Sacramento Housing and Redevelopment Agency
 Management's Discussion and Analysis (Continued)
 For the Year Ended December 31, 2018
 (dollar amounts expressed in thousands)**



**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis *(Continued)*
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)**

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

REQUESTS FOR INFORMATION

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

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*Basic
Financial
Statements*

Sacramento Housing and Redevelopment Agency
Statement of Net Position
December 31, 2018
(amounts expressed in thousands)

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 64,121	\$ 26,417	\$ 90,538	\$ 2,030
Receivables (net)	16,044	610	16,654	176
Internal balances	(13,668)	13,668	-	-
Prepaid items	191	1	192	42
Restricted cash and investments	631	3,762	4,393	286
Assets held for resale	3,681	-	3,681	-
Other long-term assets	-	5,661	5,661	1,596
Notes receivable (net)	302,625	30,887	333,512	1,506
Advances to component units	-	1,455	1,455	-
Advances to primary government	-	-	-	1,000
Capital assets:				
Land and construction in progress	23,507	15,314	38,821	2,981
Depreciable buildings and improvements, and property and equipment, net	9,256	129,103	138,359	10,227
Total assets	<u>406,388</u>	<u>226,878</u>	<u>633,266</u>	<u>19,844</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows- Pension	1,063	1,360	2,423	19
Deferred Outflows- OPEB	772	987	1,759	14
Total deferred outflows of resources	<u>1,835</u>	<u>2,347</u>	<u>4,182</u>	<u>33</u>
LIABILITIES				
Accounts payable and accrued liabilities	6,659	772	7,431	342
Interest payable	80	-	80	-
Unearned revenue	329	187	516	13
Deposit and trust liability	77	2,956	3,033	210
Advances from component units	1,000	-	1,000	-
Advances from primary government	-	-	-	1,455
Long-term liabilities:				
Due within one year	3,034	66	3,100	1,794
Due in more than one year	11,970	2,179	14,149	4,871
Net pension liability	19,250	24,639	43,889	347
Net OPEB liability	2,147	2,747	4,894	39
Total liabilities	<u>44,546</u>	<u>33,546</u>	<u>78,092</u>	<u>9,071</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows- Pension	187	239	426	3
Deferred Inflows- OPEB	379	484	863	7
Total deferred inflows of resources	<u>566</u>	<u>723</u>	<u>1,289</u>	<u>10</u>
NET POSITION				
Net investment in capital assets	24,937	142,172	167,109	8,887
Restricted for:				
Debt service	555	200	755	-
Housing	181,025	210	181,235	200
Housing choice vouchers	-	396	396	-
Community development	179,621	-	179,621	-
Community services	2,769	-	2,769	-
Unrestricted	(25,796)	51,978	26,182	1,709
Total net position	<u>\$ 363,111</u>	<u>\$ 194,956</u>	<u>\$ 558,067</u>	<u>\$ 10,796</u>

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

Sacramento Housing and Redevelopment Agency
Statement of Activities
For the Year Ended December 31, 2018
(amounts expressed in thousands)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
Housing operations	\$ 10,417	\$ 893	\$ 13,086	\$ 6,271	\$ 9,833
Community development	23,656	4	23,457	-	(195)
Community social services	6,853	999	6,381	-	527
Interest expense	632	-	-	-	(632)
Total governmental activities	<u>41,558</u>	<u>1,896</u>	<u>42,924</u>	<u>6,271</u>	<u>9,533</u>
Business-type activities:					
Local housing	8,999	4,009	1,044	-	(3,946)
Public housing	29,749	7,949	11,300	-	(10,500)
Housing choice vouchers	113,644	-	110,144	-	(3,500)
Total business-type activities	<u>152,392</u>	<u>11,958</u>	<u>122,488</u>	<u>-</u>	<u>(17,946)</u>
Total primary government	<u>\$ 193,950</u>	<u>\$ 13,854</u>	<u>\$ 165,412</u>	<u>\$ 6,271</u>	<u>\$ (8,413)</u>
Component units:					
Local housing	<u>\$ 2,851</u>	<u>\$ 1,369</u>	<u>\$ 193</u>	<u>\$ -</u>	<u>\$ (1,289)</u>

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Net revenue (expense)	\$ 9,533	\$ (17,946)	\$ (8,413)	\$ (1,289)
General revenues:				
Investment earnings	3,009	1,693	4,702	92
Miscellaneous	5,618	1,117	6,735	189
Transfers, net	(3,443)	3,443	-	-
Total general revenue and transfers	<u>5,184</u>	<u>6,253</u>	<u>11,437</u>	<u>281</u>
Change in net position	14,717	(11,693)	3,024	(1,008)
Net position - beginning, as restated	348,394	206,649	555,043	11,804
Net position - ending	<u>\$ 363,111</u>	<u>\$ 194,956</u>	<u>\$ 558,067</u>	<u>\$ 10,796</u>

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

Sacramento Housing and Redevelopment Agency
Balance Sheet
Governmental Funds
December 31, 2018
(amounts expressed in thousands)

	City HOME	County HOME	City Housing Successor	County Housing Successor	Other Governmental Funds	Total Governmental Funds
Assets						
Cash and investments	\$ 1,928	\$ 3,049	\$ 16,457	\$ 867	\$ 34,619	\$ 56,920
Accounts receivable (net)	13	91	292	-	270	666
Due from other funds	-	-	-	-	399	399
Due from other governments	784	4,305	-	-	10,286	15,375
Notes receivable (net)	53,876	62,898	59,814	15,868	110,119	302,575
Advances to other funds	-	-	170	-	1,629	1,799
Restricted cash and investments	-	-	33	-	47	80
Assets held for resale	-	-	-	-	3,681	3,681
Total assets	<u>\$ 56,601</u>	<u>\$ 70,343</u>	<u>\$ 76,766</u>	<u>\$ 16,735</u>	<u>\$ 161,050</u>	<u>\$ 381,495</u>
Liabilities						
Accounts payable	\$ 160	\$ 3,918	\$ 1	\$ -	\$ 1,581	\$ 5,660
Accrued liabilities	1	1	-	-	7	9
Contracts payable	-	-	-	-	220	220
Due to other funds	-	-	-	-	5,741	5,741
Due to other governments	-	-	-	-	183	183
Unearned revenue	-	-	-	-	329	329
Deposit and trust liability	-	-	33	-	44	77
Advances from other funds	-	-	-	-	10,469	10,469
Total liabilities	<u>161</u>	<u>3,919</u>	<u>34</u>	<u>-</u>	<u>18,574</u>	<u>22,688</u>
Deferred Inflows of Resources						
Unavailable revenue	<u>54,127</u>	<u>62,898</u>	<u>-</u>	<u>-</u>	<u>42,005</u>	<u>159,030</u>
Fund Balances (Deficits)						
Restricted for:						
Debt service	-	-	-	-	3	3
Housing	-	-	76,732	16,735	87,558	181,025
Community development	2,313	3,526	-	-	14,752	20,591
Community services	-	-	-	-	2,822	2,822
Unassigned	-	-	-	-	(4,664)	(4,664)
Total fund balances	<u>2,313</u>	<u>3,526</u>	<u>76,732</u>	<u>16,735</u>	<u>100,471</u>	<u>199,777</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 56,601</u>	<u>\$ 70,343</u>	<u>\$ 76,766</u>	<u>\$ 16,735</u>	<u>\$ 161,050</u>	<u>\$ 381,495</u>

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

Sacramento Housing and Redevelopment Agency
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2018
(amounts expressed in thousands)

Total fund balances of governmental funds (page 31)		\$ 199,777
Amounts reported for governmental activities in the statement of net position are different because:		
Long-term assets that are not available to be received within the current financial resources period and therefore, are considered deferred inflows of resources in governmental funds.		159,030
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 22,097	
Less: accumulated depreciation	<u>(297)</u>	
		21,800
Internal service funds are used by management to charge the costs of administration to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.		
		(5,653)
Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Interest payable		(80)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Notes payable	\$ (11,736)	
Net pension liability	(19,250)	
Net OPEB	(2,147)	
Deferred outflows of resources	1,835	
Deferred inflows of resources	(566)	
Pollution remediation payable	(425)	
Compensated absences	(2,843)	
Less internal service funds:		
Notes payable	7,827	
Net pension liability	12,145	
Net OPEB	1,355	
Deferred outflows of resources	(1,158)	
Deferred inflows of resources	357	
Compensated absences	<u>2,843</u>	
		<u>(11,763)</u>
Net position of governmental activities (page 29)		<u><u>\$ 363,111</u></u>

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

Sacramento Housing and Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>City HOME</u>	<u>County HOME</u>	<u>City Housing Successor</u>	<u>County Housing Successor</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
Intergovernmental	\$ 1,434	\$ 4,485	\$ 866	\$ 296	\$ 31,445	\$ 38,526
Charges for services	-	-	150	150	1,596	1,896
Investment earnings	462	634	586	32	1,284	2,998
Miscellaneous	977	790	107	-	3,646	5,520
Total revenues	<u>2,873</u>	<u>5,909</u>	<u>1,709</u>	<u>478</u>	<u>37,971</u>	<u>48,940</u>
Expenditures:						
Current:						
Housing operations	-	-	881	396	10,658	11,935
Community development	3,431	6,040	203	-	13,838	23,512
Community social services	-	-	-	-	6,832	6,832
Capital outlay	-	-	-	-	3,173	3,173
Debt service:						
Principal retirement	-	-	284	-	495	779
Interest	-	-	185	-	43	228
Total expenditures	<u>3,431</u>	<u>6,040</u>	<u>1,553</u>	<u>396</u>	<u>35,039</u>	<u>46,459</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(558)</u>	<u>(131)</u>	<u>156</u>	<u>82</u>	<u>2,932</u>	<u>2,481</u>
Other financing sources (uses):						
Proceeds from sale of capital assets	-	-	500	-	-	500
Transfers in	-	-	-	-	377	377
Transfers out	-	-	-	-	(2,118)	(2,118)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>500</u>	<u>-</u>	<u>(1,741)</u>	<u>(1,241)</u>
Net change in fund balances	(558)	(131)	656	82	1,191	1,240
Fund balances, beginning, as restated	2,871	3,657	76,076	16,653	99,280	198,537
Fund balances, ending	<u>\$ 2,313</u>	<u>\$ 3,526</u>	<u>\$ 76,732</u>	<u>\$ 16,735</u>	<u>\$ 100,471</u>	<u>\$ 199,777</u>

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

**Sacramento Housing and Redevelopment Agency
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

Net change in fund balances - total governmental funds (page 33) \$ 1,240

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:

Capital outlay	\$ 3,173	
Depreciation expense	(16)	
		3,157

In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds received from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of the capital assets disposed of or sold. (1,542)

The issuance of long-term debt (i.e., notes) provides current financial resources in the governmental funds, while the repayment of the principal on long-term debt is an expenditure in the governmental funds. However, those transactions reduce long-term liabilities in the statement of net position:

Principal repayments on long-term debt - notes payable	779
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The Agency has recorded an obligation and corresponding expense for pollution remediation activities which does not require the use of current financial resources, and therefore, is not reported as an expenditure in governmental funds. 3,551

A reduction in interest payable reported in the statement of activities does not provide or use current financial resources, and therefore, is not reported as a reduction in expenditures in governmental funds. 19

Unavailable revenues not available to liquidate liabilities of the current period in governmental funds, but were recognized as revenue in the statement of activities. 10,669

Internal service funds are used by management to charge the costs of certain activities, such as administration to individual funds. The net expense of the internal service funds is reported with the governmental activities. 12

Net pension activity (1,262)

Net OPEB activity 180

Change in net position of governmental activities (page 30) \$ 14,717

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

Sacramento Housing and Redevelopment Agency
Statement of Net Position
Proprietary Funds
December 31, 2018
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	County Housing Choice Vouchers	Other Enterprise Funds	Total	
Assets				
Current assets:				
Cash and investments	\$ 3,177	\$ 23,240	\$ 26,417	\$ 7,201
Restricted cash and investments	303	2,653	2,956	-
Accounts receivable (net)	136	474	610	3
Due from other funds	-	5,678	5,678	344
Prepaid items	-	1	1	191
Total current assets	<u>3,616</u>	<u>32,046</u>	<u>35,662</u>	<u>7,739</u>
Noncurrent assets:				
Restricted cash and investments	396	410	806	551
Other long-term assets	-	5,661	5,661	-
Notes receivable (net)	-	30,887	30,887	50
Advances to other funds	-	10,299	10,299	-
Advances to component units	-	1,455	1,455	-
Total noncurrent assets	<u>396</u>	<u>48,712</u>	<u>49,108</u>	<u>601</u>
Capital assets:				
Land	-	15,314	15,314	2,040
Buildings and improvements	-	251,704	251,704	11,675
Property and equipment	55	1,212	1,267	629
Less accumulated depreciation	(49)	(123,819)	(123,868)	(3,381)
Total capital assets (net of accumulated depreciation)	<u>6</u>	<u>144,411</u>	<u>144,417</u>	<u>10,963</u>
Total noncurrent assets	<u>402</u>	<u>193,123</u>	<u>193,525</u>	<u>11,564</u>
Total assets	<u>4,018</u>	<u>225,169</u>	<u>229,187</u>	<u>19,303</u>
Deferred Outflows of Resources				
Deferred Outflows- Pension	609	751	1,360	671
Deferred Outflows-OPEB	442	545	987	487
Total deferred outflows of resources	<u>1,051</u>	<u>1,296</u>	<u>2,347</u>	<u>1,158</u>
Liabilities				
Current liabilities:				
Accounts payable	37	631	668	257
Accrued liabilities	6	98	104	330
Due to other funds	-	680	680	-
Compensated absences	-	-	-	1,778
Unearned revenue	33	154	187	-
Current portion of long-term debt	-	66	66	655
Current liabilities payable from restricted assets:				
Deposit and trust liability	303	2,653	2,956	-
Total current liabilities	<u>379</u>	<u>4,282</u>	<u>4,661</u>	<u>3,020</u>
Noncurrent liabilities:				
Compensated absences	-	-	-	1,065
Mortgage notes payable	-	2,179	2,179	7,172
Advances from other funds	-	1,629	1,629	-
Advances from primary government	-	-	-	1,000
Net pension liability	11,018	13,621	24,639	12,145
Net OPEB liability	1,229	1,518	2,747	1,355
Total noncurrent liabilities	<u>12,247</u>	<u>18,947</u>	<u>31,194</u>	<u>22,737</u>
Total liabilities	<u>12,626</u>	<u>23,229</u>	<u>35,855</u>	<u>25,757</u>
Deferred Inflows of Resources				
Deferred Inflows- Pension	107	132	239	118
Deferred Inflows- OPEB	217	267	484	239
Total deferred inflows of resources	<u>324</u>	<u>399</u>	<u>723</u>	<u>357</u>
Net Position				
Net investment in capital assets	6	142,166	142,172	3,137
Restricted for debt service	-	200	200	552
Restricted for housing operations	-	210	210	-
Restricted for housing choice vouchers	396	-	396	-
Unrestricted	(8,283)	60,261	51,978	(9,342)
Total net position	<u>\$ (7,881)</u>	<u>\$ 202,837</u>	<u>\$ 194,956</u>	<u>\$ (5,653)</u>

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

Sacramento Housing and Redevelopment Agency
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds				Governmental Activities- Internal Service Funds
	County Housing Choice Vouchers	Other Enterprise Funds	Eliminations	Total	
Operating revenues:					
Charges for services	\$ -	\$ 18,658	\$ (6,700)	\$ 11,958	\$ 11,290
Miscellaneous	1	1,116	-	1,117	98
Total operating revenues	<u>1</u>	<u>19,774</u>	<u>(6,700)</u>	<u>13,075</u>	<u>11,388</u>
Operating expenses:					
Employee services	7,720	7,007	-	14,727	8,100
Administrative services	2,891	11,648	(6,700)	7,839	-
Services and supplies	2,265	11,698	-	13,963	2,834
Utilities	-	3,385	-	3,385	105
Claims and judgments	-	7	-	7	-
Depreciation	-	6,550	-	6,550	309
Housing assistance payments	100,768	94	-	100,862	-
Total operating expenses	<u>113,644</u>	<u>40,389</u>	<u>(6,700)</u>	<u>147,333</u>	<u>11,348</u>
Operating gain (loss)	<u>(113,643)</u>	<u>(20,615)</u>	<u>-</u>	<u>(134,258)</u>	<u>40</u>
Nonoperating revenues (expenses):					
Intergovernmental	110,144	12,344	-	122,488	-
Investment earnings	70	1,623	-	1,693	11
Interest expense	-	(17)	-	(17)	(423)
Loss on disposal of capital assets	-	(5,042)	-	(5,042)	-
Total nonoperating revenues (expenses)	<u>110,214</u>	<u>8,908</u>	<u>-</u>	<u>119,122</u>	<u>(412)</u>
Loss before capital contributions, and transfers	<u>(3,429)</u>	<u>(11,707)</u>	<u>-</u>	<u>(15,136)</u>	<u>(372)</u>
Capital contributions	-	2,086	-	2,086	-
Transfers in	24	2,454	-	2,478	1,172
Transfers out	-	(1,121)	-	(1,121)	(788)
Change in net position	<u>(3,405)</u>	<u>(8,288)</u>	<u>-</u>	<u>(11,693)</u>	<u>12</u>
Net position, beginning, as restated	<u>(4,476)</u>	<u>211,125</u>	<u>-</u>	<u>206,649</u>	<u>(5,665)</u>
Net position, ending	<u>\$ (7,881)</u>	<u>\$ 202,837</u>	<u>\$ -</u>	<u>\$ 194,956</u>	<u>\$ (5,653)</u>

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

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	Business-type Activities-Enterprise Funds			Governmental Activities- Internal Service Funds
	County Housing Choice Vouchers	Other Enterprise Funds	Total	
Cash flows from operating activities:				
Cash receipts from tenants	\$ 176	\$ 17,333	\$ 17,509	\$ -
Cash receipts from interfund services provided	-	-	-	11,065
Cash paid to tenants	96	(69)	27	-
Cash paid to suppliers for goods and services	(2,283)	(14,874)	(17,157)	(2,894)
Cash paid to employees for services	(5,554)	(7,750)	(13,304)	(7,189)
Cash paid for administrative expense	(2,891)	(11,648)	(14,539)	-
Cash paid for housing assistance payment	(100,768)	(96)	(100,864)	-
Cash paid for claims and judgment	-	(7)	(7)	-
Net cash provided by (used in) operating activities	<u>(111,224)</u>	<u>(17,111)</u>	<u>(128,335)</u>	<u>982</u>
Cash flows from noncapital financing activities:				
Transfers in	24	2,454	2,478	1,172
Transfers out	-	(1,121)	(1,121)	(788)
Intergovernmental revenue received	110,144	12,372	122,516	-
Net cash provided by noncapital financing activities	<u>110,168</u>	<u>13,705</u>	<u>123,873</u>	<u>384</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(6)	(3)	(9)	(86)
Payments on long-term liabilities	-	(61)	(61)	(622)
Interest paid	-	(17)	(17)	(423)
Net cash used in capital and related financing activities	<u>(6)</u>	<u>(81)</u>	<u>(87)</u>	<u>(1,131)</u>
Cash flows from investing activities:				
Payments received on notes receivable	-	292	292	28
Interest received	70	614	684	11
Net cash provided by investing activities	<u>70</u>	<u>906</u>	<u>976</u>	<u>39</u>
Net increase (decrease) in cash and cash equivalents	(992)	(2,581)	(3,573)	274
Cash and cash equivalents, beginning	<u>4,868</u>	<u>28,884</u>	<u>33,752</u>	<u>7,478</u>
Cash and cash equivalents, ending	<u>\$ 3,876</u>	<u>\$ 26,303</u>	<u>\$ 30,179</u>	<u>\$ 7,752</u>
Reconciliation of cash and cash equivalents to the statement of net position:				
Cash and investments	\$ 3,177	\$ 23,240	\$ 26,417	\$ 7,201
Restricted cash and investments	<u>699</u>	<u>3,063</u>	<u>3,762</u>	<u>551</u>
Total	<u>\$ 3,876</u>	<u>\$ 26,303</u>	<u>\$ 30,179</u>	<u>\$ 7,752</u>

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

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Business-type Activities-Enterprise Funds</u>			<u>Governmental Activities- Internal Service Funds</u>
	<u>County Housing Choice Vouchers</u>	<u>Other Enterprise Funds</u>	<u>Total</u>	
Reconciliation of operating loss to net cash used in operating activities:				
Operating gain (loss)	\$ (113,643)	\$ (20,615)	\$ (134,258)	\$ 40
Adjustments to reconcile operating loss to net cash used in operating activities:				
Depreciation	-	6,550	6,550	309
Change in assets and liabilities:				
Accounts receivable	175	(38)	137	(3)
Due from other funds	-	(2,431)	(2,431)	(284)
Prepaid items	-	1	1	(32)
Accounts payable	(18)	115	97	41
Accrued liabilities	5	54	59	(73)
Due to other funds	-	92	92	-
Unearned revenue	-	53	53	-
Deposit and trust liability	96	(94)	2	-
Compensated absences	-	-	-	(148)
Net Pension Liability	1,501	(2,321)	(820)	(16)
Net Pension Liability and Related Deferred Inflows	78	93	171	84
Net Pension Liability and Related Deferred Outflows	861	1,774	2,635	1,371
Net OPEB Liability	(449)	(553)	(1,002)	(495)
Net OPEB Liability and Related Deferred Inflows	217	267	484	239
Net OPEB Liability and Related Deferred Outflows	(47)	(58)	(105)	(51)
Total adjustments	<u>2,419</u>	<u>3,504</u>	<u>5,923</u>	<u>942</u>
Net cash provided by (used in) operating activities	<u>\$ (111,224)</u>	<u>\$ (17,111)</u>	<u>\$ (128,335)</u>	<u>\$ 982</u>
Noncash Investing, Capital and Financing Activities:				
Capital assets transferred from governmental funds	\$ -	\$ 2,086	\$ 2,086	\$ -
Accrued interest on Note receivable	-	1,009	1,009	-

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

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Component Units
December 31, 2018
(amounts expressed in thousands)

	Sacramento Housing Development Corporation	Shasta Hotel Corporation	Norwood Avenue Housing Corporation	Sacramento Housing Authority Repositioning Program, Inc.	Total Component Units
ASSETS					
Cash and investments	\$ 157	\$ 3	\$ 495	\$ 1,375	\$ 2,030
Receivables (net)	5	13	-	158	176
Prepaid items	-	39	-	3	42
Restricted cash and investments	260	21	-	5	286
Other long-term assets	-	-	1,342	254	1,596
Notes receivable (net)	-	-	-	1,506	1,506
Advances to primary government	1,000	-	-	-	1,000
Capital assets:					
Land and construction in progress	-	-	2,552	429	2,981
Depreciable buildings and improvements, and property and equipment, net	7,263	573	74	2,317	10,227
Total assets	<u>8,685</u>	<u>649</u>	<u>4,463</u>	<u>6,047</u>	<u>19,844</u>
Deferred Outflows of Resources					
Deferred Outflows- Pension	19	-	-	-	19
Deferred Outflows-OPEB	14	-	-	-	14
Total deferred outflows of resources	<u>33</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33</u>
LIABILITIES					
Accounts payable and accrued liabilities	31	170	137	4	342
Unearned revenue	11	2	-	-	13
Deposit and trust liability	60	144	-	6	210
Advances from primary government	-	-	1,455	-	1,455
Long-term liabilities:					
Due within one year	1,773	-	-	21	1,794
Due in more than one year	-	3,504	-	1,367	4,871
Net pension liability	347	-	-	-	347
Net OPEB liability	39	-	-	-	39
Total liabilities	<u>2,261</u>	<u>3,820</u>	<u>1,592</u>	<u>1,398</u>	<u>9,071</u>
Deferred Inflows of Resources					
Deferred Inflows- Pension	3	-	-	-	3
Deferred Inflows- OPEB	7	-	-	-	7
Total deferred inflows of resources	<u>10</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10</u>
Net Position					
Net investment in capital assets	6,330	(1,427)	2,626	1,358	8,887
Restricted for:					
Housing	200	-	-	-	200
Unrestricted (deficit)	(83)	(1,744)	245	3,291	1,709
Total net position (deficit)	<u>\$ 6,447</u>	<u>\$ (3,171)</u>	<u>\$ 2,871</u>	<u>\$ 4,649</u>	<u>\$ 10,796</u>

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

Sacramento Housing and Redevelopment Agency
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2018
(amounts expressed in thousands)

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Business-type activities:					
Sacramento Housing Development Corporation					
Local Housing	\$ 1,328	\$ 635	\$ 143	\$ -	\$ (550)
Shasta Hotel Corporation					
Local Housing	997	543	50	-	(404)
Norwood Avenue Housing Corporation					
Local Housing	126	-	-	-	(126)
Sacramento Housing Authority Repositioning Program, Inc.					
Local Housing	400	191	-	-	(209)
Total component units	<u>\$ 2,851</u>	<u>\$ 1,369</u>	<u>\$ 193</u>	<u>\$ -</u>	<u>\$ (1,289)</u>

	<u>Sacramento Housing Development Corporation</u>	<u>Shasta Hotel Corporation</u>	<u>Norwood Avenue Housing Corporation</u>	<u>Sacramento Housing Authority Repositioning Program, Inc.</u>	<u>Total Component Units</u>
Change in net position:					
Net expense (revenue)	\$ (550)	\$ (404)	\$ (126)	\$ (209)	\$ (1,289)
General revenues:					
Investment earnings	4	-	-	88	92
Miscellaneous	1	2	186	-	189
Total general revenues	<u>5</u>	<u>2</u>	<u>186</u>	<u>88</u>	<u>281</u>
Change in net position	(545)	(402)	60	(121)	(1,008)
Net position (deficits) - beginning, as restated	6,992	(2,769)	2,811	4,770	11,804
Net position (deficits)- ending	<u>\$ 6,447</u>	<u>\$ (3,171)</u>	<u>\$ 2,871</u>	<u>\$ 4,649</u>	<u>\$ 10,796</u>

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

*Notes to the Basic
Financial Statements*

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

The Agency has defined its reporting entity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus*, which provides guidance for determining which governmental activities, organizations, and functions should be included in its reporting entity. The Agency also has adopted GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. For financial reporting purposes, this statement amends the blending requirements for the presentation of component units of all state and local governments. The component units discussed in the following paragraphs are included in the Agency's reporting entity because of the significance of their operational or financial relationships with the Agency. Blended component units, although legally separate entities are, in substance, part of the government's operations. The discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the Agency. Complete financial statements of individual component units can be obtained from the Finance Department of the Agency.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

Blended Component Unit

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

Discretely Presented Component Units

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

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

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

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

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

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

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

Since the Agency (1) appoints the entire voting members of the Corporation's board of directors; (2) can impose its will on the Corporation by significantly influencing its programs, activities, and levels of service provided by the Corporation; (3) does not have substantively the same governing body; and (4) the Corporation does not entirely or exclusively provide services to the Agency, nor entirely benefitting the Agency, the Corporation is considered a discrete component unit of the Agency.

B. New Pronouncement

For the year ended December 31, 2018, the Agency adopted the provisions of GASB Statement No. 75, *Accounting and Financial reporting for Post- Employment Benefits Other Than Pension*. Statement 75 established new accounting and financial reporting requirements for governments whose employees are provided with OPEB, as well as for certain nonemployer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other agencies. The provisions in Statement 75 are effective for fiscal years beginning after June 15, 2017. The applicable provisions were implemented January 1, 2018 and as a result the Agency has restated beginning net position for certain funds. See below for the cumulative effect of the accounting change in connection with the implementation of GASB 75 as of January 1, 2018:

Governmental Activities:	
Net Position - January 1, 2018, As Previously Reported	\$ 358,726
Restatement:	
Recognize beginning balance of net OPEB Liability and related deferred inflows and outflows for initial year of GASB 75 Implementation	(10,532)
Correction of error - to record loans receivable missed in a prior period	<u>200</u>
Net Position - January 1, 2018, As Restated	<u>\$ 348,394</u>
Business Activities:	
Net Position - January 1, 2018, As Previously Reported	\$ 209,516
Restatement:	
Recognize beginning balance of net OPEB Liability and related deferred inflows and outflows for initial year of GASB 75 Implementation	<u>(2,867)</u>
Net Position - January 1, 2018, As Restated	<u>\$ 206,649</u>
Discretely Presented Component Units:	
Net Position - January 1, 2018, As Previously Reported	\$ 11,845
Restatement:	
Recognize beginning balance of net OPEB Liability and related deferred inflows and outflows for initial year of GASB 75 Implementation	<u>(41)</u>
Net Position - January 1, 2018, As Restated	<u>\$ 11,804</u>

C. Future Implementation of GASB Pronouncements

The Agency is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB statements:

In November 2016, the GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. This statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. This statement establishes criteria in determining the timing and pattern of recognition of a liability and a corresponding deferred outflow of resources for AROs and requires that recognition occur when the liability is both incurred and reasonably estimable. The requirements of this statement are effective for the Agency's year ending December 31, 2019.

In June 2017, GASB issued Statement No. 87, *Leases*. This statement is to recognize in the financial statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for the Agency's year ending December 31, 2020.

In March 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. This Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. The requirements of this statement are effective for the Agency's year ending December 31, 2019.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital Assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. The provisions in Statement 89 are effective for fiscal years beginning after December 15, 2019.

In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests – An amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in a legally separate organization and improve the relevance of financial statement information for certain component units. The provisions in statement 90 are effective for fiscal years beginning after December 15, 2018.

In May 2019, the GASB issued Statement No. 91, *Conduit Debt Obligations*. The objectives for this statement is to better meet the information needs of financial statement users by enhancing the comparability and consistency of conduit debt obligation reporting and reporting of related transactions and other events by state and local government issuers. This Statement also is intended to improve the relevance, reliability and understandability of information about conduit debt obligations, as well as related transactions and other events. The provisions in statement 91 are effective for fiscal years beginning after December 15, 2020.

D. Government-Wide and Fund Financial Statements

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

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The Agency reports the following major governmental funds:

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

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

The Agency reports the following major enterprise fund:

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

Additionally, the Agency reports the following fund type:

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

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

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

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

F. Assets, Liabilities and Net Position or Fund Balance

1. Cash and Investments

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

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

excess of current requirements is invested. Investments for the Agency are stated at fair value.

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

Investment of funds serves to maximize investment income and is accomplished by various custodial financial institutions vested with responsibility for administering funds under the control of the City Treasurer. The fair value of investments is determined monthly.

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

2. Receivables and Payables

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

Notes receivable amounts primarily represent loans made for redevelopment, economic development and property rehabilitation. The Agency has created an allowance for loan losses for receivables that the Agency has identified as potentially uncollectible. If the amounts become uncollectible, they will be written-off and charged against the allowance when the determination is made. The allowance for loan losses as of December 31, 2018 was \$1,784 for governmental activities.

Accounts receivable amounts primarily represent rental revenues from housing authority tenants and fraud recovery revenues in the Housing Choice Vouchers program. The Agency has created an allowance for tenant accounts receivables that the Agency has identified as potentially uncollectible. If the amounts become uncollectible, they will be written-off and charged against the allowance when the determination is made. The allowance for accounts receivable as of December 31, 2018 was \$76.

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

3. Prepaid Items

Prepaid items represent costs for goods and/or services, which will benefit periods beyond December 31, 2018.

4. Restricted Cash and Investments

Certain proceeds of debt issuances, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position and balance sheet because their use is limited by applicable debt covenants. In addition, certain cash and investments are restricted by grantors for replacement, tenant security deposits and insurance impounds. The total restricted assets on the government-wide statement of net position equals \$4,679 of which \$754 represents cash and investments restricted by debt covenants, \$396 is restricted for the Housing Choice Voucher program, \$402 is for replacement and operating reserves, \$1,517 is for deposit and trust liabilities, \$606 is for the Family Self Sufficiency program (FSS), \$994 is for tenant security deposits and \$10 is for insurance impounds.

5. Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, and property and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and the proprietary funds financial statements. Capital assets are recorded at actual

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

historical cost; donated capital assets, donated works of art and similar items as well as capital assets received in a services concession arrangement are recorded at acquisition value. Capital assets are depreciated using the straight-line method over the following estimated useful lives: 40 years for buildings and improvements, and 5 to 10 years for property and equipment. It is the policy of the Agency to capitalize all land, construction in progress, buildings and improvements, and property and equipment with an initial, individual cost of more than \$5. Interest incurred during the construction phase of capital assets of business-type activities and component units is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

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

6. Assets Held for Resale

The Agency implemented a Purchase and Resale Entity (PRE) program to preserve, renovate and sell 75 vacant single-family houses in the Section 32 homeownership public housing program to low-income families. The Agency acted as the PRE by purchasing vacant single-family houses in the Section 32 program for fair market value based on external appraisals given their “as-is” conditions and utilizing seller financing. Prior to commencing service as PRE, the Agency entered into an agreement with the City and County Housing Authorities to fulfill all HUD regulatory requirements for operation as a PRE under Title 24 Section 906.19 of the Code of Federal Regulations. The Agency is also responsible for identifying and preparing qualified low-income families who are ready for homeownership and want to purchase the houses. Rehabilitation and sales are anticipated to take place in three phases over a two to three year period. Any Section 32 houses not sold by the PRE within that time shall have ownership revert to the originating housing authority.

In the current year, six homes were sold in the city and six in the county. As of December 31, 2018, City has 27 homes and County has 9 homes remaining. See below for adjustments to assets held for resale amounts:

	1/1/2018 Balance	Purchases	Sales	12/31/2018 Balance
City	\$ 3,187	\$ 133	\$ 634	\$ 2,686
County	1,753	-	758	995
Total	<u>\$ 4,940</u>	<u>\$ 133</u>	<u>\$ 1,392</u>	<u>\$ 3,681</u>

7. Deferred Outflows and Inflows of Resources

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

Deferred outflows of resources occur both pension and OPEB and represent the deferral of the Agency’s 2018 contributions to either the pension plan or OPEB.

For pension, the measurement date of June 30, 2018 per the June 30, 2017 actuarial report produced by the California Public Employee’s Retirement System (CalPERS), one half of the contributions were not factored in to the calculation of the Net Pension Liability. For OPEB plan the actuarial report produced by a third party actuary, has a measurement date of December 31, 2017.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

8. Compensated Absences

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

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

At retirement with less than fifteen (15) years of service, Represented, Confidential, and Exempt employees may convert all accrued but unused sick leave to retirement service credit pursuant to Section 20965 of the Government Code; or at retirement with fifteen (15) or more years of service, may cash out up to thirty-three and one third (33 1/3%) percent of 1040 hours of accrued but unused sick leave and convert the balance to retirement service credit or convert all accrued but unused sick leave to retirement service credit.

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

9. Unavailable and Unearned Revenue

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

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

10. Long-Term Obligations

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

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

11. Pensions

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

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12. Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the Agency's California Public Employees Retirement System (CalPERS) Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Net Position/Fund Balance

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

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

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

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

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

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

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- **Unassigned fund balance**-the residual classification for the general fund. However, the Agency does not have a general fund so it may only use this classification if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, and it is necessary to report a negative unassigned fund balance.

The Agency considers restricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Committed and assigned amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. At December 31, 2018, there were no fund balances considered nonspendable, committed, or assigned.

14. Statement of Cash Flows

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

15. Estimates

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

II. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

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

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

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

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

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B. Deficit Fund Balances/Net Position

The following funds have deficit fund balances/net position:

Special Revenue:	
County CNI Grant	\$ 2,617
County Misc Development Grants	1,627
City Jobs Plus Grant	323
County Bringing Families Home	4
State ESG	49
County P3	36
County Local Tax	13
County CDBG - NSP 1	7
County 12th Street Triangle	1
City Section 32 PRE	561
County Section 32 PRE	261
Enterprise:	
County Housing Choice Vouchers	7,881
City COCC	1,019
County COCC	1,329
City San Jose/Broadway	168
Internal Service:	
Internal Support	7,305

The deficit fund balance of the County Miscellaneous Development Grants special revenue fund was due to a debt payment that occurred in 2011 for the Auburn/Garfield project. This fund received an advance of cash to cover the payment which will be repaid by sales proceeds from the Auburn/Garfield property. The deficit fund balances of the County CNI Grant, City Jobs Plus Grant, County Bringing Families Home, State ESG, County P3, and County CDBG-NSP1 special revenue fund was a result of revenues that were received more than 60 days after year end and, therefore resulted in unavailable revenue. The deficit fund balances in the County Local Tax, County 12th Street Triangle, and City and County 32 PRE special revenue fund was the result of lower revenues than estimated and the deficits will be paid with future revenues. The deficit net position of the County Housing Vouchers was due to expenses exceeding revenues in particular the effects of the pension and OPEB related expenses. The deficit in the San/Jose Broadway enterprise fund was due to the operating costs and parking lot repairs. The deficit in the City and County COCC enterprise fund was due to expenses exceeding revenues in administrative services. The deficit in the Internal Support internal service fund was due to the implementation of GASB Statement No. 75. The net OPEB liability of this fund is now included in the statement of net position and will cause these funds to have a deficit net position.

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III. Detailed Notes on All Funds

A. Cash and Investments

At December 31, 2018, total Agency cash and investments at fair value were as follows:

	<u>Primary Government</u>	<u>Component Units</u>	<u>Total</u>
Cash and investments	\$ 90,538	\$ 2,030	\$ 92,568
Restricted cash and investments	<u>4,393</u>	<u>286</u>	<u>4,679</u>
Total cash and investments	<u>\$ 94,931</u>	<u>\$ 2,316</u>	<u>\$ 97,247</u>

At December 31, 2018, the Agency's pooled cash and investments consist of the following:

Cash in bank-Primary Government	\$ 9,840
Investments-Primary Government	<u>85,091</u>
Subtotal Cash and investments-Primary Government	94,931
Cash in bank-Component Units	<u>2,316</u>
Total cash and investments	<u>\$ 97,247</u>

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

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer	Minimum Rating
Local Agency Bonds	5 years	None	None	None
U.S. Treasury Obligations	5 years	None	None	None
U.S. Agency Securities	5 years	None	None	None
Suprnational Securities	5 years	30%	None	AA
Bankers Acceptance	180 days	40%	30%	None
Commercial Paper	270 days	25%	10%	A1/P1
Negotiable Certificates of Deposit	5 years	30%	None	None
Repurchase Agreements	1 year	None	None	None
Reverse Repurchase Agreements	92 days	20% of base value	None	None
Medium Term Notes (Corporate & Depository debt securities)	5 years	30%	None	A
Mutual Funds (that invest in allowable securities)	N/A	20%	10%	AAA
Money Market Mutual Funds	N/A	20%	10%	AAA
Collateralized Bank Deposits	5 years	None	None	None
Mortgage Pass-through Securities	5 years	20%	None	AA
Time Deposits	5 years	None	None	None
County Pooled Investment	N/A	None	None	None
Joint Powers Authority Pool	N/A	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None	None

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity its fair value is to changes in market interest rates.

The Agency has investments held with the City of Sacramento in pooled investments. The investments of these funds follow the policy of the City Treasurer. The City's investment policy limits interest rate risk by requiring compliance with the California Government Code for investments of public funds. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the City Treasurer manages the Agency's exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions: The California

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Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio. At December 31, 2018, the carrying amount of the Agency's deposits is \$9,840 and the bank balance is \$11,057. Of the bank balance, \$2,752 is covered by federal depository insurance, and \$8,305 is collateralized with securities held by the pledging financial institution, in accordance with the State of California Government Code. At December 31, 2018, the carrying amount of the Agency's discretely presented component units deposits is \$2,316 and the bank balance is \$2,316. Of the bank balance, \$312 is covered by federal depository insurance, \$1,759 is collateralized with securities held by the pledging financial institution, and \$245 is uninsured and uncollateralized. Those amounts which are uninsured and uncollateralized are held with state and federal agencies.

Concentration of Credit Risk

11.46%, or \$10,880, of the Agency's investment portfolio at year-end are in U.S. Agency Securities. There is no limitation on amounts invested in U.S. Agency Securities. Of the \$42,614, or 44.89 %, of the Agency's investment portfolio invested in corporate bonds and municipal bonds, no investment in a single issuer exceeded 5%. There were no investments in any one issuer (other than CalTrust, an external investment pool) that represents 5% or more of the Agency's total investments.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Agency's investment policy limits credit risk by requiring compliance with California Government Code for purchase of investments, as described in detail in Note III A above.

Participation in External Investment Pools

The Agency is also a voluntary participant in the Investment Trust of California (CalTrust) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTrust, and selects and supervises the activities of the Investment Manager and other agents. As of December 31, 2018, the Agency's investment in CalTrust is \$30,593, of which \$3,057 was invested in the Money Market Fund and \$27,536 in the Short-Term pool. The fair value of the position in the pool is the same as the value of the pooled shares.

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As of December 31, 2018, the Agency's pooled investments and credit ratings are as follows:

	Credit Rating (S&P/Moody's)	<u>Remaining Maturity in Years</u>		
		<u>Under 1</u>	<u>1-5</u>	<u>Fair Value</u>
Cash in banks		\$ -	\$ -	\$ 9,123
Certificates of Deposits	Not Rated		1,934	\$ 1,934
Less Outstanding Checks		-	-	(1,217)
		<u>-</u>	<u>1,934</u>	<u>9,840</u>
Corporate Bonds	A/A1	2,412	-	2,412
Corporate Bonds	A+/Aa3	-	1,494	1,494
Corporate Bonds	AA-	-	977	977
Corporate Bonds	AA-/A1	-	1,952	1,952
Corporate Bonds	A+/A1	-	2,963	2,963
Corporate Bonds	AA/A1	-	1,964	1,964
Corporate Bonds	AAA/Aaa	2,004	-	2,004
Corporate Bonds	A+/A2	-	3,957	3,957
Corporate Bonds	AA-/Aa2	-	1,464	1,464
US Agency Securities - Federal Home Loan Bank	AA+/AAA	-	6,010	6,010
US Agency Securities - Federal National Mortgage	AA+/Aaa	-	879	879
US Agency Securities - Federal Home Loan Mortgage	AA+/Aaa	-	1,002	1,002
US Agency Securities - Federal Farm Credit Bank	AA+/Aaa	2,989	-	2,989
CalTrust	Not Rated	30,593	-	30,593
LAIF	Not Rated	1,004	-	1,004
Municipal Bonds	AA-/Aa3	-	1,950	1,950
Municipal Bonds	AA/Aa2	1,502	4,577	6,079
Municipal Bonds	/A3	959	-	959
Municipal Bonds	AA-	274	632	906
Municipal Bonds	A+	-	408	408
Municipal Bonds	A+/A1	-	993	993
Municipal Bonds	AA/A1	-	696	696
Municipal Bonds	AA	-	1,600	1,600
Municipal Bonds	A/A1	-	1,260	1,260
Corporate Bonds (Variable Rate Securities)	A-	-	1,436	1,436
Corporate Bonds (Variable Rate Securities)	AA-/Aa3	-	3,504	3,504
Corporate Bonds (Variable Rate Securities)	AA+/Aaa	-	3,134	3,134
Corporate Bonds (Variable Rate Securities)	A+/Aa3	502	-	502
Total Cash & Investments-primary government		<u>\$ 42,239</u>	<u>\$ 44,786</u>	<u>\$ 94,931</u>

As of December 31, 2018, the cash and investments of the discretely presented component units of the Agency are as follows:

	<u>Fair Value</u>
Cash in banks	<u>\$ 2,316</u>

Fair Value Measurement and Application

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

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

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

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

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

- When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.
- For investments classified within Level 2 of the fair value hierarchy, the City’s custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.
- The Agency has commercial paper held with the City, which is reported using the cost approach. This investment is measured using Level 3 inputs because there is no observable input and no active market.

There have been no changes in the methods and assumptions used at December 31, 2018. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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The Agency has the following recurring fair value measurements as of December 31, 2018:

	Balance at December 31, 2018	Fair Value Measurement on a Recurring Basis Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Investments by Fair Value Level</u>				
Certificates of Deposit	\$ 1,934	\$ -	\$ 1,934	\$ -
Corporate bonds/notes	27,763	-	27,763	-
Municipal bonds	14,851	-	14,851	-
U.S. agency securities	10,880	-	10,880	-
Total Investments by Fair Value Level	<u>\$ 55,428</u>	<u>\$ -</u>	<u>\$ 55,428</u>	<u>\$ -</u>
<u>Investments Measured at Net Asset Value</u>				
Local Agency Investment Fund (LAIF)	<u>1,004</u>			
<u>Investments Not Categorized</u>				
Investment Trust of California (CalTrust)	<u>30,593</u>			
Total Agency Pooled Investments	<u>\$ 87,025</u>			

B. Receivables

Receivables as of December 31, 2018 for the Agency's governmental activities are as follows:

	Accounts receivable	Due from other governments	Total receivables	Gross notes receivable	Allowance for loan losses	Net notes receivable
City HOME	\$ 13	\$ 784	\$ 797	\$ 54,235	\$ (359)	\$ 53,876
County HOME	91	4,305	4,396	64,060	(1,162)	62,898
City Housing Successor	292	-	292	59,814	-	59,814
County Housing Successor	-	-	-	15,868	-	15,868
Other Governmental Funds	270	10,286	10,556	110,382	(263)	110,119
Internal Service	3	-	3	50	-	50
Total	<u>\$ 669</u>	<u>\$ 15,375</u>	<u>\$ 16,044</u>	<u>\$ 304,409</u>	<u>\$ (1,784)</u>	<u>\$ 302,625</u>

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

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Receivables as of December 31, 2018 for the Agency's business-type activities are as follows:

	Accounts receivable	Due from other governments	Allowance for uncollectibles	Total receivables	Gross notes receivable	Allowance for loan losses	Net notes receivable
County Housing Choice Vouchers	\$ 175	\$ -	\$ (39)	\$ 136	\$ -	\$ -	\$ -
Other Enterprise Funds	511	-	(37)	474	30,887	-	30,887
Total	<u>\$ 686</u>	<u>\$ -</u>	<u>\$ (76)</u>	<u>\$ 610</u>	<u>\$ 30,887</u>	<u>\$ -</u>	<u>\$ 30,887</u>

The notes receivable in the business-type activities are from 1) notes received for the sale of property in the San Carlos Shelter Plus Care (\$295); 2) notes for the Washington Plaza, Sutterview and Sierra Vista housing projects (\$21,625); 3) notes for construction projects in the Mortgage Revenue Bond Program (\$342); 4) notes for Phoenix Park I, L.P. (\$2,671) and 5) notes for Phoenix Park II, L.P. (\$5,798). Repayment of principal and interest are not expected to be made in full until the years 2058-2061. 6) notes received for the sale of vacant lots in the Locally Funded Projects (\$156).

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C. Capital Assets

Capital asset activity for the year ended December 31, 2018, was as follows:

<u>Governmental activities:</u>	<u>January 1, 2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers In/Out</u>	<u>December 31, 2018</u>
Capital assets, not being depreciated:					
Land	\$ 16,522		\$ (1,542)	\$ (24)	\$ 14,956
Construction in progress	7,332	3,173	-	(1,954)	8,551
Total capital assets, not being depreciated	<u>23,854</u>	<u>3,173</u>	<u>(1,542)</u>	<u>(1,978)</u>	<u>23,507</u>
Capital assets, being depreciated:					
Buildings and improvements	12,266	39	-	-	12,305
Property and equipment	913	49	(226)	(107)	629
Total capital assets being depreciated	<u>13,179</u>	<u>88</u>	<u>(226)</u>	<u>(107)</u>	<u>12,934</u>
Less accumulated depreciation for:					
Buildings and improvements	(2,844)	(309)	-	-	(3,153)
Property and equipment	(732)	(16)	223	-	(525)
Total accumulated depreciation	<u>(3,576)</u>	<u>(325)</u>	<u>223</u>	<u>-</u>	<u>(3,678)</u>
Total capital assets, being depreciated, net	<u>9,603</u>	<u>(237)</u>	<u>(3)</u>	<u>(107)</u>	<u>9,256</u>
Governmental activities capital assets, net	<u>\$ 33,457</u>	<u>\$ 2,936</u>	<u>\$ (1,545)</u>	<u>\$ (2,085)</u>	<u>\$ 32,763</u>
<u>Business-type activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 15,606	\$ -	\$ (316)	\$ 24	\$ 15,314
Capital assets, being depreciated:					
Buildings and improvements	259,015	4	(9,269)	1,954	251,704
Property and equipment	1,304	7	(151)	107	1,267
Total capital assets, being depreciated	<u>260,319</u>	<u>11</u>	<u>(9,420)</u>	<u>2,061</u>	<u>252,971</u>
Less accumulated depreciation for:					
Buildings and improvements	(120,564)	(6,503)	4,253	-	(122,814)
Property and equipment	(1,159)	(46)	151	-	(1,054)
Total accumulated depreciation	<u>(121,723)</u>	<u>(6,549)</u>	<u>4,404</u>	<u>-</u>	<u>(123,868)</u>
Total capital assets, being depreciated, net	<u>138,596</u>	<u>(6,538)</u>	<u>(5,016)</u>	<u>2,061</u>	<u>129,103</u>
Business-type activities capital assets, net	<u>\$ 154,202</u>	<u>\$ (6,538)</u>	<u>\$ (5,332)</u>	<u>\$ 2,085</u>	<u>\$ 144,417</u>

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

<u>Governmental activities:</u>	
Housing Operations	\$ 8
Community Development	8
Internal Service - capital assets held by the Agency's internal service funds are charged to the various functions based on their usage of the assets.	309
 Total depreciation expense - governmental activities	 <u>\$ 325</u>
 <u>Business-type activities:</u>	
Local Housing	\$ 557
Public Housing	5,992
 Total depreciation expense - business-type activities	 <u>\$ 6,549</u>

Component unit capital asset activity for the year ended December 31, 2018, was as follows:

<u>Component unit activities:</u>	<u>2018</u>	<u>Increases</u>	<u>Decreases</u>	<u>2018</u>
Capital assets, not being depreciated:				
Land	\$ 2,552	\$ 429	\$ -	\$ 2,981
Capital assets, being depreciated:				
Buildings and improvements	23,329	2,371	-	25,700
Property and equipment	34	-	-	34
Total capital assets, being depreciated	<u>23,363</u>	<u>2,371</u>	<u>-</u>	<u>25,734</u>
Less accumulated depreciation for:				
Buildings and improvements	(14,770)	(703)	-	(15,473)
Property and equipment	(32)	(2)	-	(34)
Total accumulated depreciation	<u>(14,802)</u>	<u>(705)</u>	<u>-</u>	<u>(15,507)</u>
Total capital assets, being depreciated, net	<u>8,561</u>	<u>1,666</u>	<u>-</u>	<u>10,227</u>
Component unit activities capital assets, net	<u>\$ 11,113</u>	<u>\$ 2,095</u>	<u>\$ -</u>	<u>\$ 13,208</u>

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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D. Payables

Payables as of December 31, 2018 for the Agency's governmental activities are summarized as follows:

	Accounts payable	Accrued liabilities	Contracts payable	Due to other governments	Net total payables
City HOME	\$ 160	\$ 1	\$ -	\$ -	\$ 161
County HOME	3,918	1	-	-	3,919
City Housing Successor	1	-	-	-	1
Other Governmental Funds	1,581	7	220	183	1,991
Internal Service	257	330	-	-	587
Total	<u>\$ 5,917</u>	<u>\$ 339</u>	<u>\$ 220</u>	<u>\$ 183</u>	<u>\$ 6,659</u>

Payables as of December 31, 2018 for the Agency's business-type activities are summarized as follows:

	Accounts payable	Accrued liabilities	Net total payables
County Housing Choice Vouchers	\$ 37	\$ 6	\$ 43
Other Enterprise Funds	631	98	729
Total	<u>\$ 668</u>	<u>\$ 104</u>	<u>\$ 772</u>

E. Interfund Transactions

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Other Governmental	Other Governmental	\$ 51
	Other Enterprise	348
		<u>399</u>
Other Enterprise	Other Governmental	5,346
	Other Enterprise	332
		<u>5,678</u>
Internal Service	Other Governmental	<u>344</u>
Total		<u>\$ 6,421</u>

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

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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Advances from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
City Housing Successor	Other Governmental	\$ 170
Other Governmental	Other Enterprise	1,629
Other Enterprise	Other Governmental	<u>10,299</u>
Total		<u>\$ 12,098</u>

Advances from/to other funds:

Amount

<p>\$170 advance from the former City Low/Mod Merged Downtown capital projects fund which now resides with the City Housing Successor special revenue fund to the Local Housing Revenue special revenue fund, authorized and issued in August 2006, with no annual payments due until January 2017, with interest accruing at 4%, due in annual installments of \$5 thru December 2036. Repayment will occur only if the project can receive Housing Choice Vouchers. If no project-based contract is obtained, the advance will be forgiven at the end of 30 years.</p>	\$170
<p>\$320 advance from the City CDBG special revenue fund to the Phoenix Park enterprise fund, authorized and issued in April 2005, with monthly payments beginning October 2006, with 4% interest, due in monthly installments of \$1 thru April 2026, to be repaid with rents, for the rehabilitation of 16 units at Phoenix Park.</p>	172
<p>\$390 advance from the City Housing Trust special revenue fund to the City Locally Funded Projects enterprise fund, authorized and issued in 2005. The note was restructured in 2006, adding \$20 to the principal amount, with no interest, payments deferred for 50 years, for the purpose of acquiring and rehabilitating 31-37 Coral Gables Court.</p>	410
<p>\$2,034 advance from the Mortgage Revenue Bond enterprise fund to the County Miscellaneous Development Grant special revenue fund, authorized and issued June 2011, with no annual installments, to be repaid by sales proceeds from the Auburn Garfield development.</p>	2,034
<p>\$2,094 advance from the County CDBG NSP 3 and County CDBG Revolving Loan special revenue funds to the City Norcade Circle enterprise fund, authorized and issued September 2011, with 0% interest and no annual payments. Loan shall be forgiven in equal installments annually over a 10 year term beginning October 2014.</p>	1,047
<p>\$5,581 advance from City AMP 4 (\$3,170), City AMP 5 (\$1,158) and City AMP 7 (\$913) enterprise funds to the City Purchase and Resale Entity (PRE) Capital Projects fund, authorized and issued September 1, 2015, and an additional advance from City AMP 4 (\$340) authorized in August 2016, all advances to have 1% interest and no annual payments. Total unpaid principal and accrued interest shall be payable in lump sum on the maturity date of September 1, 2020 from sales proceeds.</p>	5,714

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Notes to the Basic Financial Statements (Continued)
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Advances from/to other funds (continued):

\$2,551 advance from County AMP 2 (\$732) and County AMP 3 (\$1,819) enterprise funds to the County Purchase and Resale Entity (PRE) Capital Projects fund, authorized and issued September 1, 2015, with 1% interest and no annual payments. Total unpaid principal and accrued interest shall be payable in lump sum on the maturity date of September 1, 2020 from sales proceeds.	<u>\$ 2,551</u>
Total Advances from/to other funds	<u>\$12,098</u>

Advances to/from primary government and component units:

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary Government-Other Enterprise Funds	Component Unit-NAHC	\$ 1,455
Component Unit-SHDC	Internal Service Funds	<u>1,000</u>
Total		<u>\$ 2,455</u>

Advances to/from primary government and component units: Amount

\$1,430 advance from the Phoenix Park enterprise fund to the Norwood Avenue Housing Corporation component unit fund at 0% interest. Payments shall be made annually in an amount equal to the annual aggregate Phoenix Park I, L.P. ground lease payments, if any, that are received by the borrower payable on or before March 1 of each year from residual receipts. The unpaid balance of the note is due and payable in 2059, including without limitation all unpaid principal, interest, fees and charges. The note is secured by a deed of trust. \$1,430

\$1,122 advance from the Phoenix Park enterprise fund to the Norwood Avenue Housing Corporation component unit fund at 0% interest. Payments shall be made on or before the sixtieth (60th) day following borrower's receipt of each of the Phoenix Park II, L.P. ground lease payments in an amount equal to the Phoenix Park II, L.P. ground lease payments that are received by borrower from residual receipts. The unpaid balance of the note is due and payable in 2059, including without limitation all unpaid principal, interest, fees and charges. The note is secured by a deed of trust. 25

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

Total Advances to/from primary government and component units \$2,455

Sacramento Housing and Redevelopment Agency
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Transfers:

Transfers report the nonreciprocal contribution of resources from one fund to another. They represent funding for capital projects, debt service payments and subsidies of various Agency operations. The following is a summary of transfers for the year ended December 31, 2018:

<u>Transfers in:</u>	<u>Transfers out:</u>	<u>Amount</u>
Other Governmental Funds	Other Governmental Funds	\$ 377
County Housing Choice Vouchers Enterprise Fund	Other Enterprise Funds	24
Other Enterprise Funds	Other Governmental Funds	1,357
	Other Enterprise Funds	<u>1,097</u>
		<u>2,454</u>
Internal Service Funds	Other Governmental Funds	384
	Internal Service Funds	<u>788</u>
		<u>1,172</u>
Total Transfers		<u>\$ 4,027</u>

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
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F. Long-Term Debt

Long-term debt payable at December 31, 2018 for the Agency and component units is comprised of the following individual issues:

<u>Governmental activities – Notes Payable:</u>	<u>Interest Rates</u>	<u>Balance Dec. 31, 2018</u>
City B-97-MC-06-0003	5.70% - 6.67%	900
City B-05-MC-06-0003	4.96% - 5.77%	3,009
*801 12 th Street Bank of America	5.17%	<u>7,827</u>
Total Governmental activities notes payable		<u>11,736</u>
<u>Business-type activities – Mortgage Notes Payable:</u>		
County Public Housing (AMP 3) – City of Citrus Heights (HCD)	1.00%	1,000
County Public Housing (AMP 3) – City of Citrus Heights (HTF)	0.00%	1,173
San Jose/Broadway	8.38%	<u>72</u>
Total Business-type activities		<u>2,245</u>
<u>Component unit activities – Bonds and Notes Payable:</u>		
SHDC - Riverview Plaza Associates	3.00%	933
SHARP Corporation	5.00%	1,388
Shasta Hotel Corporation (HCD)	3.00%	<u>2,000</u>
Total component unit activities bonds and notes payable		<u>4,321</u>
<u>Other Debt:</u>		
Component unit activities - Accrued interest due in future years		<u>2,344</u>
Total long-term debt		<u>\$20,646</u>

* Capital-related debts

GOVERNMENTAL ACTIVITIES:

<u>Notes Payable:</u>	<u>Amount</u>
\$3,125 Community Development Block Grant Note Payable authorized and issued August 9, 2001, due in installments of \$85 to \$300 from February 2002 through August 2021 with interest payable semiannually at 5.70% to 6.67% for the purpose of financing the Del Paso Nuevo project. This note is collateralized by and payable from future CDBG entitlements.	\$900
\$5,500 Community Development Block Grant Note Payable authorized and issued September 14, 2006, due in installments of \$146 to \$461 from February 2007 through August 2026 with interest payable semiannually at 4.96% to 5.77% for the purpose of financing the Globe Mills project. This note is collateralized by and payable from the City Redevelopment Successor Agency.	3,009

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
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<u>Notes Payable (continued):</u>	<u>Amount</u>
\$13,000 Bank of America Note Payable authorized and issued June 2008, due in installments of \$87 from July 2008 through June 2028 with interest payable monthly at 5.17% for the purpose of financing the Agency's administration building at 801 12th street.	<u>7,827</u>
Total notes payable	11,736
Less current portion	<u>(1,256)</u>
Total notes payable, long-term	<u>\$10,480</u>
BUSINESS-TYPE ACTIVITIES:	
<u>Mortgage Notes Payable:</u>	<u>Amount</u>
\$1 million County Public Housing (AMP 3) Note Payable to the City of Citrus Heights (California Housing and Community Development Housing Trust Fund (HCD)). Loan Payments on the HCD Loan shall equal 75% of project residual receipts, but only to the extent that the project has excess cash flow. One percent (1.00%) simple interest shall accrue on the HCD Loan. The HCD Loan shall be for a term of thirty (30) years. There is no amortization requirement on the HCD loan other than the repayment of residual receipts as noted above. Any remaining balance shall be forgiven on the thirtieth (30th) anniversary from the Effective Date of September 2009. This loan is to significantly rehabilitate and provide security improvements to two county public housing developments.	\$1,000
\$1.2 million County Public Housing (AMP 3) Note Payable to the City of Citrus Heights (Housing Trust Fund). The loan shall be for a term of fifty-five (55) years with no interest. Provided that the loan is not in default, no repayment is due to the lender. The remaining balance shall be forgiven on the fifty-fifth (55 th) anniversary of the Effective Date of September 2009. This loan is to significantly rehabilitate and provide security improvements to two county public housing developments.	1,173
\$787 San Jose/Broadway Mortgage Note Payable authorized and issued May 1984, due in monthly installments of \$6 through February 2020 with interest payable monthly at 8.38%. This note is collateralized by land and building.	<u>72</u>
Total mortgage notes payable	2,245
Less current portion	<u>(66)</u>
Mortgage notes payable, long-term	<u>\$2,179</u>

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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COMPONENT UNITS:

<u>Bonds and Notes Payable:</u>	<u>Amount</u>
\$933 SHDC Riverview Plaza Associates Mortgage Note Payable authorized and issued October 1988, principal and interest due in full December 2019 with interest payable at 3.00%, for the purpose of financing the construction of multiple unit housing. This note is collateralized by land and building. The note was restructured to extend the due date to 2019.	\$933
\$1,400 SHARP Corporation Note Payable to Carson/Craig Partnership principal and interest due in full June 1, 2023 with interest payable at 5.0% for the purchase of the property at 510 North 12 th Street. This note is collateralized by land and building.	1,388
\$2,000 Shasta Hotel Corporation Note Payable to the Department of Housing and Community Development principal and interest due in full March 2043 with interest payable at 3.00%, for the purpose of financing the construction of a multiple single room occupancy unit. This note is collateralized by land and building.	<u>2,000</u>
Total bonds and notes payable	4,321
Less current portion	<u>(954)</u>
Total bonds and notes payable, long-term	<u>\$3,367</u>
<u>Other Long-Term Obligations:</u>	
Accrued interest on \$933 SHDC Riverview Plaza Associates mortgage notes payable from available surplus cash. Due in full in December 2019.	\$840
Accrued interest on \$2,000 Shasta Hotel Corporation mortgage notes payable from available surplus cash. Due in full in January 2043.	<u>1,504</u>
Total other long-term obligations	<u>\$ 2,344</u>

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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The following is a summary of changes in long-term liabilities for the fiscal year ended December 31, 2018:

	January 1, 2018	Additions	Retirements	December 31, 2018	Amounts Due Within One Year
Governmental activities:					
Notes payable	\$ 13,137	\$ -	\$ (1,401)	\$ 11,736	\$ 1,256
Pollution remediation	3,976	12	(3,563)	425	-
Compensated absences	2,991	1,679	(1,827)	2,843	1,778
Total governmental activities					
-long-term liabilities	<u>\$ 20,104</u>	<u>\$ 1,691</u>	<u>\$ (6,791)</u>	<u>\$ 15,004</u>	<u>\$ 3,034</u>
	January 1, 2018	Additions	Retirements	December 31, 2018	Amounts Due Within One Year
Business-type activities:					
Notes payable	\$ 2,306	\$ -	\$ (61)	\$ 2,245	\$ 66
Component unit activities:					
Bonds and notes payable	\$ 2,933	\$ 1,400	\$ (12)	\$ 4,321	\$ 954
Other long-term obligations	2,255	89	-	2,344	840
Total component unit activities					
-long-term liabilities	<u>\$ 5,188</u>	<u>\$ 1,489</u>	<u>\$ (12)</u>	<u>\$ 6,665</u>	<u>\$ 1,794</u>

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

Year ending December 31	Notes Payable	
	Principal	Interest
2019	\$ 1,256	\$ 581
2020	1,310	523
2021	1,366	462
2022	1,126	396
2023	1,189	336
2024 - 2028	5,489	668
Totals	<u>\$ 11,736</u>	<u>\$ 2,966</u>

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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Annual debt service requirements of business-type activities to maturity are as follows:

<u>Year ending December 31</u>	<u>Mortgage Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2019	\$ 66	\$ 4
2020	6	-
2021	-	-
2022	-	-
2023	-	-
2024 - 2028	-	-
2029 - 2033	-	-
2034 - 2038	-	-
2039 - 2043	1,000	-
2044 - 2048	-	-
2049 - 2053	-	-
2054 - 2058	-	-
2059 - 2063	-	-
2064	1,173	-
Totals	<u>\$ 2,245</u>	<u>\$ 4</u>

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

<u>Year ending December 31</u>	<u>Bonds and Notes Payable</u>		<u>Other Long-term Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2019	\$ 954	\$ 936	\$ -	\$ 840
2020	22	68	-	-
2021	24	67	-	-
2022	25	66	-	-
2023	1,296	27	-	-
2024 - 2028	-	-	-	-
2029 - 2033	-	-	-	-
2034 - 2038	-	-	-	-
2039 - 2043	2,000	-	-	1,504
Total	<u>\$ 4,321</u>	<u>\$ 1,164</u>	<u>\$ -</u>	<u>\$ 2,344</u>

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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Pollution Remediation Obligations

The Agency has obligated itself to commence environmental assessment and remediation activities on five projects. The nature and source of pollutants on these projects are primarily petroleum and metals including arsenic, cadmium and lead, PCEs on one site. The total estimated costs of \$625 for remediation of these projects were derived by environmental remediation consultants. These estimates may change resulting from the Sacramento County Environmental Management Department (SCEMD) input and also from price increases or reductions, technology, or changes in applicable laws or regulations. Estimated recoveries of \$200 will reduce the cost of remediation. The source of these estimated recoveries will be from an EPA Grant, Mortgage Revenue Bond, CDBG, property management funds. The estimated costs are recorded as long-term liabilities on the governmental activities statement of net position.

Pledged Revenues

The Agency pledged a portion of future Community Development Block Grant (CDBG) entitlement and program income revenues to repay all Section 108 notes payable (City B-97-MC-06-0003 and City B-05-MC-06-0003). The Section 108 notes are payable from CDBG and Redevelopment Agency Successor Agency (RASA) fund revenues through August 2026. The RASA is reimbursing the Agency for the Globe Mills loan as this was located in the old redevelopment areas. CDBG entitlement funds will still back these loan payments in the event the RASA ends the reimbursement. As of December 31, 2018, the total remaining principal and interest on the notes was \$4,777. For the current year, principal and interest paid from CDBG entitlement and program income funds was \$377, and the RASA contributed \$469. CDBG revenue was \$4,222. Detailed information on the Section 108 notes begins on page 64.

IV. Other Information

A. Risk Management

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

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

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

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

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

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

B. Pension Plan

1. General Information about the Pension Plan

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

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

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

All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814. A separate report for the Agency’s plan is not available.

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The Plans' provisions and benefits in effect at December 31, 2018, are summarized as follows:

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

Employees Covered – At measurement date June 30, 2018, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous
Inactive employees or beneficiaries currently receiving benefits	492
Inactive employees entitled to but not yet receiving benefits	267
Active employees	208
Total	967

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

2. Net Pension Liability

The Agency's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

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Actuarial Assumptions – The June 30, 2017 valuation was rolled forward to determine the June 30, 2018 total pension liabilities based on the following actuarial methods and assumptions:

	Miscellaneous
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15% (4)
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	3.2% - 12.2% (1)
Investment Rate of Return	7.5% (2)
Mortality	2014 CalPERS Experience Study (3)

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

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

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

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

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

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

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

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

Asset Class (1)	Current Target Allocation	Real Return Years 1-10(2)	Real Return Years 11+(3)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.3%	7.23%
Real Estate Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	-	(0.92%)
Total	100%		

- (1) In the System's CAFR, Fixed Income is included in Global Debt Securities;
(2) An expected inflation of 2.0% used for this period.
(3) An expected inflation of 2.92% used for this period.

3. Changes in the Net Pension Liability

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

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	\$ 161,796	\$ 117,092	\$44,704
Changes in the year:			
Service cost	2,163	-	2,163
Interest on the total pension liability	11,295	-	11,295
Changes in assumptions	(823)	-	(823)
Differences between actual and expected experience	465	-	465
Contribution - employer	-	3,333	(3,333)
Contribution - employee	-	1,012	(1,012)
Net investment income	-	9,751	(9,751)
Administrative expenses	-	(182)	182
Other Miscellaneous Income/(Expense)	-	(346)	346
Benefit payments, including refunds of employee contributions	(9,102)	(9,102)	-
Net changes	3,998	4,466	(468)
Balance at June 30, 2018	\$165,794	\$121,558	\$44,236

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

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

	1% Decrease Rate 6.15	Current Discount Rate 7.15	1% Increase Rate 8.15
Net Pension Liability	\$ 64,524	\$ 44,236	\$ 27,337

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

4. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions – Total plan including discretely presented component units.

For the year ended December 31, 2018, the Agency recognized pension expense of \$8,598. At December 31, 2018, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 1,795	\$ -
Differences between actual and expected experience	242	
Changes in assumptions	-	429
Net differences between projected and actual earnings on plan investments	405	-
Total	\$ 2,442	\$ 429

\$1,796 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Amount
2019	\$1,406
2020	346
2021	(1,216)
2022	(319)
2023	-
Thereafter	-

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

C. Postemployment Health Benefits (OPEB)

1. Plan Description

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

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

In, addition, if claims experience of employees and retirees are pooled when determining premiums, retiree premiums are based on a pool of members which, on average, are younger and healthier. For certain types of coverage such as medical insurance, this results in an "implicit subsidy" of retiree premiums by active employee premiums since the retiree premiums are lower than they would have been if retirees were insured separately. GASB 75 and Actuarial Standards of Practice generally require that an implicit subsidy of retiree premium rates be valued as an OPEB liability.

2. Employees Covered - OPEB

At measurement date December 31, 2018, the following employees were covered by the benefit terms of each Plan:

	Participants by Group
Inactive employees or beneficiaries currently receiving benefits	241
Active employees entitled to but waiving coverage	34
Active Employees	149
Total	424

3. Contributions

Agency contributions to the Plan occur as benefits are paid to retirees and/or to the OPEB Trust. Benefit payments may occur in the form of direct payments for premiums and taxes ("explicit subsidies") and/or indirect payments to retirees in the form of higher premiums for active employees ("implicit subsidies"). For details, see Addendum 1— Important Background Information. Contributions recognized by the plan from the employer for the year ended December 31, 2018 was \$1,747.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

4. Net OPEB Liability

Actuarial Assumptions – The Total OPEB liabilities in the July 1, 2017 actuarial valuations were determined using the following actuarial assumptions.

Discount rate	7.25% as of December 31, 2017
Inflation	2.75%
Salary increases	3.25% per annum, in aggregate
Investment rate of return	7.25%
Healthcare Trend Rate	7.50% for 2019, decreasing to 5.00% for 2023 and after

5. OPEB Discount Rate – The discount rate used to measure the total OPEB liability was 7.25% for the Plan which is the long term expected return of trust assets.

6. Changes in Net OPEB Liability. Plan total including discretely presented component units. - The changes in the OPEB liability for the OPEB Plan as of December 31, 2018 are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at December 31, 2017 <i>(Valuation Date July 1, 2017)</i>	\$ 18,306	\$ 11,568	\$ 6,738
Changes recognized for the measurement period:			
Service cost	368	-	368
Interest	1,296	-	1,296
Changes of assumptions	-	-	-
Difference between expected and actual experience	38	-	38
Contributions - employer	-	1,587	(1,587)
Contributions - employee	-	-	-
Net investment income	-	1,926	(1,926)
Benefit payments	(1,587)	(1,587)	-
Administrative expenses	-	(6)	6
Net changes	<u>115</u>	<u>1,920</u>	<u>(1,805)</u>
Balance at December 31, 2018 <i>(Measurement Date December 31, 2017)</i>	<u>\$ 18,421</u>	<u>\$ 13,488</u>	<u>\$ 4,933</u>

7. OPEB Discount Rate Sensitivity – The following presents the Agency’s Net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trends that are 1 percentage point lower or higher than the current discount rate.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

	1% Decrease Rate <u>6.25</u>	Current Discount Rate <u>7.25</u>	1% Increase Rate <u>8.25</u>
Net OPEB Liability	\$ 6,503	\$ 4,933	\$ 3,575

Sensitivity of the Net Pension Liability to Changes in the Discount Rate for Health Care Costs

	1% Decrease 6.50% decreasing to <u>5.50%</u>	Current Rates 7.50% decreasing to <u>6.50%</u>	1% Increase 8.50% decreasing to <u>7.50%</u>
Net OPEB Liability	\$ 4,466	\$ 4,933	\$ 5,585

8. OPEB Fiduciary Net Position

Fiduciary Net Position at Fiscal Year Ending 12/31/2017

Measurement Date 12/31/2016 **\$ 11,568**

Changes During the Period:

Investment Income	1,926
Employer Contributions	1,587
Admin Expenses	(6)
Benefit Payments	<u>(1,587)</u>

Net Changes During the Period 1,920

Fiduciary Net Position at Fiscal Year Ending 12/31/2018

Measurement Date 12/31/2017 **\$ 13,488**

9. OPEB Expense and Deferred outflows/inflows of Resources Related to OPEB – total plan including discretely presented component units.

Deferred Resources as of Fiscal Year end and Expected Future Recognition

The exhibit below shows deferred resources as of the fiscal year end June 30, 2018. All contributions subsequent to the measurement date will be recorded in pension expense in the following year and are excluded from the following amortization table.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 1,747	\$ -
Differences between actual and expected experience	28	
Changes in assumptions	-	
Net differences between projected and actual earnings on plan investments	-	870
Total	\$ 1,775	\$ 870

For the Fiscal Year Ending December 31	Recognized Net Deferred Outflows (Inflows) of Resources
2019	\$ (208)
2020	(208)
2021	(208)
2022	(218)
2023	-
Thereafter	-

D. Commitments and Contingencies

1. Mortgage Insured Bonds

The City and the County of Sacramento, between 1980 and 2018, issued multifamily mortgage bonds totaling \$996,960. The bonds were issued to provide funds for the purchase of home mortgages in the Sacramento County area. The Agency was appointed by the City and the County of Sacramento to administer the mortgage revenue bond program. As a public entity, the Agency can issue tax-exempt bonds, the proceeds of which can provide acquisition, construction, and permanent financing for multi-family housing projects. Interest paid on the bonds is exempt from federal and state income tax, so bondholders will accept a below-market yield from the bonds. These savings are, in turn, passed on to the project owner in the form of a below-market rate loan, with interest rates approximately one to two percent below prevailing market rates. As a conduit issuer, the bonds do not constitute a liability of the Agency, but are instead secured solely by the project financed with the bonds.

2. Litigation

The Agency is a defendant in various matters of litigations. Of these matters, management and the Agency's legal counsel do not anticipate any material effect to the December 31, 2018 financial statements if there were to be an unfavorable outcome against the Agency as a result of these litigations.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

3. Contractual Obligations

At December 31, 2018, the outstanding contractual obligations for the Agency's governmental and business-type activities are as follows:

	<u>Encumbrances</u>
City HOME	\$ 1,074
County HOME	2,093
City Housing Successor	326
County Housing Successor	37
Other Governmental Funds	16,548
County Housing Choice Vouchers	528
Other Enterprise Funds	<u>911</u>
Total	<u>\$ 21,517</u>

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

4. Contingent Liabilities

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

E. Subsequent Event

No subsequent events.

Sacramento Housing and Redevelopment Agency
Required Supplementary Information
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

Schedule of the Agency's Proportionate Share of Net Pension Liability

As of June 30, 2018
Last 10 Years*

Measurement Period	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
TOTAL PENSION LIABILITY:					
Service Cost	\$ 2,014	\$ 1,786	\$ 1,767	\$ 2,013	\$ 2,163
Interest on Total Pension Liability	10,259	10,507	10,801	11,010	11,295
Changes of Assumptions	-	(2,432)	-	8,574	(823)
Difference between Expected and Actual Experience	-	(1,856)	(641)	(262)	465
Benefit Payments, Including Refunds of Employee Contributions	(7,010)	(7,603)	(7,996)	(8,418)	(9,102)
Net Change in Total Pension Liability	5,263	402	3,931	12,917	3,998
Total Pension Liability – Beginning	139,282	144,545	144,947	148,881	161,798
Total Pension Liability – Ending (a)	\$ 144,545	\$ 144,947	\$ 148,878	\$ 161,798	\$ 165,796
PLAN FIDUCIARY NET POSITION					
Contributions – Employer	\$ 1,698	\$ 1,976	\$ 2,358	\$ 2,936	\$ 3,333
Contributions – Employee	1,259	814	922	910	1,012
Net Investment Income	17,601	2,611	608	12,134	9,751
Benefit Payments, Including Refunds of Employee Contributions	(7,010)	(7,603)	(7,996)	(8,418)	(9,102)
Administrative Expense	-	(128)	(69)	(160)	(182)
Other Miscellaneous Income/Expense	-	-	-	-	(346)
Net Change in Fiduciary Net Position	13,548	(2,330)	(4,177)	7,402	4,466
Plan Fiduciary Net Position – Beginning	102,651	116,199	113,869	109,692	117,094
Plan Fiduciary Net Position – Ending (b)	\$ 116,199	\$ 113,869	\$ 109,692	\$ 117,094	\$ 121,560
Plan Net Pension Liability/(Asset) – (a)-(b)	\$ 28,346	\$ 31,078	\$ 39,186	\$ 44,704	\$ 44,236

*Information in this schedule is not available prior to the fiscal year 2013-2014 measurement period. Additional years will be added to this schedule until 10 years of data is presented.

Sacramento Housing and Redevelopment Agency
Required Supplementary Information
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

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

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2017 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credits (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

Schedule of Agency Contributions - Pension

As of June 30, 2018
Last 10 Years*

	2014	2015	2016	2017	2018
Actuarially determined contribution ¹	\$1,698	\$1,976	\$2,358	\$2,937	\$3,333
Contributions in relation to the actuarially determined contributions ¹	(1,698)	(1,976)	(2,358)	(2,937)	(3,333)
Contribution deficiency (excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Covered payroll	\$12,819	\$11,897	\$11,806	\$12,168	\$13,264
Contributions as a percentage of covered payroll	13.25%	16.61%	19.97%	24.14%	25.13%

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

*Information in this schedule is not available prior to the fiscal year 2013-2014 measurement period. Additional years will be added to this schedule until 10 years of data is presented.

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2017-18 were derived from the June 30, 2015 funding valuation report, applicable to all years presented above.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2015 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2015 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

Sacramento Housing and Redevelopment Agency
Required Supplementary Information
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

Schedule of Agency's Proportionate Share of Net OPEB Liability
For the Measurement Periods Ended December 31
Last 10 Fiscal Years*

	Reporting Year (Measurement Date)	
	12/31/2018	(12/31/2017)
Total OPEB Liability		
Service Cost	\$ 368	
Interest on total OPEB liability	1,296	
Changes in assumptions	-	
Actual and expected experience difference	38	
Changes in benefit terms	-	
Benefit payments	(1,587)	
Net change in total OPEB liability	115	
Total OPEB liability - beginning	18,306	
Total OPEB liability - ending	\$ 18,421	
Plan fiduciary net position		
Contributions - employer	1,587	
Contributions - employee	-	
Net investment income	1,926	
Benefit payments, including refunds of employee contributions	(1,587)	
Administrative expense	(6)	
Net change in plan fiduciary net position	1,920	
Plan fiduciary net position - beginning	11,568	
Plan fiduciary net position - ending	\$ 13,488	
Net OPEB liability - ending	\$ 4,933	
Plan fiduciary net percentage as a percentage of the total OPEB liability		73.22%
Covered payroll	\$ 13,809	
Net OPEB liability as a percentage of covered payroll		35.72%

Notes to Schedule:

Change in assumptions:

*Historical information is required only for the measurement periods for which GASB 75 is applicable.

Future years' information will be displayed up to 10 years as information becomes available.

Sacramento Housing and Redevelopment Agency
Required Supplementary Information
For the Year Ended December 31, 2018
(dollar amounts expressed in thousands)

Schedule of Agency Contributions - OPEB
Last 10 Fiscal Years*

	<u>12/31/2018</u>
Actuarially determined contribution (ADC)	\$ 862
Contributions related to the ADC	<u>1,747</u>
Contribution deficiency (excess)	<u>\$ (885)</u>
Covered payroll	\$ 14,460
Contributions as a percentage of covered payroll	12.08%

*Historical information is required only for the measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

**Sacramento Housing and Redevelopment Agency
Other Supplementary Information
For the Year Ended December 31, 2018**

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

Project Number	Funds Approved	Funds Expended								Total Funds Expended	Balance of Funds Approved
		2011	2012	2013	2014	2015	2016	2017	2018		
City CFP:											
CA30P00550112	\$ 2,559,332	\$ -	\$ 7,001	\$ 1,371,888	\$ 1,001,237	\$ 179,206	\$ -	\$ -	\$ -	\$ 2,559,332	\$ -
CA30P00550113	2,636,416	-	-	9,705	798,979	1,395,112	382,983	49,637	-	2,636,416	-
CA30P00550114	2,534,660	-	-	-	22,550	787,360	1,412,280	290,625	21,845	2,534,660	-
CA30P00550115	2,500,996	-	-	-	-	18,957	684,645	1,746,990	47,137	2,497,729	3,267
CA01P00550116	2,742,697	-	-	-	-	-	158,667	1,124,477	1,190,659	2,473,803	268,894
CA01P00550117	2,663,885	-	-	-	-	-	-	227,821	949,334	1,177,155	1,486,730
CA01P00550118	4,085,266	-	-	-	-	-	-	-	715,190	715,190	3,370,076
Total City CFP	\$ 19,723,252	\$ -	\$ 7,001	\$ 1,381,593	\$ 1,822,766	\$ 2,380,635	\$ 2,638,575	\$ 3,439,550	\$ 2,924,165	\$ 14,594,285	\$ 5,128,967
City ROSS Public Housing Family Self Sufficiency (FSS)											
CA005RFS116A011	\$ 69,000	\$ -	\$ 21,781	\$ 46,869	\$ 350	\$ -	\$ -	\$ -	\$ -	\$ 69,000	\$ -
CA005RFS159A012	69,000	-	-	-	56,698	12,302	-	-	-	69,000	-
CA005RFS033A013	58,054	-	-	-	-	58,006	48	-	-	58,054	-
CA005FSH693A015	69,000	-	-	-	-	-	68,734	-	-	68,734	266
CA005FSH047A016	69,000	-	-	-	-	-	-	67,406	-	67,406	1,594
FSS17CA0076	60,705	-	-	-	-	-	-	-	60,705	60,705	-
Total City ROSS	\$ 394,759	\$ -	\$ 21,781	\$ 46,869	\$ 57,048	\$ 70,308	\$ 68,782	\$ 67,406	\$ 60,705	\$ 392,899	\$ 1,860
City ROSS Service Coordinator (SC)											
CA005RPS273A011	\$ 479,270	\$ 34,341	\$ 215,075	\$ 136,152	\$ 93,702	\$ -	\$ -	\$ -	\$ -	\$ 479,270	\$ -
CA005RPS081A014	492,000	-	-	-	-	67,086	100,978	208,481	40,016	416,561	75,439
ROSS181207	436,230	-	-	-	-	-	-	-	122,224	436,230	314,006
Total City SC	\$ 971,270	\$ 34,341	\$ 215,075	\$ 136,152	\$ 93,702	\$ 67,086	\$ 100,978	\$ 208,481	\$ 162,240	\$ 895,831	\$ 389,445
County CFP:											
CA30P00750113	1,382,203	-	-	71,510	797,111	227,182	164,644	121,756	-	1,382,203	-
CA30P00750114	1,420,898	-	-	-	89,957	645,815	593,662	56,063	35,401	1,420,898	-
CA30P00750115	1,405,011	-	-	-	-	73,422	638,941	664,621	-	1,376,984	28,027
CA01P00750116	1,540,822	-	-	-	-	-	155,828	616,977	768,017	1,540,822	-
CA01P00750117	1,400,071	-	-	-	-	-	-	142,141	1,109,154	1,251,295	148,776
CA01P00750118	2,055,001	-	-	-	-	-	-	-	270,971	270,971	1,784,030
Total County CFP	\$ 9,204,006	\$ -	\$ -	\$ 71,510	\$ 887,068	\$ 946,419	\$ 1,553,075	\$ 1,601,558	\$ 2,183,543	\$ 7,243,173	\$ 1,960,833
County ROSS Public Housing Family Self Sufficiency (FSS)											
CA007RFS174A011	\$ 69,000	\$ -	\$ 5,602	\$ 49,018	\$ 14,380	\$ -	\$ -	\$ -	\$ -	\$ 69,000	\$ -
CA007RFS169A012	57,360	-	-	-	57,360	-	-	-	-	57,360	-
CA007FSH072A014	117,951	-	-	-	407	117,544	-	-	-	117,951	-
CA007FSH694A015	138,000	-	-	-	-	-	116,142	-	-	116,142	21,858
CA007FSH048A016	131,615	-	-	-	-	-	-	124,050	-	124,050	7,565
FSS17CA0073	129,442	-	-	-	-	-	-	-	129,442	129,442	-
Total County FSS	\$ 643,368	\$ -	\$ 5,602	\$ 49,018	\$ 72,147	\$ 117,544	\$ 116,142	\$ 124,050	\$ 129,442	\$ 484,503	\$ 29,423
City Choice Neighborhood Initiative (CNI)											
CA9G005CNP113	\$ 500,000	\$ -	\$ -	\$ -	\$ 120,109	\$ 301,253	\$ 17,793	\$ -	\$ -	\$ 439,155	\$ 60,845
County Choice Neighborhood Implementation (CNI)											
CA9G007CNG114	\$ 30,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 554,481	\$ 601,896	\$ 2,635,954	\$ 3,792,331	\$ 26,207,669
Jobs Plus											
CA005FJP000415	\$ 2,700,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 107,031	\$ 402,649	\$ 322,671	\$ 832,351	\$ 1,867,649

* The following grants had accrued retention for CAFR presentation that is included in the amounts above.

CA30P00550115	\$ 3,267
CA01P00550116	79,742
CA01P00550117	3,375
CA01P00750117	63,299

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

**Sacramento Housing and Redevelopment Agency
Other Supplementary Information
For the Year Ended December 31, 2018**

Below is the Schedule of Purchase and Resale Entity (PRE) sales proceeds and expenditures.

Program	Sales Proceeds	Expenditures Budgeted	2017 Expended*	2018 Expended*	Total Expended	Balance of Funds Budgeted
City Public Housing Homeownership	\$ -	\$ 1,008,266	\$ -	\$ 790	\$ 1,009,056	\$ (790)
County Public Housing Homeownership	-	674,248	125,279	2,415	674,185	\$ 63
City Section 32	-	1,151,388	90,295	-	1,151,388	\$ -
County Section 32	-	463,222	283,346	-	465,079	\$ (1,857)
City Purchase and Resale Entity (PRE)	4,252,928	3,807,420	1,629,928	1,625,232	3,361,286	\$ 446,134
County Purchase and Resale Entity (PRE)	2,891,452	2,908,272	377,477	1,130,032	1,507,510	\$ 1,400,762
Totals	<u>\$ 7,144,380</u>	<u>\$ 10,012,816</u>	<u>\$ 2,506,325</u>	<u>\$ 2,758,469</u>	<u>\$ 8,168,504</u>	<u>\$ 1,844,312</u>

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

*Nonmajor
Governmental
Funds*

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2018
(amounts expressed in thousands)

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Assets				
Cash and investments	\$ 29,684	\$ -	\$ 4,935	\$ 34,619
Accounts receivable (net)	270	-	-	270
Due from other funds	399	-	-	399
Due from other governments	8,207	-	2,079	10,286
Notes receivable (net)	106,307	-	3,812	110,119
Advances to other funds	1,629	-	-	1,629
Restricted cash and investments	47	-	-	47
Assets held for resale	-	-	3,681	3,681
Total assets	<u>\$ 146,543</u>	<u>\$ -</u>	<u>\$ 14,507</u>	<u>\$ 161,050</u>
Liabilities				
Accounts payable	\$ 1,473	\$ -	\$ 108	\$ 1,581
Accrued liabilities	3	-	4	7
Contracts payable	-	-	220	220
Due to other funds	3,818	-	1,923	5,741
Due to other governments	183	-	-	183
Unearned revenue	329	-	-	329
Deposit and trust liability	44	-	-	44
Advances from other funds	2,204	-	8,265	10,469
Total liabilities	<u>8,054</u>	<u>-</u>	<u>10,520</u>	<u>18,574</u>
Deferred Inflows of Resources				
Unavailable revenue	<u>42,005</u>	<u>-</u>	<u>-</u>	<u>42,005</u>
Fund Balances (Deficits)				
Restricted for:				
Debt service	3	-	-	3
Housing	83,571	-	3,987	87,558
Community development	14,752	-	-	14,752
Community services	2,822	-	-	2,822
Unassigned	(4,664)	-	-	(4,664)
Total fund balances	<u>96,484</u>	<u>-</u>	<u>3,987</u>	<u>100,471</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 146,543</u>	<u>\$ -</u>	<u>\$ 14,507</u>	<u>\$ 161,050</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	Special Revenue	Debt Service	Capital Projects	Total Nonmajor Governmental Funds
Revenues:				
Intergovernmental	\$ 26,336	\$ -	\$ 5,109	\$ 31,445
Charges for services	1,596	-	-	1,596
Investment earnings	1,166	-	118	1,284
Miscellaneous	2,196	-	1,450	3,646
Total revenues	<u>31,294</u>	<u>-</u>	<u>6,677</u>	<u>37,971</u>
Expenditures:				
Current:				
Housing operations	5,998	-	4,660	10,658
Community development	13,838	-	-	13,838
Community social services	6,832	-	-	6,832
Capital outlay	-	-	3,173	3,173
Debt service:				
Principal retirement	150	345	-	495
Interest	11	32	-	43
Total expenditures	<u>26,829</u>	<u>377</u>	<u>7,833</u>	<u>35,039</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,465</u>	<u>(377)</u>	<u>(1,156)</u>	<u>2,932</u>
Other financing sources (uses):				
Transfers in	-	377	-	377
Transfers out	(760)	-	(1,358)	(2,118)
Total other financing sources (uses)	<u>(760)</u>	<u>377</u>	<u>(1,358)</u>	<u>(1,741)</u>
Net change in fund balances	3,705	-	(2,514)	1,191
Fund balances, beginning	92,779	-	6,501	99,280
Fund balances, ending	<u>\$ 96,484</u>	<u>\$ -</u>	<u>\$ 3,987</u>	<u>\$ 100,471</u>

Nonmajor Special Revenue Funds

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

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

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2018
(amounts expressed in thousands)

	<u>Housing</u>	<u>Community Development</u>	<u>Community Services</u>	<u>Local Tax</u>	<u>Total</u>
Assets					
Cash and investments	\$ 19,853	\$ 6,706	\$ 108	\$ 3,017	\$ 29,684
Accounts receivable (net)	19	109	-	142	270
Due from other funds	363	36	-	-	399
Due from other governments	4,184	3,240	783	-	8,207
Notes receivable (net)	62,912	41,795	1,600	-	106,307
Advances to other funds	410	1,219	-	-	1,629
Restricted cash and investments	-	47	-	-	47
Total assets	<u>\$ 87,741</u>	<u>\$ 53,152</u>	<u>\$ 2,491</u>	<u>\$ 3,159</u>	<u>\$ 146,543</u>
Liabilities					
Accounts payable	\$ 482	\$ 628	\$ 349	\$ 14	\$ 1,473
Accrued liabilities	-	3	-	-	3
Due to other funds	3,402	7	396	13	3,818
Due to other governments	-	56	127	-	183
Unearned revenue	-	-	-	329	329
Deposit and trust liability	-	44	-	-	44
Advances from other funds	170	2,034	-	-	2,204
Total liabilities	<u>4,054</u>	<u>2,772</u>	<u>872</u>	<u>356</u>	<u>8,054</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>2,976</u>	<u>37,376</u>	<u>1,653</u>	<u>-</u>	<u>42,005</u>
Fund Balances (Deficits)					
Restricted for:					
Debt service	-	3	-	-	3
Housing	83,571	-	-	-	83,571
Community development	116	14,636	-	-	14,752
Community services	-	-	19	2,803	2,822
Unassigned	(2,976)	(1,635)	(53)	-	(4,664)
Total fund balances (deficits)	<u>80,711</u>	<u>13,004</u>	<u>(34)</u>	<u>2,803</u>	<u>96,484</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 87,741</u>	<u>\$ 53,152</u>	<u>\$ 2,491</u>	<u>\$ 3,159</u>	<u>\$ 146,543</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Housing</u>	<u>Community Development</u>	<u>Community Services</u>	<u>Local Tax</u>	<u>Total</u>
Revenues:					
Intergovernmental	\$ 10,425	\$ 12,064	\$ 3,439	\$ 408	\$ 26,336
Charges for services	593	4	-	999	1,596
Investment earnings	637	482	-	47	1,166
Miscellaneous	74	1,279	843	-	2,196
Total revenues	<u>11,729</u>	<u>13,829</u>	<u>4,282</u>	<u>1,454</u>	<u>31,294</u>
Expenditures:					
Current:					
Housing operations	5,998	-	-	-	5,998
Community development	2,706	10,642	490	-	13,838
Community social services	4	1,456	4,231	1,141	6,832
Debt service:					
Principal retirement	-	150	-	-	150
Interest	-	11	-	-	11
Total expenditures	<u>8,708</u>	<u>12,259</u>	<u>4,721</u>	<u>1,141</u>	<u>26,829</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,021</u>	<u>1,570</u>	<u>(439)</u>	<u>313</u>	<u>4,465</u>
Other financing sources (uses):					
Transfers out	-	(760)	-	-	(760)
Total other financing sources (uses)	<u>-</u>	<u>(760)</u>	<u>-</u>	<u>-</u>	<u>(760)</u>
Net change in fund balances	3,021	810	(439)	313	3,705
Fund balances, beginning	77,690	12,194	405	2,490	92,779
Fund balances (deficits), ending	<u>\$ 80,711</u>	<u>\$ 13,004</u>	<u>\$ (34)</u>	<u>\$ 2,803</u>	<u>\$ 96,484</u>

Nonmajor Housing Special Revenue Funds

- ◆ **General Housing Reserve** acts as a clearing account for excess funding to go to housing authority programs requiring additional funding.
- ◆ **Local Housing Revenue** accounts for the receipt and use of rebates derived from various energy conservation programs and accounts for activities relating to the Ping Yuen Center.
- ◆ **Riverview Plaza Reserve** acts as a clearing account for excess funding to go to Riverview Plaza activities and other housing programs.
- ◆ **Foundation Uniting Needs and Dollars (FUND), Inc.** accounts for the fundraising activities of the Agency.
- ◆ **City and County Ross Public Housing FSS Grant** is used to fund the project coordinator who administers the activities of residents in the Family Self Sufficiency program.
- ◆ **City ROSS Service Coordinator** provides for a Service Coordinator to coordinate supportive services and other activities designed to help Public and Indian housing residents attain economic and housing self-sufficiency.
- ◆ **City and County Housing Trust and State/Local Housing Trust** accounts for the acquisition, rehabilitation and development of low-income housing funded by local developer fees.
- ◆ **City Inclusionary and County Affordable Housing Programs** account for in-lieu and affordability fees paid by developers. Sacramento County's Affordable Housing Ordinance requires new residential projects of five or more dwelling units to provide an affordable housing component of not less than 15 percent of the development project's dwelling units. Depending on such project parameters as size, a developer is given various options to meet the affordable housing obligation.
- ◆ **City and County State/Local Housing Grant** is used to account for the receipt of grants from sources outside of the housing authority and the expenditures associated with those grants.
- ◆ **City CNI Planning Grant** account for development and implementation of a comprehensive neighborhood revitalization strategy for public and/or assisted housing units, while simultaneously directing the transformation of the surrounding neighborhood.
- ◆ **County Shelter Plus Care** accounts for grants for rental assistance, in combination with supportive services from other sources, to assist hard-to-serve homeless persons with disabilities.

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Housing Special Revenue Funds
December 31, 2018
(amounts expressed in thousands)

	<u>General Housing Reserve</u>	<u>Local Housing Revenue</u>	<u>Riverview Plaza Reserve</u>	<u>FUND, Inc.</u>	<u>City ROSS PH FSS Grant</u>
Assets					
Cash and investments	\$ 1,370	\$ 1,638	\$ 258	\$ 7	\$ -
Accounts receivable (net)	-	-	-	-	-
Due from other funds	348	-	-	-	-
Due from other governments	-	-	-	-	10
Notes receivable (net)	-	3,170	2,392	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 1,718</u>	<u>\$ 4,808</u>	<u>\$ 2,650</u>	<u>\$ 7</u>	<u>\$ 10</u>
	\$ -	\$ -			\$ -
Liabilities					
Accounts payable	\$ 472	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	10
Advances from other funds	-	170	-	-	-
Total liabilities	<u>472</u>	<u>170</u>	<u>-</u>	<u>-</u>	<u>10</u>
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	-	-
Fund Balances (Deficits)					
Restricted for:					
Housing	1,246	4,638	2,650	7	-
Community development	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances (deficits)	<u>1,246</u>	<u>4,638</u>	<u>2,650</u>	<u>7</u>	<u>-</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,718</u>	<u>\$ 4,808</u>	<u>\$ 2,650</u>	<u>\$ 7</u>	<u>\$ 10</u>

**Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Housing Special Revenue Funds
December 31, 2018
(amounts expressed in thousands)**

	County ROSS PH FSS Grant	City ROSS Service Coordinator	City Housing Trust	County Housing Trust	State/Local Housing Trust	City Inclusionary Housing
Assets						
Cash and investments	\$ -	\$ -	\$ 9,874	\$ 25	\$ -	\$ 65
Accounts receivable (net)	-	-	11	8	-	-
Due from other funds	-	-	8	7	-	-
Due from other governments	15	16	213	154	-	-
Notes receivable (net)	-	-	21,290	25,675	5,000	-
Advances to other funds	-	-	410	-	-	-
Total assets	<u>\$ 15</u>	<u>\$ 16</u>	<u>\$ 31,806</u>	<u>\$ 25,869</u>	<u>\$ 5,000</u>	<u>\$ 65</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	15	16	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>15</u>	<u>16</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable revenue	-	-	-	-	-	-
Fund Balances (Deficits)						
Restricted for:						
Housing	-	-	31,806	25,869	5,000	65
Community development	-	-	-	-	-	-
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>31,806</u>	<u>25,869</u>	<u>5,000</u>	<u>65</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 15</u>	<u>\$ 16</u>	<u>\$ 31,806</u>	<u>\$ 25,869</u>	<u>\$ 5,000</u>	<u>\$ 65</u>

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Housing Special Revenue Funds
December 31, 2018
(amounts expressed in thousands)

	<u>County Affordable Housing</u>	<u>County Shelter Plus Care</u>	<u>County CNI Grant</u>	<u>City Jobs Plus Grant</u>	<u>City MIHO</u>	<u>County AHO Monitoring</u>	<u>County P3</u>	<u>Total</u>
Assets								
Cash and investments	\$ 4,414	\$ -	\$ -	\$ -	\$ 2,086	\$ 116	\$ -	\$ 19,853
Accounts receivable (net)	-	-	-	-	-	-	-	19
Due from other funds	-	-	-	-	-	-	-	363
Due from other governments	272	395	2,617	323	133	-	36	4,184
Notes receivable (net)	5,385	-	-	-	-	-	-	62,912
Advances to other funds	-	-	-	-	-	-	-	410
Total assets	<u>\$ 10,071</u>	<u>\$ 395</u>	<u>\$ 2,617</u>	<u>\$ 323</u>	<u>\$ 2,219</u>	<u>\$ 116</u>	<u>\$ 36</u>	<u>\$ 87,741</u>
Liabilities								
Accounts payable	\$ -	\$ -	\$ 1	\$ 9	\$ -	\$ -	\$ -	\$ 482
Due to other funds	-	395	2,616	314	-	-	36	3,402
Advances from other funds	-	-	-	-	-	-	-	170
Total liabilities	<u>-</u>	<u>395</u>	<u>2,617</u>	<u>323</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>4,054</u>
Deferred Inflows of Resources								
Unavailable revenue	-	-	2,617	323	-	-	36	2,976
Fund Balances (Deficits)								
Restricted for:								
Housing	10,071	-	-	-	2,219	-	-	83,571
Community development	-	-	-	-	-	116	-	116
Unassigned	-	-	(2,617)	(323)	-	-	(36)	(2,976)
Total fund balances (deficits)	<u>10,071</u>	<u>-</u>	<u>(2,617)</u>	<u>(323)</u>	<u>2,219</u>	<u>116</u>	<u>(36)</u>	<u>80,711</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 10,071</u>	<u>\$ 395</u>	<u>\$ 2,617</u>	<u>\$ 323</u>	<u>\$ 2,219</u>	<u>\$ 116</u>	<u>\$ 36</u>	<u>\$ 87,741</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Housing Special Revenue Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>General Housing Reserve</u>	<u>Local Housing Revenue</u>	<u>Riverview Plaza Reserve</u>	<u>FUND, Inc.</u>	<u>City ROSS PH FSS Grant</u>
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 61
Charges for services	-	-	-	-	-
Investment earnings	26	33	4	-	-
Miscellaneous	-	5	-	4	-
Total revenues	<u>26</u>	<u>38</u>	<u>4</u>	<u>4</u>	<u>61</u>
Expenditures:					
Current:					
Housing operations	42	7	-	-	61
Community development	-	-	-	-	-
Community social services	-	-	-	4	-
Total expenditures	<u>42</u>	<u>7</u>	<u>-</u>	<u>4</u>	<u>61</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(16)</u>	<u>31</u>	<u>4</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(16)	31	4	-	-
Fund balances (deficits), beginning	1,262	4,607	2,646	7	-
Fund balances (deficits), ending	<u>\$ 1,246</u>	<u>\$ 4,638</u>	<u>\$ 2,650</u>	<u>\$ 7</u>	<u>\$ -</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Housing Special Revenue Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	County ROSS PH FSS Grant	City ROSS Service Coordinator	City Housing Trust	County Housing Trust	State/Local Housing Trust	City Inclusionary Housing
Revenues:						
Intergovernmental	\$ 129	\$ 162	\$ 1,895	\$ 231	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Investment earnings	-	-	335	136	-	-
Miscellaneous	-	-	-	-	-	65
Total revenues	<u>129</u>	<u>162</u>	<u>2,230</u>	<u>367</u>	<u>-</u>	<u>65</u>
Expenditures:						
Current:						
Housing operations	129	162	392	301	-	-
Community development	-	-	-	-	-	-
Community social services	-	-	-	-	-	-
Total expenditures	<u>129</u>	<u>162</u>	<u>392</u>	<u>301</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>-</u>	<u>1,838</u>	<u>66</u>	<u>-</u>	<u>65</u>
Net change in fund balances	-	-	1,838	66	-	65
Fund balances, beginning	-	-	29,968	25,803	5,000	-
Fund balances (deficits), ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 31,806</u>	<u>\$ 25,869</u>	<u>\$ 5,000</u>	<u>\$ 65</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Housing Special Revenue Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>County Affordable Housing</u>	<u>County Shelter Plus Care</u>	<u>County CNI Grant</u>	<u>City Jobs Plus Grant</u>	<u>City MIHO</u>	<u>County AHO Monitoring</u>	<u>County P3</u>	<u>Total</u>
Revenues:								
Intergovernmental	\$ 3,235	\$ 4,379	\$ 281	\$ 52	\$ -	\$ -	\$ -	\$ 10,425
Charges for services	-	-	-	-	593	-	-	593
Investment earnings	71	-	-	-	30	2	-	637
Miscellaneous	-	-	-	-	-	-	-	74
Total revenues	<u>3,306</u>	<u>4,379</u>	<u>281</u>	<u>52</u>	<u>623</u>	<u>2</u>	<u>-</u>	<u>11,729</u>
Expenditures:								
Current:								
Housing operations	170	4,379	26	323	-	6	-	5,998
Community development	-	-	2,609	-	61	-	36	2,706
Community social services	-	-	-	-	-	-	-	4
Total expenditures	<u>170</u>	<u>4,379</u>	<u>2,635</u>	<u>323</u>	<u>61</u>	<u>6</u>	<u>36</u>	<u>8,708</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,136</u>	<u>-</u>	<u>(2,354)</u>	<u>(271)</u>	<u>562</u>	<u>(4)</u>	<u>(36)</u>	<u>3,021</u>
Net change in fund balances	3,136	-	(2,354)	(271)	562	(4)	(36)	3,021
Fund balances, beginning	6,935	-	(263)	(52)	1,657	120	-	77,690
Fund balances (deficits), ending	<u>\$ 10,071</u>	<u>\$ -</u>	<u>\$ (2,617)</u>	<u>\$ (323)</u>	<u>\$ 2,219</u>	<u>\$ 116</u>	<u>\$ (36)</u>	<u>\$ 80,711</u>

**Sacramento Housing and Redevelopment Agency
General Housing Reserve Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ 13	\$ 13	\$ 26	\$ 13
Expenditures:				
Current:				
Housing operations	248	248	42	206
Net change in fund balance	(235)	(235)	(16)	219
Fund balance, beginning	1,262	1,262	1,262	-
Fund balance, ending	<u>\$ 1,027</u>	<u>\$ 1,027</u>	<u>\$ 1,246</u>	<u>\$ 219</u>

**Sacramento Housing and Redevelopment Agency
Local Housing Revenue Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ 15	\$ 15	\$ 33	\$ 18
Expenditures:				
Current:				
Housing operations	100	100	7	93
Net change in fund balance	(85)	(85)	31	116
Fund balance, beginning	4,607	4,607	4,607	-
Fund balance, ending	<u>\$ 4,522</u>	<u>\$ 4,522</u>	<u>\$ 4,638</u>	<u>\$ 116</u>

**Sacramento Housing and Redevelopment Agency
Riverview Plaza Reserve Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ 3	\$ 3	\$ 4	\$ 1
Expenditures:				
Current:				
Housing operations	59	59	-	59
Net change in fund balance	(56)	(56)	4	60
Fund balance, beginning	2,646	2,646	2,646	-
Fund balance, ending	<u>\$ 2,590</u>	<u>\$ 2,590</u>	<u>\$ 2,650</u>	<u>\$ 60</u>

Sacramento Housing and Redevelopment Agency
City ROSS PH FSS Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 69	\$ 69	\$ 61	\$ (8)
Expenditures:				
Current:				
Housing operations	69	69	61	8
Net change in fund balances	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Sacramento Housing and Redevelopment Agency
County ROSS PH FSS Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 276	\$ 270	\$ 129	\$ (141)
Expenditures:				
Current:				
Housing operations	276	261	129	132
Net change in fund balance	-	9	-	(9)
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ 9</u>	<u>\$ -</u>	<u>\$ (9)</u>

Sacramento Housing and Redevelopment Agency
City ROSS Service Coordinator Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ -	\$ -	\$ 162	\$ 162
Expenditures:				
Current:				
Housing operations	496	496	162	334
Net change in fund balance	(496)	(496)	-	496
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ (496)</u>	<u>\$ (496)</u>	<u>\$ -</u>	<u>\$ 496</u>

**Sacramento Housing and Redevelopment Agency
City Housing Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,300	\$ 2,300	\$ 1,895	\$ (405)
Investment earnings	133	133	335	202
Miscellaneous	116	116	-	(116)
Total revenues	<u>2,549</u>	<u>2,549</u>	<u>2,230</u>	<u>(319)</u>
Expenditures:				
Current:				
Housing operations	<u>13,913</u>	<u>11,119</u>	<u>392</u>	<u>10,727</u>
Net change in fund balance	(11,364)	(8,570)	1,838	10,408
Fund balance, beginning	29,968	29,968	29,968	-
Fund balance, ending	<u>\$ 18,604</u>	<u>\$ 21,398</u>	<u>\$ 31,806</u>	<u>\$ 10,408</u>

**Sacramento Housing and Redevelopment Agency
County Housing Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,900	\$ 1,900	\$ 231	\$ (1,669)
Investment earnings	104	104	136	32
Total revenues	<u>2,004</u>	<u>2,004</u>	<u>367</u>	<u>(1,637)</u>
Expenditures:				
Current:				
Housing operations	<u>6,040</u>	<u>5,890</u>	<u>301</u>	<u>5,589</u>
Net change in fund balance	(4,036)	(3,886)	66	3,952
Fund balance, beginning	25,803	25,803	25,803	-
Fund balance, ending	<u>\$ 21,767</u>	<u>\$ 21,917</u>	<u>\$ 25,869</u>	<u>\$ 3,952</u>

**Sacramento Housing and Redevelopment Agency
City Inclusionary Housing Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	-	-	65	65
Expenditures:				
Community social services	782	782	-	782
Net change in fund balance	(782)	(782)	65	847
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	<u>\$ (782)</u>	<u>\$ (782)</u>	<u>\$ 65</u>	<u>\$ 847</u>

**Sacramento Housing and Redevelopment Agency
County Affordable Housing Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 1,000	\$ 1,000	\$ 3,235	\$ 2,235
Investment earnings	35	35	71	36
Total revenues	<u>1,035</u>	<u>1,035</u>	<u>3,306</u>	<u>2,271</u>
Expenditures:				
Current:				
Housing operations	<u>5,770</u>	<u>5,770</u>	<u>170</u>	<u>5,600</u>
Net change in fund balance	(4,735)	(4,735)	3,136	7,871
Fund balance, beginning	6,935	6,935	6,935	-
Fund balance, ending	<u>\$ 2,200</u>	<u>\$ 2,200</u>	<u>\$ 10,071</u>	<u>\$ 7,871</u>

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

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 4,569	\$ 4,589	\$ 4,379	\$ (210)
Expenditures:				
Current:				
Housing operations	4,569	4,589	4,379	210
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Sacramento Housing and Redevelopment Agency
County Choice Neighborhoods Initiative (CNI) Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,244	\$ 2,244	\$ 281	\$ (1,963)
Expenditures:				
Current:				
Housing operations	94	94	26	68
Community development	28,468	28,468	2,609	25,859
Total expenditures	<u>28,562</u>	<u>28,562</u>	<u>2,635</u>	<u>25,927</u>
Net change in fund balance	(26,318)	(26,318)	(2,354)	23,964
Fund balance (deficit), beginning	(263)	(263)	(263)	-
Fund balance (deficit) , ending	<u>\$ (26,581)</u>	<u>\$ (26,581)</u>	<u>\$ (2,617)</u>	<u>\$ 23,964</u>

Sacramento Housing and Redevelopment Agency
City Jobs Plus Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 625	\$ 625	\$ 52	\$ (573)
Expenditures:				
Current:				
Housing operations	621	621	323	298
Net change in fund balance	4	4	(271)	(275)
Fund balance (deficit), beginning	(52)	(52)	(52)	-
Fund balance (deficit) , ending	<u>\$ (48)</u>	<u>\$ (48)</u>	<u>\$ (323)</u>	<u>\$ (275)</u>

Sacramento Housing and Redevelopment Agency
City Mixed Income Housing Ordinance (MIHO) Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 500	\$ 500	\$ 593	\$ 93
Investment earnings	-	-	30	30
Total revenues	<u>500</u>	<u>500</u>	<u>623</u>	<u>123</u>
Expenditures:				
Current:				
Community development	<u>1,532</u>	<u>1,532</u>	<u>61</u>	<u>1,471</u>
Net change in fund balance	(1,032)	(1,032)	562	1,594
Fund balance, beginning	1,657	1,657	1,657	-
Fund balance, ending	<u>\$ 625</u>	<u>\$ 625</u>	<u>\$ 2,219</u>	<u>\$ 1,594</u>

Sacramento Housing and Redevelopment Agency
County Affordable Housing Ordinance (AHO) Monitoring Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Investment earnings	\$ 1	\$ 1	\$ 2	\$ 1
Expenditures:				
Current:				
Housing operations	124	124	6	118
Net change in fund balance	(123)	(123)	(4)	119
Fund balance, beginning	120	120	120	-
Fund balance (deficit), ending	<u>\$ (3)</u>	<u>\$ (3)</u>	<u>\$ 116</u>	<u>\$ 119</u>

Sacramento Housing and Redevelopment Agency
County Performance Partnership Pilots (P3) Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ 83	\$ 83	\$ -	\$ (83)
Expenditures:				
Current:				
Community development	83	83	36	47
Net change in fund balance	-	-	(36)	36
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (36)</u>	<u>\$ 36</u>

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Nonmajor Community Development

Special Revenue Funds

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

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2018
(amounts expressed in thousands)

	County Economic Development Activities	City Misc Development Grants	County Misc Development Grants	Shasta Trust	City BEGIN
Assets					
Cash and investments	\$ 112	\$ 172	\$ 371	\$ 22	\$ 24
Accounts receivable (net)	-	-	-	-	-
Due from other funds	-	-	36	-	-
Due from other governments	-	-	-	-	-
Notes receivable (net)	-	15	-	-	75
Advances to other funds	-	-	-	-	-
Restricted cash and investments	-	-	44	-	-
Total assets	\$ 112	\$ 187	\$ 451	\$ 22	\$ 99
Liabilities					
Accounts payable	\$ -	\$ 13	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deposit and trust liability	-	-	44	-	-
Advances from other funds	-	-	2,034	-	-
Total liabilities	-	13	2,078	-	-
Deferred Inflows of Resources					
Unavailable revenue	-	-	-	-	75
Fund Balances (Deficits)					
Restricted for:					
Debt service	-	-	-	-	-
Community development	112	174	-	22	24
Unassigned	-	-	(1,627)	-	-
Total fund balances (deficits)	112	174	(1,627)	22	24
Total liabilities, deferred inflows of resources and fund balances (deficits)	\$ 112	\$ 187	\$ 451	\$ 22	\$ 99

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2018
(amounts expressed in thousands)

	BEGIN State Prop 46	City CalHOME	County CalHOME	City ADDI	County ADDI	Mental Health Services
Assets						
Cash and investments	\$ 313	\$ 1,235	\$ 1,335	\$ 27	\$ 79	\$ 1,117
Accounts receivable (net)	-	-	-	1	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Notes receivable (net)	1,489	5,973	5,214	10	10	325
Advances to other funds	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-
Total assets	<u>\$ 1,802</u>	<u>\$ 7,208</u>	<u>\$ 6,549</u>	<u>\$ 38</u>	<u>\$ 89</u>	<u>\$ 1,442</u>
Liabilities						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Deposit and trust liability	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources						
Unavailable revenue	<u>1,489</u>	<u>5,973</u>	<u>5,214</u>	<u>10</u>	<u>10</u>	<u>-</u>
Fund Balances (Deficits)						
Restricted for:						
Debt service	-	-	-	-	-	-
Community development	313	1,235	1,335	28	79	1,442
Unassigned	-	-	-	-	-	-
Total fund balances (deficits)	<u>313</u>	<u>1,235</u>	<u>1,335</u>	<u>28</u>	<u>79</u>	<u>1,442</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,802</u>	<u>\$ 7,208</u>	<u>\$ 6,549</u>	<u>\$ 38</u>	<u>\$ 89</u>	<u>\$ 1,442</u>

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2018
(amounts expressed in thousands)

	City Globe Mills EDI	City CDBG	County CDBG	County CDBG-NSP 1	City CDBG - NSP 3
Assets					
Cash and investments	\$ -	\$ 524	\$ 1,200	\$ -	\$ 23
Accounts receivable (net)	-	7	97	-	-
Due from other funds	-	-	-	-	-
Due from other governments	-	179	1,101	-	214
Notes receivable (net)	2,000	6,476	6,744	7,964	-
Advances to other funds	-	172	329	-	-
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ 2,000</u>	<u>\$ 7,358</u>	<u>\$ 9,471</u>	<u>\$ 7,964</u>	<u>\$ 237</u>
Liabilities					
Accounts payable	\$ -	\$ 7	\$ 603	\$ 1	\$ -
Accrued liabilities	-	1	2	-	-
Due to other funds	-	-	-	6	-
Due to other governments	-	10	46	-	-
Deposit and trust liability	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>18</u>	<u>651</u>	<u>7</u>	<u>-</u>
Deferred Inflows of Resources					
Unavailable revenue	<u>2,000</u>	<u>6,628</u>	<u>7,522</u>	<u>7,964</u>	<u>214</u>
Fund Balances (Deficits)					
Restricted for:					
Debt service	-	-	-	-	-
Community development	-	712	1,298	-	23
Unassigned	-	-	-	(7)	-
Total fund balances (deficits)	<u>-</u>	<u>712</u>	<u>1,298</u>	<u>(7)</u>	<u>23</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 2,000</u>	<u>\$ 7,358</u>	<u>\$ 9,471</u>	<u>\$ 7,964</u>	<u>\$ 237</u>

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2018
(amounts expressed in thousands)

	County CDBG - NSP 3	City Section 108	City Non-housing Project Delivery	County Non-housing Project Delivery	12th Street Triangle	City FHA	Total
Assets							
Cash and investments	\$ 152	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,706
Accounts receivable (net)	-	-	-	-	-	4	109
Due from other funds	-	-	-	-	-	-	36
Due from other governments	277	-	1,186	283	-	-	3,240
Notes receivable (net)	-	5,500	-	-	-	-	41,795
Advances to other funds	718	-	-	-	-	-	1,219
Restricted cash and investments	-	3	-	-	-	-	47
Total assets	<u>\$ 1,147</u>	<u>\$ 5,503</u>	<u>\$ 1,186</u>	<u>\$ 283</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 53,152</u>
Liabilities							
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4	\$ 628
Accrued liabilities	-	-	-	-	-	-	3
Due to other funds	-	-	-	-	1	-	7
Due to other governments	-	-	-	-	-	-	56
Deposit and trust liability	-	-	-	-	-	-	44
Advances from other funds	-	-	-	-	-	-	2,034
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1</u>	<u>4</u>	<u>2,772</u>
Deferred Inflows of Resources							
Unavailable revenue	<u>277</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>37,376</u>
Fund Balances (Deficits)							
Restricted for:							
Debt service	-	3	-	-	-	-	3
Community development	870	5,500	1,186	283	-	-	14,636
Unassigned	-	-	-	-	(1)	-	(1,635)
Total fund balances (deficits)	<u>870</u>	<u>5,503</u>	<u>1,186</u>	<u>283</u>	<u>(1)</u>	<u>-</u>	<u>13,004</u>
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,147</u>	<u>\$ 5,503</u>	<u>\$ 1,186</u>	<u>\$ 283</u>	<u>\$ -</u>	<u>\$ 4</u>	<u>\$ 53,152</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>County Economic Development Activities</u>	<u>City Misc Development Grants</u>	<u>County Misc Development Grants</u>	<u>Shasta Trust</u>	<u>City BEGIN</u>
Revenues:					
Intergovernmental	\$ -	\$ 326	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Investment earnings	2	-	18	-	-
Miscellaneous	-	1	-	-	-
Total revenues	<u>2</u>	<u>327</u>	<u>18</u>	<u>-</u>	<u>-</u>
Expenditures:					
Current:					
Community development	-	-	-	-	-
Community social services	-	-	-	-	-
Debt service:					
Principal retirement	-	-	150	-	-
Interest	-	-	11	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>161</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2</u>	<u>327</u>	<u>(143)</u>	<u>-</u>	<u>-</u>
Other financing sources (uses):					
Transfers out	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	2	327	(143)	-	-
Fund balances (deficits), beginning	110	(153)	(1,484)	22	24
Fund balances (deficits), ending	<u>\$ 112</u>	<u>\$ 174</u>	<u>\$ (1,627)</u>	<u>\$ 22</u>	<u>\$ 24</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>BEGIN State Prop 46</u>	<u>City CalHOME</u>	<u>County CalHOME</u>	<u>City ADDI</u>	<u>County ADDI</u>	<u>Mental Health Services</u>
Revenues:						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Investment earnings	33	97	77	-	-	19
Miscellaneous	146	399	309	1	1	-
Total revenues	<u>179</u>	<u>496</u>	<u>386</u>	<u>1</u>	<u>1</u>	<u>19</u>
Expenditures:						
Current:						
Community development	1	687	125	-	-	51
Community social services	-	-	-	-	-	-
Debt service:						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>1</u>	<u>687</u>	<u>125</u>	<u>-</u>	<u>-</u>	<u>51</u>
Excess (deficiency) of revenues over (under) expenditures	<u>178</u>	<u>(191)</u>	<u>261</u>	<u>1</u>	<u>1</u>	<u>(32)</u>
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Total other financing sources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	178	(191)	261	1	1	(32)
Fund balances (deficits), beginning	135	1,426	1,074	27	78	1,474
Fund balances (deficits), ending	<u>\$ 313</u>	<u>\$ 1,235</u>	<u>\$ 1,335</u>	<u>\$ 28</u>	<u>\$ 79</u>	<u>\$ 1,442</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>City Globe Mills EDI</u>	<u>City CDBG</u>	<u>County CDBG</u>	<u>County CDBG-NSP 1</u>	<u>City CDBG - NSP 3</u>
Revenues:					
Intergovernmental	\$ -	\$ 4,001	\$ 5,864	\$ 20	\$ -
Charges for services	-	-	-	-	-
Investment earnings	-	107	129	-	-
Miscellaneous	-	114	296	-	-
Total revenues	<u>-</u>	<u>4,222</u>	<u>6,289</u>	<u>20</u>	<u>-</u>
Expenditures:					
Current:					
Community development	-	3,266	6,109	-	19
Community social services	-	668	788	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>3,934</u>	<u>6,897</u>	<u>-</u>	<u>19</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>288</u>	<u>(608)</u>	<u>20</u>	<u>(19)</u>
Other financing sources (uses):					
Transfers out	-	(376)	-	-	-
Total other financing sources	<u>-</u>	<u>(376)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	(88)	(608)	20	(19)
Fund balances (deficits), beginning	-	800	1,906	(27)	42
Fund balances (deficits), ending	<u>\$ -</u>	<u>\$ 712</u>	<u>\$ 1,298</u>	<u>\$ (7)</u>	<u>\$ 23</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	County CDBG - NSP 3	City Section 108	City Non-housing Project Delivery	County Non-housing Project Delivery	County 12th Street Triangle	City FHA	Total
Revenues:							
Intergovernmental	\$ -	\$ -	\$ 1,436	\$ 417	\$ -	\$ -	\$ 12,064
Charges for services	-	-	-	-	4	-	4
Investment earnings	-	-	-	-	-	-	482
Miscellaneous	6	-	-	-	-	6	1,279
Total revenues	<u>6</u>	<u>-</u>	<u>1,436</u>	<u>417</u>	<u>4</u>	<u>6</u>	<u>13,829</u>
Expenditures:							
Current:							
Community development	380	-	-	-	4	-	10,642
Community social services	-	-	-	-	-	-	1,456
Debt service:							
Principal retirement	-	-	-	-	-	-	150
Interest	-	-	-	-	-	-	11
Total expenditures	<u>380</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>-</u>	<u>12,259</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(374)</u>	<u>-</u>	<u>1,436</u>	<u>417</u>	<u>-</u>	<u>6</u>	<u>1,570</u>
Other financing sources (uses):							
Transfers out	-	-	(250)	(134)	-	-	(760)
Total other financing sources	<u>-</u>	<u>-</u>	<u>(250)</u>	<u>(134)</u>	<u>-</u>	<u>-</u>	<u>(760)</u>
Net change in fund balances	(374)	-	1,186	283	-	6	810
Fund balances (deficits), beginning	1,244	5,503	-	-	(1)	(6)	12,194
Fund balances (deficits), ending	<u>\$ 870</u>	<u>\$ 5,503</u>	<u>\$ 1,186</u>	<u>\$ 283</u>	<u>\$ (1)</u>	<u>-</u>	<u>\$ 13,004</u>

Nonmajor Community Services Special Revenue Funds

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

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Services Special Revenue Funds
December 31, 2018
(amounts expressed in thousands)

	City HOPWA	City ESG	County ESG	City CATC	County BFH	State ESG	Total
Assets							
Cash and investments	\$ 1	\$ -	\$ 88	\$ 19	\$ -	\$ -	\$ 108
Due from other governments	228	8	104	-	335	108	783
Notes receivable (net)	1,600	-	-	-	-	-	1,600
	-	-	-	-	-	-	-
Total assets	<u>\$ 1,829</u>	<u>8</u>	<u>\$ 192</u>	<u>\$ 19</u>	<u>\$ 335</u>	<u>\$ 108</u>	<u>\$ 2,491</u>
Liabilities							
Accounts payable	\$ 184	-	\$ 66	\$ -	\$ 63	\$ 36	\$ 349
Due to other funds	44	8	-	-	272	72	396
Due to other governments	1	-	126	-	-	-	127
	-	-	-	-	-	-	-
Total liabilities	<u>229</u>	<u>8</u>	<u>192</u>	<u>-</u>	<u>335</u>	<u>108</u>	<u>872</u>
Deferred Inflows of Resources							
Unavailable revenue	<u>1,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4</u>	<u>49</u>	<u>1,653</u>
Fund Balances (Deficits)							
Restricted for:	-	-	-	-	-	-	-
Community services	-	-	-	19	-	-	19
Unassigned	-	-	-	-	(4)	(49)	(53)
	-	-	-	-	-	-	-
Total fund balances (deficits)	<u>-</u>	<u>-</u>	<u>-</u>	<u>19</u>	<u>(4)</u>	<u>(49)</u>	<u>(34)</u>
	-	-	-	-	-	-	-
Total liabilities, deferred inflows of resources and fund balances (deficits)	<u>\$ 1,829</u>	<u>\$ 8</u>	<u>\$ 192</u>	<u>\$ 19</u>	<u>\$ 335</u>	<u>\$ 108</u>	<u>\$ 2,491</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Services Special Revenue Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	City HOPWA	City ESG	County ESG	City CATC	County BFH	State ESG	Total
Revenues:							
Intergovernmental	\$ 2,032	\$ 449	\$ 546	\$ 412	\$ -	\$ -	\$ 3,439
Miscellaneous	-	-	-	-	380	463	843
Total revenues	<u>2,032</u>	<u>449</u>	<u>546</u>	<u>412</u>	<u>380</u>	<u>463</u>	<u>4,282</u>
Expenditures:							
Current:							
Community development	490	-	-	-	-	-	490
Community social services	2,032	405	505	393	384	512	4,231
Total expenditures	<u>2,522</u>	<u>405</u>	<u>505</u>	<u>393</u>	<u>384</u>	<u>512</u>	<u>4,721</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(490)</u>	<u>44</u>	<u>41</u>	<u>19</u>	<u>(4)</u>	<u>(49)</u>	<u>(439)</u>
Net change in fund balances	(490)	44	41	19	(4)	(49)	(439)
Fund balances (deficits), beginning	490	(44)	(41)	-	-	-	405
Fund balances (deficits), ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ (4)</u>	<u>\$ (49)</u>	<u>\$ (34)</u>

**Sacramento Housing and Redevelopment Agency
City HOPWA Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 2,080	\$ 2,356	\$ 2,032	\$ (324)
Expenditures:				
Current:				
Community development	-	-	490	(490)
Community social services	3,379	3,601	2,032	1,569
Total expenditures	<u>3,379</u>	<u>3,601</u>	<u>2,522</u>	<u>1,079</u>
Net change in fund balance	(1,299)	(1,245)	(490)	755
Fund balance, beginning	490	490	490	-
Fund balance (deficit), ending	<u>\$ (809)</u>	<u>\$ (755)</u>	<u>\$ -</u>	<u>\$ 755</u>

**Sacramento Housing and Redevelopment Agency
City ESG Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 398	\$ 400	\$ 449	\$ 49
Expenditures:				
Current:				
Community social services	398	400	405	5
Net change in fund balance	-	-	44	44
Fund balance (deficit), beginning	(44)	(44)	(44)	-
Fund balance (deficit), ending	<u>\$ (44)</u>	<u>\$ (44)</u>	<u>\$ -</u>	<u>\$ 44</u>

**Sacramento Housing and Redevelopment Agency
County ESG Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 459	\$ 462	\$ 546	\$ 84
Expenditures:				
Current:				
Community social services	459	462	505	(43)
Net change in fund balance	-	-	41	41
Fund balance (deficit), beginning	(41)	(41)	(41)	-
Fund balance (deficit), ending	<u>\$ (41)</u>	<u>\$ (41)</u>	<u>\$ -</u>	<u>\$ 41</u>

**Sacramento Housing and Redevelopment Agency
City CATC Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 708	\$ 412	\$ 412	\$ -
Expenditures:				
Current:				
Community social services	708	393	393	-
Net change in fund balance	-	19	19	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ 19</u>	<u>\$ 19</u>	<u>\$ -</u>

Sacramento Housing and Redevelopment Agency
County BFH Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Miscellaneous	\$ -	\$ 695	\$ 380	\$ (315)
Expenditures:				
Current:				
Community social services	-	693	384	309
Net change in fund balance	-	2	(4)	(6)
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	<u>\$ -</u>	<u>\$ 2</u>	<u>\$ (4)</u>	<u>\$ (6)</u>

Sacramento Housing and Redevelopment Agency
State ESG Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	941	941	-	(941)
Miscellaneous	-	-	463	463
Total revenues	<u>\$ 941</u>	<u>\$ 941</u>	<u>\$ 941</u>	<u>\$ (478)</u>
Expenditures:				
Current:				
Community social services	<u>941</u>	<u>952</u>	<u>512</u>	<u>(440)</u>
Net change in fund balance	-	(11)	(49)	(38)
Fund balance, beginning	-	-	-	-
Fund balance (deficit), ending	<u>\$ -</u>	<u>\$ (11)</u>	<u>\$ (49)</u>	<u>\$ (38)</u>

Nonmajor Local Tax Special Revenue Funds

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

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Local Tax Special Revenue Funds
December 31, 2018
(amounts expressed in thousands)

	<u>City Local Tax</u>	<u>County Local Tax</u>	<u>City Supplemental Admin Fees</u>	<u>County Supplemental Admin Fees</u>	<u>Total</u>
Assets					
Cash and investments	\$ 38	\$ -	\$ 2,321	\$ 658	\$ 3,017
Accounts receivable (net)	-	-	85	57	142
Total assets	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 2,406</u>	<u>\$ 715</u>	<u>\$ 3,159</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ 14	\$ -	\$ 14
Due to other funds	-	13	-	-	13
Unearned revenue	-	-	329	-	329
Total liabilities	<u>-</u>	<u>13</u>	<u>343</u>	<u>-</u>	<u>356</u>
Fund Balances (Deficits)					
Restricted for:					
Community services	38	(13)	2,063	715	2,803
Total fund balances (deficits)	<u>38</u>	<u>(13)</u>	<u>2,063</u>	<u>715</u>	<u>2,803</u>
Total liabilities and fund balances (deficits)	<u>\$ 38</u>	<u>\$ -</u>	<u>\$ 2,406</u>	<u>\$ 715</u>	<u>\$ 3,159</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Local Tax Special Revenue Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>City Local Tax</u>	<u>County Local Tax</u>	<u>City Supplemental Admin Fees</u>	<u>County Supplemental Admin Fees</u>	<u>Total</u>
Revenues:					
Intergovernmental	\$ 266	\$ 142	\$ -	\$ -	\$ 408
Charges for services	-	-	598	401	999
Investment earnings	-	-	35	12	47
Total revenues	<u>266</u>	<u>142</u>	<u>633</u>	<u>413</u>	<u>1,454</u>
Expenditures:					
Current:					
Community social services	<u>254</u>	<u>177</u>	<u>305</u>	<u>405</u>	<u>1,141</u>
Net change in fund balances	12	(35)	328	8	313
Fund balances, beginning	26	22	1,735	707	2,490
Fund balances (deficits), ending	<u>\$ 38</u>	<u>\$ (13)</u>	<u>\$ 2,063</u>	<u>\$ 715</u>	<u>\$ 2,803</u>

Sacramento Housing and Redevelopment Agency
City Local Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 241	\$ 241	\$ 266	\$ 25
Expenditures:				
Current:				
Community social services	254	254	254	-
Net change in fund balance	(13)	(13)	12	25
Fund balance, beginning	26	26	26	-
Fund balance, ending	<u>\$ 13</u>	<u>\$ 13</u>	<u>\$ 38</u>	<u>\$ 25</u>

**Sacramento Housing and Redevelopment Agency
County Local Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Intergovernmental	\$ 148	\$ 148	\$ 142	\$ (6)
Expenditures:				
Current:				
Community social services	176	176	177	(1)
Net change in fund balance	(28)	(28)	(35)	(7)
Fund balance, beginning	22	22	22	-
Fund balance (deficit), ending	<u>\$ (6)</u>	<u>\$ (6)</u>	<u>\$ (13)</u>	<u>\$ (7)</u>

**Sacramento Housing and Redevelopment Agency
City Supplemental Admin Fees Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 600	\$ 600	\$ 598	\$ (2)
Investment earnings	14	14	35	21
Total revenues	<u>614</u>	<u>614</u>	<u>633</u>	<u>19</u>
Expenditures:				
Current:				
Community social services	<u>2,007</u>	<u>2,007</u>	<u>305</u>	<u>1,702</u>
Net change in fund balance	(1,393)	(1,393)	328	1,721
Fund balance, beginning	1,735	1,735	1,735	-
Fund balance, ending	<u>\$ 342</u>	<u>\$ 342</u>	<u>\$ 2,063</u>	<u>\$ 1,721</u>

Sacramento Housing and Redevelopment Agency
County Supplemental Admin Fees Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Charges for services	\$ 556	\$ 556	\$ 401	\$ (155)
Investment earnings	7	7	12	5
Total revenues	<u>563</u>	<u>563</u>	<u>413</u>	<u>(150)</u>
Expenditures:				
Current:				
Community social services	<u>1,301</u>	<u>1,301</u>	<u>405</u>	<u>896</u>
Net change in fund balance	(738)	(738)	8	746
Fund balance, beginning	707	707	707	-
Fund balance (deficit), ending	<u>\$ (31)</u>	<u>\$ (31)</u>	<u>\$ 715</u>	<u>\$ 746</u>

Nonmajor Debt Service Funds

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

- ◆ City CDBG

**Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Debt Service Funds
December 31, 2018
(amounts expressed in thousands)**

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

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Fund
For the Year Ended December 31, 2018
(amounts expressed in thousands)

		City CDBG
Expenditures:		
Debt service:		
Principal retirement	\$	345
Interest		32
Total expenditures		377
Deficiency of revenues under expenditures		(377)
Other financing sources:		
Transfers in		377
Net change in fund balances		-
Fund balances, beginning		-
Fund balances, ending	\$	-

Sacramento Housing and Redevelopment Agency
City CDBG Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Expenditures:				
Debt service:				
Principal retirement	\$ 345	\$ 345	\$ 345	\$ -
Interest	32	32	32	-
Total expenditures	<u>377</u>	<u>377</u>	<u>377</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(377)</u>	<u>(377)</u>	<u>(377)</u>	<u>-</u>
Other financing sources:				
Transfers in	<u>377</u>	<u>377</u>	<u>377</u>	<u>-</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

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Nonmajor Capital Projects Funds

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

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

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018
(amounts expressed in thousands)

	City Capital Fund	County Capital Fund	City Section 32	City Section 32 PRE	City Public Housing Homeownership
Assets					
Cash and investments	\$ 2	\$ 2	\$ -	\$ 2,501	\$ 60
Due from other governments	1,186	893	-	-	-
Notes receivable (net)	-	-	-	-	1,790
Assets held for resale	-	-	-	2,686	-
Total assets	<u>\$ 1,188</u>	<u>\$ 895</u>	<u>\$ -</u>	<u>\$ 5,187</u>	<u>\$ 1,850</u>
Liabilities					
Accounts payable	\$ 4	\$ 4	\$ -	\$ 1	\$ 2
Accrued liabilities	1	1	-	1	-
Contracts payable	87	63	-	32	-
Due to other funds	1,096	827	-	-	-
Advances from other funds	-	-	-	5,714	-
Total liabilities	<u>1,188</u>	<u>895</u>	<u>-</u>	<u>5,748</u>	<u>2</u>
Fund Balances					
Restricted for:					
Housing	<u>-</u>	<u>-</u>	<u>-</u>	<u>(561)</u>	<u>1,848</u>
Total liabilities and fund balances	<u>\$ 1,188</u>	<u>\$ 895</u>	<u>\$ -</u>	<u>\$ 5,187</u>	<u>\$ 1,850</u>

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2018
(amounts expressed in thousands)

	County Section 32	County Section 32 PRE	County Public Housing Homeownership	City Commerce Circle	Total
Assets					
Cash and investments	\$ -	\$ 1,333	\$ 211	\$ 826	\$ 4,935
Due from other governments	-	-	-	-	2,079
Notes receivable (net)	-	-	2,022	-	3,812
Assets held for resale	-	995	-	-	3,681
Total assets	<u>\$ -</u>	<u>\$ 2,328</u>	<u>\$ 2,233</u>	<u>\$ 826</u>	<u>\$ 14,507</u>
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ 97	\$ 108
Accrued liabilities	-	-	1	-	4
Contracts payable	-	38	-	-	220
Due to other funds	-	-	-	-	1,923
Advances from other funds	-	2,551	-	-	8,265
Total liabilities	<u>-</u>	<u>2,589</u>	<u>1</u>	<u>97</u>	<u>10,520</u>
Fund Balances					
Restricted for:					
Housing	<u>-</u>	<u>(261)</u>	<u>2,232</u>	<u>729</u>	<u>3,987</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ 2,328</u>	<u>\$ 2,233</u>	<u>\$ 826</u>	<u>\$ 14,507</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>City Capital Fund</u>	<u>County Capital Fund</u>	<u>City Section 32</u>	<u>City Section 32 PRE</u>	<u>City Public Housing Homeownership</u>
Revenues:					
Intergovernmental	\$ 2,866	\$ 2,243	\$ -	\$ -	\$ -
Investment earnings	-	-	-	48	3
Miscellaneous	-	-	-	721	75
Total revenues	<u>2,866</u>	<u>2,243</u>	<u>-</u>	<u>769</u>	<u>78</u>
Expenditures:					
Current:					
Housing operations	327	251	-	1,714	396
Capital outlay	1,601	1,572	-	-	-
Total expenditures	<u>1,928</u>	<u>1,823</u>	<u>-</u>	<u>1,714</u>	<u>396</u>
Excess (deficiency) of revenues over (under) expenditures	<u>938</u>	<u>420</u>	<u>-</u>	<u>(945)</u>	<u>(318)</u>
Other financing uses:					
Transfers out	<u>(938)</u>	<u>(420)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	(945)	(318)
Fund balances, beginning	-	-	-	384	2,166
Fund balances (deficits), ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (561)</u>	<u>\$ 1,848</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>County Section 32</u>	<u>County Section 32 PRE</u>	<u>County Public Housing Homeownership</u>	<u>City Commerce Circle</u>	<u>Total</u>
Revenues:					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 5,109
Investment earnings	-	20	24	23	118
Miscellaneous	-	654	-	-	1,450
Total revenues	<u>-</u>	<u>674</u>	<u>24</u>	<u>23</u>	<u>6,677</u>
Expenditures:					
Current:					
Housing operations	-	1,237	117	618	4,660
Capital outlay	-	-	-	-	3,173
Total expenditures	<u>-</u>	<u>1,237</u>	<u>117</u>	<u>618</u>	<u>7,833</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(563)</u>	<u>(93)</u>	<u>(595)</u>	<u>(1,156)</u>
Other financing uses:					
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,358)</u>
Net change in fund balances	-	(563)	(93)	(595)	(2,514)
Fund balances, beginning	-	302	2,325	1,324	6,501
Fund balances (deficits), ending	<u>\$ -</u>	<u>\$ (261)</u>	<u>\$ 2,232</u>	<u>\$ 729</u>	<u>\$ 3,987</u>

Nonmajor Enterprise Funds

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

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

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

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

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

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2018
(amounts expressed in thousands)

	City AMP 1	City AMP 2	City AMP 3	City AMP 4	City AMP 5	City AMP 7
Assets						
Current assets:						
Cash and investments	\$ 1,749	\$ 3,251	\$ 2,443	\$ 1,040	\$ 954	\$ 813
Restricted cash and investments	131	156	92	110	107	81
Accounts receivable (net)	19	55	5	9	15	10
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Total current assets	<u>1,899</u>	<u>3,462</u>	<u>2,540</u>	<u>1,159</u>	<u>1,076</u>	<u>904</u>
Noncurrent assets:						
Restricted cash and investments	-	-	-	-	-	-
Other long-term assets	-	-	-	-	-	-
Notes receivable	-	-	-	-	-	-
Advances to other funds	-	-	-	3,510	1,291	913
Advances to component units	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,510</u>	<u>1,291</u>	<u>913</u>
Capital assets:						
Land	377	1,192	1,146	638	2,108	808
Buildings and improvements	5,973	19,719	39,106	18,208	38,754	13,996
Property and equipment	92	251	235	38	76	48
Less accumulated depreciation	(2,726)	(8,705)	(17,056)	(8,053)	(21,649)	(5,503)
Total capital assets (net of accumulated depreciation)	<u>3,716</u>	<u>12,457</u>	<u>23,431</u>	<u>10,831</u>	<u>19,289</u>	<u>9,349</u>
Total noncurrent assets	<u>3,716</u>	<u>12,457</u>	<u>23,431</u>	<u>14,341</u>	<u>20,580</u>	<u>10,262</u>
Total assets	<u>5,615</u>	<u>15,919</u>	<u>25,971</u>	<u>15,500</u>	<u>21,656</u>	<u>11,166</u>
Deferred Outflows of Resources						
Deferred Outflows- Pension	83	87	55	51	42	41
Deferred Outflows-OPEB	61	63	40	37	30	30
Total deferred outflows of resources	<u>144</u>	<u>150</u>	<u>95</u>	<u>88</u>	<u>72</u>	<u>71</u>
Liabilities						
Current liabilities:						
Accounts payable	52	111	53	31	22	10
Accrued liabilities	12	8	10	6	5	4
Due to other funds	-	-	-	-	-	-
Unearned revenue	33	43	6	3	5	10
Current portion of long-term debt	-	-	-	-	-	-
Current liabilities payable from restricted assets:						
Deposit and trust liability	131	156	92	110	107	81
Total current liabilities	<u>228</u>	<u>318</u>	<u>161</u>	<u>150</u>	<u>139</u>	<u>105</u>
Noncurrent liabilities:						
Mortgage notes payable	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Net pension liability	1,510	1,570	998	915	751	741
Net OPEB liability	169	175	111	102	84	83
Total noncurrent liabilities	<u>1,679</u>	<u>1,745</u>	<u>1,109</u>	<u>1,017</u>	<u>835</u>	<u>824</u>
Total liabilities	<u>1,907</u>	<u>2,063</u>	<u>1,270</u>	<u>1,167</u>	<u>974</u>	<u>929</u>
Deferred Inflows of Resources						
Deferred Inflows- Pension	15	15	10	9	7	7
Deferred Inflows- OPEB	30	31	20	18	15	15
Total deferred inflows of resources	<u>45</u>	<u>46</u>	<u>30</u>	<u>27</u>	<u>22</u>	<u>22</u>
Net Position						
Net investment in capital assets	3,716	12,457	23,431	10,831	19,289	9,349
Restricted for debt service	-	-	-	-	-	-
Restricted for housing operations	-	-	-	-	-	-
Unrestricted	91	1,503	1,335	3,563	1,443	937
Total net position	<u>\$ 3,807</u>	<u>\$ 13,960</u>	<u>\$ 24,766</u>	<u>\$ 14,394</u>	<u>\$ 20,732</u>	<u>\$ 10,286</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2018
(amounts expressed in thousands)

	County AMP 1	County AMP 2	County AMP 3	County AMP 5	San Jose/ Broadway
Assets					
Current assets:					
Cash and investments	\$ 905	\$ 657	\$ 888	\$ 1,188	\$ -
Restricted cash and investments	11	86	161	87	8
Accounts receivable (net)	24	28	13	20	4
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total current assets	<u>940</u>	<u>771</u>	<u>1,062</u>	<u>1,295</u>	<u>12</u>
Noncurrent assets:					
Restricted cash and investments	-	-	-	-	149
Other long-term assets	-	-	-	-	-
Notes receivable	-	-	-	-	-
Advances to other funds	-	732	1,819	-	-
Advances to component units	-	-	-	-	-
	<u>-</u>	<u>732</u>	<u>1,819</u>	<u>-</u>	<u>149</u>
Capital assets:					
Land	193	1,731	1,928	1,758	68
Buildings and improvements	4,128	17,299	17,146	55,067	1,195
Property and equipment	116	57	88	98	-
Less accumulated depreciation	(1,337)	(6,555)	(7,191)	(33,710)	(1,183)
Total capital assets (net of accumulated depreciation)	<u>3,100</u>	<u>12,532</u>	<u>11,971</u>	<u>23,213</u>	<u>80</u>
Total noncurrent assets	<u>3,100</u>	<u>13,264</u>	<u>13,790</u>	<u>23,213</u>	<u>229</u>
Total assets	<u>4,040</u>	<u>14,035</u>	<u>14,852</u>	<u>24,508</u>	<u>241</u>
Deferred Outflows of Resources					
Deferred Outflows- Pension	26	64	46	36	8
Deferred Outflows-OPEB	19	47	33	26	6
Total deferred outflows of resources	<u>45</u>	<u>111</u>	<u>79</u>	<u>62</u>	<u>14</u>
Liabilities					
Current liabilities:					
Accounts payable	4	32	66	49	3
Accrued liabilities	12	9	8	2	-
Due to other funds	-	-	-	-	162
Unearned revenue	1	10	5	9	4
Current portion of long-term debt	-	-	-	-	66
Current liabilities payable from restricted assets:					
Deposit and trust liability	11	86	161	87	8
Total current liabilities	<u>28</u>	<u>137</u>	<u>240</u>	<u>147</u>	<u>243</u>
Noncurrent liabilities:					
Mortgage notes payable	-	-	2,173	-	6
Advances from other funds	-	-	-	-	-
Net pension liability	462	1,162	841	648	153
Net OPEB liability	52	129	93	72	17
Total noncurrent liabilities	<u>514</u>	<u>1,291</u>	<u>3,107</u>	<u>720</u>	<u>176</u>
Total liabilities	<u>542</u>	<u>1,428</u>	<u>3,347</u>	<u>867</u>	<u>419</u>
Deferred Inflows of Resources					
Deferred Inflows- Pension	5	11	8	6	1
Deferred Inflows- OPEB	9	23	16	13	3
Total deferred inflows of resources	<u>14</u>	<u>34</u>	<u>24</u>	<u>19</u>	<u>4</u>
Net Position					
Net investment in capital assets	3,100	12,532	9,798	23,213	8
Restricted for debt service	-	-	-	-	-
Restricted for housing operations	-	-	-	-	149
Unrestricted	429	152	1,762	471	(325)
Total net position	<u>\$ 3,529</u>	<u>\$ 12,684</u>	<u>\$ 11,560</u>	<u>\$ 23,684</u>	<u>\$ (168)</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2018
(amounts expressed in thousands)

	<u>Scattered Sites</u>	<u>Larchmont/ Wildflower</u>	<u>Locally Funded Projects</u>	<u>Riverview Plaza Commercial</u>	<u>San Carlos Shelter Plus Care</u>
Assets					
Current assets:					
Cash and investments	\$ 112	\$ 461	\$ -	\$ 367	\$ -
Restricted cash and investments	9	5	55	6	-
Accounts receivable (net)	2	53	25	3	-
Due from other funds	-	-	1,811	-	-
Prepaid items	-	-	-	-	-
Total current assets	<u>123</u>	<u>519</u>	<u>1,891</u>	<u>376</u>	<u>-</u>
Noncurrent assets:					
Restricted cash and investments	-	-	-	-	-
Other long-term assets	-	-	-	-	-
Notes receivable	-	-	156	-	295
Advances to other funds	-	-	-	-	-
Advances to component units	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>156</u>	<u>-</u>	<u>295</u>
Capital assets:					
Land	44	116	1,985	198	-
Buildings and improvements	170	344	6,262	5,552	-
Property and equipment	-	-	56	57	-
Less accumulated depreciation	(170)	(340)	(3,305)	(4,178)	-
Total capital assets (net of accumulated depreciation)	<u>44</u>	<u>120</u>	<u>4,998</u>	<u>1,629</u>	<u>-</u>
Total noncurrent assets	<u>44</u>	<u>120</u>	<u>5,154</u>	<u>1,629</u>	<u>295</u>
Total assets	<u>167</u>	<u>639</u>	<u>7,045</u>	<u>2,005</u>	<u>295</u>
Deferred Outflows of Resources					
Deferred Outflows- Pension	3	3	23	3	-
Deferred Outflows-OPEB	1	2	17	2	-
Total deferred outflows of resources	<u>4</u>	<u>5</u>	<u>40</u>	<u>5</u>	<u>-</u>
Liabilities					
Current liabilities:					
Accounts payable	2	-	19	2	-
Accrued liabilities	-	-	-	2	-
Due to other funds	-	-	347	-	-
Unearned revenue	-	-	10	-	-
Current portion of long-term debt	-	-	-	-	-
Current liabilities payable from restricted assets:					
Deposit and trust liability	9	5	55	6	-
Total current liabilities	<u>11</u>	<u>5</u>	<u>431</u>	<u>10</u>	<u>-</u>
Noncurrent liabilities:					
Mortgage notes payable	-	-	-	-	-
Advances from other funds	-	-	410	-	-
Net pension liability	64	55	414	60	-
Net OPEB liability	7	6	46	7	-
Total noncurrent liabilities	<u>71</u>	<u>61</u>	<u>870</u>	<u>67</u>	<u>-</u>
Total liabilities	<u>82</u>	<u>66</u>	<u>1,301</u>	<u>77</u>	<u>-</u>
Deferred Inflows of Resources					
Deferred Inflows- Pension	-	1	4	1	-
Deferred Inflows- OPEB	-	1	8	1	-
Total deferred inflows of resources	<u>-</u>	<u>2</u>	<u>12</u>	<u>2</u>	<u>-</u>
Net Position					
Net investment in capital assets	44	120	4,998	1,629	-
Restricted for debt service	-	-	-	-	-
Restricted for housing operations	-	-	-	-	-
Unrestricted	45	456	774	302	295
Total net position	<u>\$ 89</u>	<u>\$ 576</u>	<u>\$ 5,772</u>	<u>\$ 1,931</u>	<u>\$ 295</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2018
(amounts expressed in thousands)

	Phoenix Park	City Mod Rehab	Norcade Circle	City COCC	County COCC	Villa De Novo
Assets						
Current assets:						
Cash and investments	\$ 1,899	\$ 27	\$ 190	\$ 13	\$ 9	\$ 42
Restricted cash and investments	56	-	7	-	-	11
Accounts receivable (net)	100	-	1	37	-	2
Due from other funds	-	-	-	-	-	-
Prepaid items	1	-	-	-	-	-
Total current assets	<u>2,056</u>	<u>27</u>	<u>198</u>	<u>50</u>	<u>9</u>	<u>55</u>
Noncurrent assets:						
Restricted cash and investments	-	-	-	-	-	-
Other long-term assets	5,661	-	-	-	-	-
Notes receivable	8,469	-	-	-	-	-
Advances to other funds	-	-	-	-	-	-
Advances to component units	1,455	-	-	-	-	-
	<u>15,585</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets:						
Land	456	-	45	-	-	85
Buildings and improvements	3,711	-	1,910	-	-	3,164
Property and equipment	-	-	-	-	-	-
Less accumulated depreciation	(1,367)	-	(230)	-	-	(561)
Total capital assets (net of accumulated depreciation)	<u>2,800</u>	<u>-</u>	<u>1,725</u>	<u>-</u>	<u>-</u>	<u>2,688</u>
Total noncurrent assets	<u>18,385</u>	<u>-</u>	<u>1,725</u>	<u>-</u>	<u>-</u>	<u>2,688</u>
Total assets	<u>20,441</u>	<u>27</u>	<u>1,923</u>	<u>50</u>	<u>9</u>	<u>2,743</u>
Deferred Outflows of Resources						
Deferred Outflows- Pension	5	-	-	47	70	4
Deferred Outflows-OPEB	4	-	-	34	51	3
Total deferred outflows of resources	<u>9</u>	<u>-</u>	<u>-</u>	<u>81</u>	<u>121</u>	<u>7</u>
Liabilities						
Current liabilities:						
Accounts payable	48	-	6	7	3	3
Accrued liabilities	11	-	1	3	-	-
Due to other funds	-	-	1	170	-	-
Unearned revenue	15	-	-	-	-	-
Current portion of long-term debt	-	-	-	-	-	-
Current liabilities payable from restricted assets:						
Deposit and trust liability	56	-	7	-	-	11
Total current liabilities	<u>130</u>	<u>-</u>	<u>15</u>	<u>180</u>	<u>3</u>	<u>14</u>
Noncurrent liabilities:						
Mortgage notes payable	-	-	-	-	-	-
Advances from other funds	172	-	1,047	-	-	-
Net pension liability	93	-	-	850	1,277	78
Net OPEB liability	10	-	-	95	142	9
Total noncurrent liabilities	<u>275</u>	<u>-</u>	<u>1,047</u>	<u>945</u>	<u>1,419</u>	<u>87</u>
Total liabilities	<u>405</u>	<u>-</u>	<u>1,062</u>	<u>1,125</u>	<u>1,422</u>	<u>101</u>
Deferred Inflows of Resources						
Deferred Inflows- Pension	1	-	-	8	12	1
Deferred Inflows- OPEB	2	-	-	17	25	1
Total deferred inflows of resources	<u>3</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>37</u>	<u>2</u>
Net Position						
Net investment in capital assets	2,800	-	1,725	-	-	2,688
Restricted for debt service	-	-	-	-	-	-
Restricted for housing operations	-	-	-	-	-	-
Unrestricted	17,242	27	(864)	(1,019)	(1,329)	(41)
Total net position	<u>\$ 20,042</u>	<u>\$ 27</u>	<u>\$ 861</u>	<u>\$ (1,019)</u>	<u>\$ (1,329)</u>	<u>\$ 2,647</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2018
(amounts expressed in thousands)

	Auburn/Garfield Property Management	Foreclosure Access	Asset Repositioning	Mortgage Revenue Bond	Total
Assets					
Current assets:					
Cash and investments	\$ 295	\$ -	\$ 789	\$ 5,148	\$ 23,240
Restricted cash and investments	4	-	-	1,470	2,653
Accounts receivable (net)	-	-	49	-	474
Due from other funds	-	-	-	3,867	5,678
Prepaid items	-	-	-	-	1
Total current assets	<u>299</u>	<u>-</u>	<u>838</u>	<u>10,485</u>	<u>32,046</u>
Noncurrent assets:					
Restricted cash and investments	-	-	-	261	410
Other long-term assets	-	-	-	-	5,661
Notes receivable	-	-	21,625	342	30,887
Advances to other funds	-	-	-	2,034	10,299
Advances to component units	-	-	-	-	1,455
	<u>-</u>	<u>-</u>	<u>21,625</u>	<u>2,637</u>	<u>48,712</u>
Capital assets:					
Land	-	-	438	-	15,314
Buildings and improvements	-	-	-	-	251,704
Property and equipment	-	-	-	-	1,212
Less accumulated depreciation	-	-	-	-	(123,819)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>-</u>	<u>438</u>	<u>-</u>	<u>144,411</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>22,063</u>	<u>2,637</u>	<u>193,123</u>
Total assets	<u>299</u>	<u>-</u>	<u>22,901</u>	<u>13,122</u>	<u>225,169</u>
Deferred Outflows of Resources					
Deferred Outflows- Pension	-	-	-	54	751
Deferred Outflows-OPEB	-	-	-	39	545
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>93</u>	<u>1,296</u>
Liabilities					
Current liabilities:					
Accounts payable	-	-	2	106	631
Accrued liabilities	-	-	3	2	98
Due to other funds	-	-	-	-	680
Unearned revenue	-	-	-	-	154
Current portion of long-term debt	-	-	-	-	66
Current liabilities payable from restricted assets:					
Deposit and trust liability	4	-	-	1,470	2,653
Total current liabilities	<u>4</u>	<u>-</u>	<u>5</u>	<u>1,578</u>	<u>4,282</u>
Noncurrent liabilities:					
Mortgage notes payable	-	-	-	-	2,179
Advances from other funds	-	-	-	-	1,629
Net pension liability	-	-	-	979	13,621
Net OPEB liability	-	-	-	109	1,518
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,088</u>	<u>18,947</u>
Total liabilities	<u>4</u>	<u>-</u>	<u>5</u>	<u>2,666</u>	<u>23,229</u>
Deferred Inflows of Resources					
Deferred Inflows- Pension	-	-	-	10	132
Deferred Inflows- OPEB	-	-	-	19	267
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>29</u>	<u>399</u>
Net Position					
Net investment in capital assets	-	-	438	-	142,166
Restricted for debt service	-	-	-	200	200
Restricted for housing operations	-	-	-	61	210
Unrestricted	295	-	22,458	10,259	60,261
Total net position	<u>\$ 295</u>	<u>\$ -</u>	<u>\$ 22,896</u>	<u>\$ 10,520</u>	<u>\$ 202,837</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>City AMP 1</u>	<u>City AMP 2</u>	<u>City AMP 3</u>	<u>City AMP 4</u>	<u>City AMP 5</u>	<u>City AMP 7</u>
Operating revenues:						
Charges for services	\$ 939	\$ 959	\$ 1,342	\$ 710	\$ 705	\$ 598
Miscellaneous	22	26	29	10	12	11
Total operating revenues	<u>961</u>	<u>985</u>	<u>1,371</u>	<u>720</u>	<u>717</u>	<u>609</u>
Operating expenses:						
Employee services	782	985	405	378	398	392
Administrative services	366	397	337	213	213	198
Services and supplies	1,170	1,299	1,049	565	793	683
Utilities	366	397	359	250	281	226
Claims and judgements	-	-	-	-	-	-
Depreciation/amortization	155	496	990	460	961	350
Housing assistance payments	-	-	-	-	-	-
Total operating expenses	<u>2,839</u>	<u>3,574</u>	<u>3,140</u>	<u>1,866</u>	<u>2,646</u>	<u>1,849</u>
Operating income (loss)	<u>(1,878)</u>	<u>(2,589)</u>	<u>(1,769)</u>	<u>(1,146)</u>	<u>(1,929)</u>	<u>(1,240)</u>
Nonoperating revenues (expenses):						
Intergovernmental	1,646	2,014	791	725	820	724
Investment earnings	31	53	30	17	16	14
Interest expense	-	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	28	-
Total nonoperating revenues (expenses)	<u>1,677</u>	<u>2,067</u>	<u>821</u>	<u>742</u>	<u>864</u>	<u>738</u>
Income (loss) before contributions and transfers	<u>(201)</u>	<u>(522)</u>	<u>(948)</u>	<u>(404)</u>	<u>(1,065)</u>	<u>(502)</u>
Capital contributions	164	48	289	170	509	165
Transfers in	113	253	435	126	121	124
Transfers out	-	-	(235)	-	-	-
Change in net position	<u>76</u>	<u>(221)</u>	<u>(459)</u>	<u>(108)</u>	<u>(435)</u>	<u>(213)</u>
Net position, beginning, as restated	<u>3,731</u>	<u>14,181</u>	<u>25,225</u>	<u>14,502</u>	<u>21,167</u>	<u>10,499</u>
Net position, ending	<u>\$ 3,807</u>	<u>\$ 13,960</u>	<u>\$ 24,766</u>	<u>\$ 14,394</u>	<u>\$ 20,732</u>	<u>\$ 10,286</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>County AMP 1</u>	<u>County AMP 2</u>	<u>County AMP 3</u>	<u>County AMP 5</u>	<u>San Jose/ Broadway</u>
Operating revenues:					
Charges for services	\$ 264	\$ 826	\$ 887	\$ 719	\$ 84
Miscellaneous	15	21	27	40	-
Total operating revenues	<u>279</u>	<u>847</u>	<u>914</u>	<u>759</u>	<u>84</u>
Operating expenses:					
Employee services	(105)	771	224	(37)	114
Administrative services	214	266	298	243	22
Services and supplies	515	832	1,148	911	90
Utilities	207	267	343	261	17
Claims and judgements	-	6	1	-	-
Depreciation/amortization	329	438	433	1,380	28
Housing assistance payments	-	-	-	-	-
Total operating expenses	<u>1,160</u>	<u>2,580</u>	<u>2,447</u>	<u>2,758</u>	<u>271</u>
Operating income (loss)	<u>(881)</u>	<u>(1,733)</u>	<u>(1,533)</u>	<u>(1,999)</u>	<u>(187)</u>
Nonoperating revenues (expenses):					
Intergovernmental	1,039	917	1,565	1,059	153
Investment earnings	16	10	20	16	2
Interest expense	-	-	-	-	(9)
Gain (loss) on disposal of capital assets	(4,918)	-	-	-	-
Total nonoperating revenues (expenses)	<u>(3,863)</u>	<u>927</u>	<u>1,585</u>	<u>1,075</u>	<u>146</u>
Income (loss) before contributions and transfers	<u>(4,744)</u>	<u>(806)</u>	<u>52</u>	<u>(924)</u>	<u>(41)</u>
Capital contributions	210	92	354	61	-
Transfers in	11	293	231	270	-
Transfers out	-	-	(385)	-	-
Change in net position	<u>(4,523)</u>	<u>(421)</u>	<u>252</u>	<u>(593)</u>	<u>(41)</u>
Net position, beginning, as restated	<u>8,052</u>	<u>13,105</u>	<u>11,308</u>	<u>24,277</u>	<u>(127)</u>
Net position, ending	<u>\$ 3,529</u>	<u>\$ 12,684</u>	<u>\$ 11,560</u>	<u>\$ 23,684</u>	<u>\$ (168)</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Scattered Sites</u>	<u>Larchmont/ Wildflower</u>	<u>Locally Funded Projects</u>	<u>Riverview Plaza Commercial</u>	<u>San Carlos Shelter Plus Care</u>
Operating revenues:					
Charges for services	\$ 74	\$ 81	\$ 624	\$ 151	\$ -
Miscellaneous	-	51	2	-	-
Total operating revenues	<u>74</u>	<u>132</u>	<u>626</u>	<u>151</u>	<u>-</u>
Operating expenses:					
Employee services	47	10	228	56	-
Administrative services	8	10	78	-	-
Services and supplies	51	22	261	114	-
Utilities	15	17	103	41	-
Claims and judgements	-	-	-	-	-
Depreciation/amortization	-	9	158	143	-
Housing assistance payments	-	-	-	-	-
Total operating expenses	<u>121</u>	<u>68</u>	<u>828</u>	<u>354</u>	<u>-</u>
Operating income (loss)	<u>(47)</u>	<u>64</u>	<u>(202)</u>	<u>(203)</u>	<u>-</u>
Nonoperating revenues (expenses):					
Intergovernmental	44	40	162	-	-
Investment earnings	2	8	24	7	-
Interest expense	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	(152)	-	-
Total nonoperating revenues (expenses)	<u>46</u>	<u>48</u>	<u>34</u>	<u>7</u>	<u>-</u>
Income (loss) before contributions and transfers	<u>(1)</u>	<u>112</u>	<u>(168)</u>	<u>(196)</u>	<u>-</u>
Capital contributions	-	-	24	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Change in net position	<u>(1)</u>	<u>112</u>	<u>(144)</u>	<u>(196)</u>	<u>-</u>
Net position, beginning, as restated	<u>90</u>	<u>464</u>	<u>5,916</u>	<u>2,127</u>	<u>295</u>
Net position, ending	<u>\$ 89</u>	<u>\$ 576</u>	<u>\$ 5,772</u>	<u>\$ 1,931</u>	<u>\$ 295</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Phoenix Park</u>	<u>City Mod Rehab</u>	<u>Norcade Circle</u>	<u>City COCC</u>	<u>County COCC</u>	<u>Villa De Novo</u>
Operating revenues:						
Charges for services	\$ 854	\$ -	\$ 107	\$ 2,795	\$ 4,136	\$ 136
Miscellaneous	8	-	211	25	-	-
Total operating revenues	<u>862</u>	<u>-</u>	<u>318</u>	<u>2,820</u>	<u>4,136</u>	<u>136</u>
Operating expenses:						
Employee services	244	-	17	93	1,118	50
Administrative services	-	-	-	2,122	3,605	17
Services and supplies	993	-	43	305	121	55
Utilities	174	-	16	-	-	17
Claims and judgements	-	-	-	-	-	-
Depreciation/amortization	93	-	48	-	-	79
Housing assistance payments	-	94	-	-	-	-
Total operating expenses	<u>1,504</u>	<u>94</u>	<u>124</u>	<u>2,520</u>	<u>4,844</u>	<u>218</u>
Operating income (loss)	<u>(642)</u>	<u>(94)</u>	<u>194</u>	<u>300</u>	<u>(708)</u>	<u>(82)</u>
Nonoperating revenues (expenses):						
Intergovernmental	526	117	2	-	-	-
Investment earnings	288	-	-	5	-	1
Interest expense	(8)	-	-	-	-	-
Gain (loss) on disposal of capital assets	-	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>806</u>	<u>117</u>	<u>2</u>	<u>5</u>	<u>-</u>	<u>1</u>
Income (loss) before contributions and transfers	164	23	196	305	(708)	(81)
Capital contributions	-	-	-	-	-	-
Transfers in	-	6	-	430	-	-
Transfers out	-	(30)	-	(430)	-	-
Change in net position	<u>164</u>	<u>(1)</u>	<u>196</u>	<u>305</u>	<u>(708)</u>	<u>(81)</u>
Net position, beginning, as restated	19,878	28	665	(1,324)	(621)	2,728
Net position, ending	<u>\$ 20,042</u>	<u>\$ 27</u>	<u>\$ 861</u>	<u>\$ (1,019)</u>	<u>\$ (1,329)</u>	<u>\$ 2,647</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	Auburn/Garfield Property Management	Foreclosure Access	Asset Repositioning	Mortgage Revenue Bond	Total
Operating revenues:					
Charges for services	\$ 59	\$ -	\$ -	\$ 1,608	\$ 18,658
Miscellaneous	-	-	599	7	1,116
Total operating revenues	<u>59</u>	<u>-</u>	<u>599</u>	<u>1,615</u>	<u>19,774</u>
Operating expenses:					
Employee services	-	-	535	302	7,007
Administrative services	-	-	-	3,041	11,648
Services and supplies	85	-	64	529	11,698
Utilities	28	-	-	-	3,385
Claims and judgements	-	-	-	-	7
Depreciation/amortization	-	-	-	-	6,550
Housing assistance payments	-	-	-	-	94
Total operating expenses	<u>113</u>	<u>-</u>	<u>599</u>	<u>3,872</u>	<u>40,389</u>
Operating income (loss)	<u>(54)</u>	<u>-</u>	<u>-</u>	<u>(2,257)</u>	<u>(20,615)</u>
Nonoperating revenues (expenses):					
Intergovernmental	-	-	-	-	12,344
Investment earnings	5	-	794	264	1,623
Interest expense	-	-	-	-	(17)
Gain (loss) on disposal of capital assets	-	-	-	-	(5,042)
Total nonoperating revenues (expenses)	<u>5</u>	<u>-</u>	<u>794</u>	<u>264</u>	<u>8,908</u>
Income (loss) before contributions and transfers	<u>(49)</u>	<u>-</u>	<u>794</u>	<u>(1,993)</u>	<u>(11,707)</u>
Capital contributions	-	-	-	-	2,086
Transfers in	-	-	-	41	2,454
Transfers out	-	(41)	-	-	(1,121)
Change in net position	<u>(49)</u>	<u>(41)</u>	<u>794</u>	<u>(1,952)</u>	<u>(8,288)</u>
Net position, beginning, as restated	<u>344</u>	<u>41</u>	<u>22,102</u>	<u>12,472</u>	<u>211,125</u>
Net position, ending	<u>\$ 295</u>	<u>\$ -</u>	<u>\$ 22,896</u>	<u>\$ 10,520</u>	<u>\$ 202,837</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	City AMP 1	City AMP 2	City AMP 3	City AMP 4	City AMP 5	City AMP 7
Cash flows from operating activities:						
Cash receipts from tenants	\$ 986	\$ 994	\$ 1,379	\$ 732	\$ 700	\$ 707
Cash paid to tenants	-	11	-	-	-	-
Cash paid to suppliers for goods and services	(1,546)	(1,603)	(1,412)	(819)	(1,085)	(955)
Cash paid to employees for services	(724)	(775)	(482)	(416)	(366)	(353)
Cash paid for administrative expense	(366)	(397)	(337)	(213)	(213)	(198)
Cash paid for housing assistance payments	-	-	-	-	-	-
Cash paid for judgment and claims	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>(1,650)</u>	<u>(1,770)</u>	<u>(852)</u>	<u>(716)</u>	<u>(964)</u>	<u>(799)</u>
Cash flows from noncapital financing activities:						
Transfers in	113	253	435	126	121	124
Transfers out	-	-	(235)	-	-	-
Intergovernmental revenue received	1,646	2,014	791	725	818	724
Net cash provided by (used in) noncapital financing activities	<u>1,759</u>	<u>2,267</u>	<u>991</u>	<u>851</u>	<u>939</u>	<u>848</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	-	-	-	-	-
Payments on long-term liabilities	-	-	-	-	-	-
Interest paid	-	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:						
Payment received on notes receivable	-	-	-	-	-	-
Interest received	31	53	30	17	16	14
Net cash provided by investing activities	<u>31</u>	<u>53</u>	<u>30</u>	<u>17</u>	<u>16</u>	<u>14</u>
Net increase (decrease) in cash and cash equivalents	140	550	169	152	(9)	63
Cash and cash equivalents, beginning	<u>1,740</u>	<u>2,857</u>	<u>2,366</u>	<u>998</u>	<u>1,070</u>	<u>831</u>
Cash and cash equivalents, ending	<u>\$ 1,880</u>	<u>\$ 3,407</u>	<u>\$ 2,535</u>	<u>\$ 1,150</u>	<u>\$ 1,061</u>	<u>\$ 894</u>
Reconciliation of cash and cash equivalents to the statement of net position:						
Cash and investments	\$ 1,749	\$ 3,251	\$ 2,443	\$ 1,040	\$ 954	\$ 813
Restricted cash and investments	<u>131</u>	<u>156</u>	<u>92</u>	<u>110</u>	<u>107</u>	<u>81</u>
Total	<u>\$ 1,880</u>	<u>\$ 3,407</u>	<u>\$ 2,535</u>	<u>\$ 1,150</u>	<u>\$ 1,061</u>	<u>\$ 894</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	County AMP 1	County AMP 2	County AMP 3	County AMP 5	San Jose Broadway
Cash flows from operating activities:					
Cash receipts from tenants	\$ 266	\$ 834	\$ 916	\$ 761	\$ 84
Cash paid to tenants	(50)	(13)	(2)	(16)	-
Cash paid to suppliers for goods and services	(742)	(1,086)	(1,507)	(1,148)	(42)
Cash paid to employees for services	(232)	(586)	(409)	(334)	(89)
Cash paid for administrative expense	(214)	(266)	(298)	(243)	(22)
Cash paid for housing assistance payments	-	-	-	-	-
Cash paid for judgment and claims	-	(6)	(1)	-	-
Net cash provided by (used in) operating activities	<u>(972)</u>	<u>(1,123)</u>	<u>(1,301)</u>	<u>(980)</u>	<u>(69)</u>
Cash flows from noncapital financing activities:					
Transfers in	11	293	231	270	-
Transfers out	-	-	(385)	-	-
Intergovernmental revenue received	1,039	917	1,565	1,059	153
Net cash provided by (used in) noncapital financing activities	<u>1,050</u>	<u>1,210</u>	<u>1,411</u>	<u>1,329</u>	<u>153</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	-	1	-	(1)	-
Payments on long-term liabilities	-	-	-	-	(61)
Interest paid	-	-	-	-	(9)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>1</u>	<u>-</u>	<u>(1)</u>	<u>(70)</u>
Cash flows from investing activities:					
Payment received on notes receivable	-	-	-	-	-
Interest received	16	10	20	16	2
Net cash provided by investing activities	<u>16</u>	<u>10</u>	<u>20</u>	<u>16</u>	<u>2</u>
Net increase (decrease) in cash and cash equivalents	94	98	130	364	16
Cash and cash equivalents, beginning	<u>822</u>	<u>645</u>	<u>919</u>	<u>911</u>	<u>141</u>
Cash and cash equivalents, ending	<u>\$ 916</u>	<u>\$ 743</u>	<u>\$ 1,049</u>	<u>\$ 1,275</u>	<u>\$ 157</u>
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and investments	\$ 905	\$ 657	\$ 888	\$ 1,188	\$ -
Restricted cash and investments	<u>11</u>	<u>86</u>	<u>161</u>	<u>87</u>	<u>157</u>
Total	<u>\$ 916</u>	<u>\$ 743</u>	<u>\$ 1,049</u>	<u>\$ 1,275</u>	<u>\$ 157</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Scattered Sites</u>	<u>Larchmont Wildflower</u>	<u>Locally Funded Projects</u>	<u>Riverview Plaza Commercial</u>	<u>San Carlos Shelter Plus Care</u>
Cash flows from operating activities:					
Cash receipts from tenants	\$ 74	\$ 80	\$ (57)	\$ 148	\$ -
Cash paid to tenants	-	(1)	-	-	-
Cash paid to suppliers for goods and services	(66)	(40)	(15)	(157)	-
Cash paid to employees for services	(34)	(31)	(219)	(29)	-
Cash paid for administrative expense	(8)	(10)	(78)	-	-
Cash paid for housing assistance payments	-	-	-	-	-
Cash paid for judgment and claims	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>(34)</u>	<u>(2)</u>	<u>(369)</u>	<u>(38)</u>	<u>-</u>
Cash flows from noncapital financing activities:					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Intergovernmental revenue received	44	40	163	-	-
Net cash provided by (used in) noncapital financing activities	<u>44</u>	<u>40</u>	<u>163</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	-	(1)	-	(1)	-
Payments on long-term liabilities	-	-	-	-	-
Interest paid	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(1)</u>	<u>-</u>
Cash flows from investing activities:					
Payment received on notes receivable	-	-	-	-	-
Interest received	2	8	24	7	-
Net cash provided by investing activities	<u>2</u>	<u>8</u>	<u>24</u>	<u>7</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	12	45	(182)	(32)	-
Cash and cash equivalents, beginning	<u>109</u>	<u>421</u>	<u>237</u>	<u>405</u>	<u>-</u>
Cash and cash equivalents, ending	<u>\$ 121</u>	<u>\$ 466</u>	<u>\$ 55</u>	<u>\$ 373</u>	<u>\$ -</u>
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and investments	\$ 112	\$ 461	\$ -	\$ 367	\$ -
Restricted cash and investments	<u>9</u>	<u>5</u>	<u>55</u>	<u>6</u>	<u>-</u>
Total	<u>\$ 121</u>	<u>\$ 466</u>	<u>\$ 55</u>	<u>\$ 373</u>	<u>\$ -</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	Phoenix Park	City Mod Rehab	Norcade Circle	City COCC	County COCC	Villa De Novo
Cash flows from operating activities:						
Cash receipts from tenants	\$ 1,517	\$ -	\$ 315	\$ 3,052	\$ 4,136	\$ 139
Cash paid to tenants	2	-	-	-	-	-
Cash paid to suppliers for goods and services	(1,180)	-	(265)	(404)	(120)	(72)
Cash paid to employees for services	(161)	-	(16)	(722)	(680)	(41)
Cash paid for administrative expense	-	-	-	(2,122)	(3,605)	(17)
Cash paid for housing assistance payments	-	(96)	-	-	-	-
Cash paid for judgment and claims	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>178</u>	<u>(96)</u>	<u>34</u>	<u>(196)</u>	<u>(269)</u>	<u>9</u>
Cash flows from noncapital financing activities:						
Transfers in	-	6	-	430	-	-
Transfers out	-	(30)	-	(430)	-	-
Intergovernmental revenue received	526	146	2	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>526</u>	<u>122</u>	<u>2</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	(1)	-	-	-	-	-
Payments on long-term liabilities	-	-	-	-	-	-
Interest paid	(8)	-	-	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(9)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:						
Payment received on notes receivable	-	-	-	-	-	-
Interest received	23	-	-	5	-	1
Net cash provided by investing activities	<u>23</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>-</u>	<u>1</u>
Net increase (decrease) in cash and cash equivalents	718	26	36	(191)	(269)	10
Cash and cash equivalents, beginning	<u>1,237</u>	<u>1</u>	<u>161</u>	<u>204</u>	<u>278</u>	<u>43</u>
Cash and cash equivalents, ending	<u>\$ 1,955</u>	<u>\$ 27</u>	<u>\$ 197</u>	<u>\$ 13</u>	<u>\$ 9</u>	<u>\$ 53</u>
Reconciliation of cash and cash equivalents to the statement of net position:						
Cash and investments	\$ 1,899	\$ 27	\$ 190	\$ 13	\$ 9	\$ 42
Restricted cash and investments	<u>56</u>	<u>-</u>	<u>7</u>	<u>-</u>	<u>-</u>	<u>11</u>
Total	<u>\$ 1,955</u>	<u>\$ 27</u>	<u>\$ 197</u>	<u>\$ 13</u>	<u>\$ 9</u>	<u>\$ 53</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Auburn/Garfield Property Management</u>	<u>Foreclosure Access</u>	<u>Asset Repositioning</u>	<u>Mortgage Revenue Bond</u>	<u>Total</u>
Cash flows from operating activities:					
Cash receipts from tenants	\$ 59	\$ -	\$ 606	\$ (1,095)	\$ 17,333
Cash paid to tenants	-	-	-	-	(69)
Cash paid to suppliers for goods and services	(117)	-	(64)	(429)	(14,874)
Cash paid to employees for services	-	-	(534)	(517)	(7,750)
Cash paid for administrative expense	-	-	-	(3,041)	(11,648)
Cash paid for housing assistance payments	-	-	-	-	(96)
Cash paid for judgment and claims	-	-	-	-	(7)
Net cash provided by (used in) operating activities	<u>(58)</u>	<u>-</u>	<u>8</u>	<u>(5,082)</u>	<u>(17,111)</u>
Cash flows from noncapital financing activities:					
Transfers in	-	-	-	41	2,454
Transfers out	-	(41)	-	-	(1,121)
Intergovernmental revenue received	-	-	-	-	12,372
Net cash provided by (used in) noncapital financing activities	<u>-</u>	<u>(41)</u>	<u>-</u>	<u>41</u>	<u>13,705</u>
Cash flows from capital and related financing activities:					
Purchase of capital assets	-	-	-	-	(3)
Payments on long-term liabilities	-	-	-	-	(61)
Interest paid	-	-	-	-	(17)
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(81)</u>
Cash flows from investing activities:					
Payment received on notes receivable	-	-	209	83	292
Interest received	5	-	50	264	614
Net cash provided by investing activities	<u>5</u>	<u>-</u>	<u>259</u>	<u>347</u>	<u>906</u>
Net increase (decrease) in cash and cash equivalents	(53)	(41)	267	(4,694)	(2,581)
Cash and cash equivalents, beginning	352	41	522	11,573	28,884
Cash and cash equivalents, ending	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ 789</u>	<u>\$ 6,879</u>	<u>\$ 26,303</u>
Reconciliation of cash and cash equivalents to the statement of net position:					
Cash and investments	\$ 295	\$ -	\$ 789	\$ 5,148	\$ 23,240
Restricted cash and investments	4	-	-	1,731	3,063
Total	<u>\$ 299</u>	<u>\$ -</u>	<u>\$ 789</u>	<u>\$ 6,879</u>	<u>\$ 26,303</u>

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>City AMP 1</u>	<u>City AMP 2</u>	<u>City AMP 3</u>	<u>City AMP 4</u>	<u>City AMP 5</u>	<u>City AMP 7</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (1,878)	\$ (2,589)	\$ (1,769)	\$ (1,146)	\$ (1,929)	\$ (1,240)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation/amortization	155	496	990	460	961	350
Change in assets and liabilities:						
Accounts receivable	1	(16)	6	(2)	(10)	73
Due from other funds	-	-	-	-	-	-
Prepaid items	-	-	-	-	-	-
Accounts payable	(10)	93	(4)	(4)	(11)	(46)
Accrued liabilities	6	4	8	4	1	3
Due to other funds	-	-	-	-	-	-
Unearned revenue	19	25	-	3	(3)	8
Deposit and trust liability	5	11	2	11	(4)	17
Net Pension Liability	(89)	59	(178)	(139)	(50)	(49)
Net Pension Liability and Related Deferred Inflows	11	11	7	6	5	5
Net Pension Liability and Related Deferred Outflows	167	176	111	115	95	98
Net OPEB Liability	(60)	(64)	(41)	(37)	(31)	(30)
Net OPEB Liability and Related Deferred Inflows	30	31	20	18	15	15
Net OPEB Liability and Related Deferred Outflows	(7)	(7)	(4)	(5)	(3)	(3)
Total adjustments	<u>228</u>	<u>819</u>	<u>917</u>	<u>430</u>	<u>965</u>	<u>441</u>
Net cash provided by (used in) operating activities	<u>\$ (1,650)</u>	<u>\$ (1,770)</u>	<u>\$ (852)</u>	<u>\$ (716)</u>	<u>\$ (964)</u>	<u>\$ (799)</u>
Noncash Investing, Capital and Financing Activities:						
Capital assets transferred from governmental funds	\$ 164	\$ 48	\$ 289	\$ 170	\$ 509	\$ 165
Accrued interest on Note receivable	-	-	-	-	-	-
Note receivable for sale of capital assets	-	-	-	-	133	-

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>County AMP 1</u>	<u>County AMP 2</u>	<u>County AMP 3</u>	<u>County AMP 5</u>	<u>San Jose Broadway</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (881)	\$ (1,733)	\$ (1,533)	\$ (1,999)	\$ (187)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/amortization	329	438	433	1,380	28
Change in assets and liabilities:					
Accounts receivable	(6)	(12)	2	-	(3)
Due from other funds	-	-	-	-	-
Prepaid items	-	-	-	-	-
Accounts payable	(20)	13	(16)	24	(7)
Accrued liabilities	7	6	2	-	-
Due to other funds	-	-	-	-	72
Unearned revenue	(7)	(1)	-	2	3
Deposit and trust liability	(50)	(13)	(2)	(16)	-
Net Pension Liability	(426)	81	(311)	(498)	14
Net Pension Liability and Related Deferred Inflows	3	8	5	4	1
Net Pension Liability and Related Deferred Outflows	93	120	140	139	13
Net OPEB Liability	(20)	(48)	(34)	(26)	(6)
Net OPEB Liability and Related Deferred Inflows	9	23	16	13	3
Net OPEB Liability and Related Deferred Outflows	(3)	(5)	(3)	(3)	-
Total adjustments	<u>(91)</u>	<u>610</u>	<u>232</u>	<u>1,019</u>	<u>118</u>
Net cash provided by (used in) operating activities	<u>\$ (972)</u>	<u>\$ (1,123)</u>	<u>\$ (1,301)</u>	<u>\$ (980)</u>	<u>\$ (69)</u>
Noncash Investing, Capital and Financing Activities:					
Capital assets transferred from governmental funds	\$ 210	\$ 92	\$ 354	\$ 61	\$ -
Accrued interest on Note receivable	-	-	-	-	-
Note receivable for sale of capital assets	-	-	-	-	-

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Scattered Sites</u>	<u>Larchmont Wildflower</u>	<u>Locally Funded Projects</u>	<u>Riverview Plaza Commercial</u>	<u>San Carlos Shelter Plus Care</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (47)	\$ 64	\$ (202)	\$ (203)	\$ -
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/amortization	-	9	158	143	-
Change in assets and liabilities:					
Accounts receivable	3	(52)	(14)	(3)	-
Due from other funds	-	-	(673)	-	-
Prepaid items	-	-	-	-	-
Accounts payable	-	(1)	2	(2)	-
Accrued liabilities	-	-	-	2	-
Due to other funds	-	-	347	-	-
Unearned revenue	(3)	-	2	-	-
Deposit and trust liability	-	(1)	2	-	-
Net Pension Liability	5	(28)	(32)	20	-
Net Pension Liability and Related Deferred Inflows	-	1	3	1	-
Net Pension Liability and Related Deferred Outflows	9	7	49	5	-
Net OPEB Liability	(3)	(2)	(17)	(2)	-
Net OPEB Liability and Related Deferred Inflows	-	1	8	1	-
Net OPEB Liability and Related Deferred Outflows	2	-	(2)	-	-
Total adjustments	<u>13</u>	<u>(66)</u>	<u>(167)</u>	<u>165</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (34)</u>	<u>\$ (2)</u>	<u>\$ (369)</u>	<u>\$ (38)</u>	<u>\$ -</u>
Noncash Investing, Capital and Financing Activities:					
Capital assets transferred from governmental funds	\$ -	\$ -	\$ 24	\$ -	\$ -
Accrued interest on Note receivable	-	-	-	-	-
Note receivable for sale of capital assets	-	-	156	-	-

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Phoenix Park</u>	<u>City Mod Rehab</u>	<u>Norcade Circle</u>	<u>City COCC</u>	<u>County COCC</u>	<u>Villa De Novo</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:						
Operating income (loss)	\$ (642)	\$ (94)	\$ 194	\$ 300	\$ (708)	\$ (82)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:						
Depreciation/amortization	93	-	48	-	-	79
Change in assets and liabilities:						
Accounts receivable	(67)	-	-	(37)	-	5
Due from other funds	717	-	-	269	-	-
Prepaid items	1	-	-	-	-	-
Accounts payable	2	-	4	-	1	-
Accrued liabilities	8	-	1	1	(1)	-
Due to other funds	(16)	(2)	(210)	(99)	-	-
Unearned revenue	5	-	-	-	-	-
Deposit and trust liability	2	-	(3)	-	-	(2)
Net Pension Liability	60	-	-	(802)	359	4
Net Pension Liability and Related Deferred Inflows	1	-	-	4	9	1
Net Pension Liability and Related Deferred Outflows	15	-	-	189	104	7
Net OPEB Liability	(3)	-	-	(34)	(52)	(3)
Net OPEB Liability and Related Deferred Inflows	2	-	-	17	25	1
Net OPEB Liability and Related Deferred Outflows	-	-	-	(4)	(6)	(1)
Total adjustments	<u>820</u>	<u>(2)</u>	<u>(160)</u>	<u>(496)</u>	<u>439</u>	<u>91</u>
Net cash provided by (used in) operating activities	<u>\$ 178</u>	<u>\$ (96)</u>	<u>\$ 34</u>	<u>\$ (196)</u>	<u>\$ (269)</u>	<u>\$ 9</u>
Noncash Investing, Capital and Financing Activities:						
Capital assets transferred from governmental funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued interest on Note receivable	265	-	-	-	-	-
Note receivable for sale of capital assets	-	-	-	-	-	-

**Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)**

	<u>Auburn/Garfield Property Management</u>	<u>Foreclosure Access</u>	<u>Asset Repositioning</u>	<u>Mortgage Revenue Bond</u>	<u>Total</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (54)	\$ -	\$ -	\$ (2,257)	\$ (20,615)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/amortization	-	-	-	-	6,550
Change in assets and liabilities:					
Accounts receivable	-	-	7	87	(38)
Due from other funds	-	-	-	(2,744)	(2,431)
Prepaid items	-	-	-	-	1
Accounts payable	(4)	-	1	100	115
Accrued liabilities	-	-	-	2	54
Due to other funds	-	-	-	-	92
Unearned revenue	-	-	-	-	53
Deposit and trust liability	-	-	-	(53)	(94)
Net Pension Liability	-	-	-	(321)	(2,321)
Net Pension Liability and Related Deferred Inflows	-	-	-	7	93
Net Pension Liability and Related Deferred Outflows	-	-	-	122	1,774
Net OPEB Liability	-	-	-	(40)	(553)
Net OPEB Liability and Related Deferred Inflows	-	-	-	19	267
Net OPEB Liability and Related Deferred Outflows	-	-	-	(4)	(58)
Total adjustments	<u>(4)</u>	<u>-</u>	<u>8</u>	<u>(2,825)</u>	<u>3,504</u>
Net cash provided by (used in) operating activities	<u>\$ (58)</u>	<u>\$ -</u>	<u>\$ 8</u>	<u>\$ (5,082)</u>	<u>\$ (17,111)</u>
Noncash Investing, Capital and Financing Activities:					
Capital assets transferred from governmental funds	\$ -	\$ -	\$ -	\$ -	\$ 2,086
Accrued interest on Note receivable	-	-	744	-	1,009
Note receivable for sale of capital assets	-	-	-	-	289

Internal Service Funds

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

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

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Internal Service Funds
December 31, 2018
(amounts expressed in thousands)

	<u>Internal Support</u>	<u>Self Insurance</u>	<u>Total</u>
Assets			
Current assets:			
Cash and investments	\$ 5,431	\$ 1,770	\$ 7,201
Accounts receivable (net)	3	-	3
Due from other funds	344	-	344
Prepaid items	58	133	191
Total current assets	<u>5,836</u>	<u>1,903</u>	<u>7,739</u>
Noncurrent assets:			
Restricted cash and investments	551	-	551
Notes receivable (net)	-	50	50
	<u>551</u>	<u>50</u>	<u>601</u>
Capital assets:			
Land	2,040	-	2,040
Buildings and improvements	11,675	-	11,675
Property and equipment	629	-	629
Less accumulated depreciation	(3,381)	-	(3,381)
Total capital assets (net of accumulated depreciation)	<u>10,963</u>	<u>-</u>	<u>10,963</u>
Total noncurrent assets	<u>11,514</u>	<u>50</u>	<u>11,564</u>
Total assets	<u>17,350</u>	<u>1,953</u>	<u>19,303</u>
Deferred Outflows of Resources			
Deferred Outflows- Pension	671	-	671
Deferred Outflows-OPEB	487	-	487
Total deferred outflows of resources	<u>1,158</u>	<u>-</u>	<u>1,158</u>
Liabilities			
Current liabilities:			
Accounts payable	257	-	257
Accrued liabilities	29	301	330
Compensated absences	1,778	-	1,778
Current portion of long-term debt	655	-	655
Total current liabilities	<u>2,719</u>	<u>301</u>	<u>3,020</u>
Noncurrent liabilities:			
Compensated absences	1,065	-	1,065
Mortgage notes payable	7,172	-	7,172
Advances from component units	1,000	-	1,000
Net pension liability	12,145	-	12,145
Net OPEB liability	1,355	-	1,355
Total noncurrent liabilities	<u>22,737</u>	<u>-</u>	<u>22,737</u>
Total liabilities	<u>25,456</u>	<u>301</u>	<u>25,757</u>
Deferred Inflows of Resources			
Deferred Inflows- Pension	118	-	118
Deferred Inflows- OPEB	239	-	239
Total deferred inflows of resources	<u>357</u>	<u>-</u>	<u>357</u>
Net Position			
Net investment in capital assets	3,137	-	3,137
Restricted for debt service	552	-	552
Unrestricted	(10,994)	1,652	(9,342)
Total net position	<u>\$ (7,305)</u>	<u>\$ 1,652</u>	<u>\$ (5,653)</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Internal Support</u>	<u>Self Insurance</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 11,290	\$ -	\$ 11,290
Miscellaneous	8	90	98
Total operating revenues	<u>11,298</u>	<u>90</u>	<u>11,388</u>
Operating expenses:			
Employee services	8,100	-	8,100
Services and supplies	2,769	65	2,834
Utilities	105	-	105
Depreciation	309	-	309
Total operating expenses	<u>11,283</u>	<u>65</u>	<u>11,348</u>
Operating income	<u>15</u>	<u>25</u>	<u>40</u>
Nonoperating revenues (expenses):			
Investment earnings	(29)	40	11
Interest expense	(423)	-	(423)
Total nonoperating revenues, net	<u>(452)</u>	<u>40</u>	<u>(412)</u>
Income (loss) before transfers	(437)	65	(372)
Transfers in	1,172	-	1,172
Transfers out	(45)	(743)	(788)
Change in net position	<u>690</u>	<u>(678)</u>	<u>12</u>
Net position, beginning, as restated	(7,995)	2,330	(5,665)
Net position, ending	<u>\$ (7,305)</u>	<u>\$ 1,652</u>	<u>\$ (5,653)</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Internal Support</u>	<u>Self Insurance</u>	<u>Totals</u>
Cash flows from operating activities:			
Cash receipts from interfund services provided	\$ 11,011	\$ 54	\$ 11,065
Cash paid to suppliers for goods and services	(2,829)	(65)	(2,894)
Cash paid to employees for services	(7,189)	-	(7,189)
Net cash provided by (used in) operating activities	<u>993</u>	<u>(11)</u>	<u>982</u>
Cash flows from noncapital financing activities:			
Transfers in	1,172	-	1,172
Transfers out	(45)	(743)	(788)
Net cash provided by (used in) noncapital financing activities	<u>1,127</u>	<u>(743)</u>	<u>384</u>
Cash flows from capital and related financing activities:			
Purchase of capital assets	(86)	-	(86)
Payments on long-term liabilities	(622)	-	(622)
Interest paid	(423)	-	(423)
Net cash used in capital and related financing activities	<u>(1,131)</u>	<u>-</u>	<u>(1,131)</u>
Cash flows from investing activities:			
Payments received on notes receivable	-	28	28
Interest received	(29)	40	11
Net cash provided by (used in) operating activities	<u>(29)</u>	<u>68</u>	<u>39</u>
Net increase (decrease) in cash and cash equivalents	960	(686)	274
Cash and cash equivalents, beginning	5,022	2,456	7,478
Cash and cash equivalents, ending	<u>\$ 5,982</u>	<u>\$ 1,770</u>	<u>\$ 7,752</u>
Reconciliation of cash and cash equivalents to the statement of net position:			
Cash and investments	\$ 5,431	\$ 1,770	\$ 7,201
Restricted cash and investments	551	-	551
Total	<u>\$ 5,982</u>	<u>\$ 1,770</u>	<u>\$ 7,752</u>

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2018
(amounts expressed in thousands)

	<u>Internal Support</u>	<u>Self Insurance</u>	<u>Total</u>
Reconciliation of operating income to net cash provided by (used in) operating activities:			
Operating income	\$ 15	\$ 25	\$ 40
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation/amortization	309	-	309
Change in assets and liabilities:			
Accounts receivable	(3)	-	(3)
Due from other funds	(284)	-	(284)
Prepaid items	4	(36)	(32)
Accounts payable	41	-	41
Accrued liabilities	(73)	-	(73)
Compensated absences	(148)	-	(148)
Net Pension Liability	(16)	-	(16)
Net Pension Liability and Related Deferred Inflows	84	-	84
Net Pension Liability and Related Deferred Outflows	1,371	-	1,371
Net OPEB Liability	(495)	-	(495)
Net OPEB Liability and Related Deferred Inflows	239	-	239
Net OPEB Liability and Related Deferred Outflows	(51)	-	(51)
Total adjustments	<u>978</u>	<u>(36)</u>	<u>942</u>
Net cash provided by (used in) operating activities	<u>\$ 993</u>	<u>\$ (11)</u>	<u>\$ 982</u>

Statistical Section

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

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

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

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

- ◆ Ratios of Outstanding Debt by Type

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

- ◆ Demographic and Economic Statistics
- ◆ Principal Employers

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

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

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Net Position by Component
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Governmental Activities:					
Net investment in capital assets	\$ 119,673	\$ 130,643	\$ 118,952	\$ 52,784	\$ 44,836
Restricted	13,762	13,597	13,738	129,376	303,784
Unrestricted	107,144	98,320	102,274	175,243	5,120
Total governmental activities net position	<u>\$ 240,579</u>	<u>\$ 242,560</u>	<u>\$ 234,964</u>	<u>\$ 357,403</u>	<u>\$ 353,740</u>
Business-type Activities:					
Net investment in capital assets	\$ 169,031	\$ 158,391	\$ 160,344	\$ 163,561	\$ 160,586
Restricted	9,375	8,557	8,487	6,836	2,436
Unrestricted	23,197	27,714	27,040	22,176	29,539
Total business-type activities, net position	<u>\$ 201,603</u>	<u>\$ 194,662</u>	<u>\$ 195,871</u>	<u>\$ 192,573</u>	<u>\$ 192,561</u>
Primary Government:					
Net investment in capital assets	\$ 288,704	\$ 289,034	\$ 279,296	\$ 216,345	\$ 205,422
Restricted	23,137	22,154	22,225	136,212	306,220
Unrestricted	130,341	126,034	129,314	197,419	34,659
Total primary government net position	<u>\$ 442,182</u>	<u>\$ 437,222</u>	<u>\$ 430,835</u>	<u>\$ 549,976</u>	<u>\$ 546,301</u>

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Net Position by Component (continued)
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands)

	<u>2014</u>	<u>2015 (1)</u>	<u>2016</u>	<u>2017</u>	<u>2018 (2)</u>
Governmental Activities:					
Net investment in capital assets	\$ 25,342	\$ 24,321	\$ 25,938	\$ 25,008	\$ 24,937
Restricted	312,809	325,230	338,927	349,470	363,970
Unrestricted	(1,552)	(8,706)	(9,963)	(15,752)	(25,796)
Total governmental activities net position	<u>\$ 336,599</u>	<u>\$ 340,845</u>	<u>\$ 354,902</u>	<u>\$ 358,726</u>	<u>\$ 363,111</u>
Business-type Activities:					
Net investment in capital assets	\$ 173,029	\$ 161,366	\$ 156,568	\$ 151,897	\$ 142,172
Restricted	3,336	1,141	2,552	806	806
Unrestricted	55,671	50,465	56,330	56,813	51,978
Total business-type activities, net position	<u>\$ 232,036</u>	<u>\$ 212,972</u>	<u>\$ 215,450</u>	<u>\$ 209,516</u>	<u>\$ 194,956</u>
Primary Government:					
Net investment in capital assets	\$ 198,371	\$ 185,687	\$ 182,506	\$ 176,905	\$ 167,109
Restricted	316,145	326,371	341,479	350,276	364,776
Unrestricted	54,119	41,759	46,367	41,061	26,182
Total primary government net position	<u>\$ 568,635</u>	<u>\$ 553,817</u>	<u>\$ 570,352</u>	<u>\$ 568,242</u>	<u>\$ 558,067</u>

Source: Agency Comprehensive Annual Financial Reports

(1) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68.

(2) Fiscal year 2018 beginning net position was restated due to the implementation of GASB 75.

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

Note: The negative unrestricted net position was due to the implementation of GASB 68 and GASB 75.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Changes In Net Position
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands)

	2009	2010	2011	2012	2013
Expenses:					
Governmental activities:					
Housing operations	\$ 1,588	\$ 3,837	\$ 2,512	\$ 9,477	\$ 10,700
Community development	77,762	97,044	89,525	18,048	25,677
Community social services	3,586	9,133	5,848	2,860	2,946
Interest expense	18,280	17,632	16,859	953	894
Total governmental activities expenses	<u>101,216</u>	<u>127,646</u>	<u>114,744</u>	<u>31,338</u>	<u>40,217</u>
Business-type activities:					
Local housing	7,022	3,745	7,256	8,701	9,084
Public housing	19,615	27,801	22,985	24,009	24,133
Housing choice vouchers	102,348	107,162	111,496	112,774	110,757
Total business-type activities expenses	<u>128,985</u>	<u>138,708</u>	<u>141,737</u>	<u>145,484</u>	<u>143,974</u>
Total primary government expenses	<u>230,201</u>	<u>266,354</u>	<u>256,481</u>	<u>176,822</u>	<u>184,191</u>
Program Revenues:					
Governmental activities:					
Charges for services:					
Housing operations	1,307	1,499	1,370	1,410	1,533
Community development	39	138	63	9	-
Community social services	-	-	-	-	-
Operating grants and contributions:					
Housing operations	-	41	109	452	1,802
Community development	39,289	46,056	33,742	25,940	13,458
Community social services	1,656	7,447	4,914	2,686	2,998
Capital grants and contributions:					
Housing operations	7,669	6,854	15,211	7,717	8,698
Total governmental activities program revenues	<u>49,960</u>	<u>62,035</u>	<u>55,409</u>	<u>38,214</u>	<u>28,489</u>
Business-type activities:					
Charges for services:					
Local housing	1,588	1,299	1,321	1,420	1,581
Public housing	7,422	6,231	5,804	5,394	5,560
Housing choice vouchers	-	-	-	-	-
Operating grants and contributions:					
Local housing	786	703	3,841	5,331	5,177
Public housing	8,314	10,277	10,261	9,940	8,767
Housing choice vouchers	98,196	110,003	110,933	112,118	107,185
Capital grants and contributions:					
Local housing	-	-	-	-	4,481
Total business-type activities program revenues	<u>116,306</u>	<u>128,513</u>	<u>132,160</u>	<u>134,203</u>	<u>132,751</u>
Total primary government program revenues	<u>166,266</u>	<u>190,548</u>	<u>187,569</u>	<u>172,417</u>	<u>161,240</u>
Net (Expenses) Revenues:					
Governmental activities	(51,256)	(65,611)	(59,335)	6,876	(11,728)
Business-type activities	(12,679)	(10,195)	(9,577)	(11,281)	(11,223)
Total primary government net expenses	<u>(63,935)</u>	<u>(75,806)</u>	<u>(68,912)</u>	<u>(4,405)</u>	<u>(22,951)</u>

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Changes In Net Position (continued)
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands)

	2014	2015	2016	2017	2018
Expenses:					
Governmental activities:					
Housing operations	\$ 12,349	\$ 8,740	\$ 12,985	\$ 17,837	\$ 10,417
Community development	28,219	23,495	17,914	18,514	23,656
Community social services	3,745	4,841	5,240	5,957	6,853
Interest expense	859	786	741	688	632
Total governmental activities expenses	<u>45,172</u>	<u>37,862</u>	<u>36,880</u>	<u>42,996</u>	<u>41,558</u>
Business-type activities:					
Local housing	9,954	4,022	4,636	6,717	8,999
Public housing	22,655	22,607	24,768	25,042	29,749
Housing choice vouchers	108,443	109,844	110,219	109,914	113,644
Total business-type activities expenses	<u>141,052</u>	<u>136,473</u>	<u>139,623</u>	<u>141,673</u>	<u>152,392</u>
Total primary government expenses	<u>186,224</u>	<u>174,335</u>	<u>176,503</u>	<u>184,669</u>	<u>193,950</u>
Program Revenues:					
Governmental activities:					
Charges for services:					
Housing operations	698	1	693	1,287	893
Community development	9	17	5	2	4
Community social services	-	2,137	1,152	1,212	999
Operating grants and contributions:					
Housing operations	1,496	10,212	9,072	8,183	13,086
Community development	32,874	20,005	21,657	14,934	23,457
Community social services	4,109	4,115	4,506	4,544	6,381
Capital grants and contributions:					
Housing operations	5,172	5,693	6,578	6,594	6,271
Total governmental activities program revenues	<u>44,358</u>	<u>42,180</u>	<u>43,663</u>	<u>36,756</u>	<u>51,091</u>
Business-type activities:					
Charges for services:					
Local housing	3,715	3,811	3,974	3,966	4,009
Public housing	6,000	6,712	7,073	7,852	7,949
Housing choice vouchers	47	-	-	-	-
Operating grants and contributions:					
Local housing	5,830	1,047	1,108	1,165	1,044
Public housing	10,020	10,218	10,477	11,617	11,300
Housing choice vouchers	110,214	110,747	113,912	105,720	110,144
Capital grants and contributions:					
Local housing	5,601	-	-	-	-
Total business-type activities program revenues	<u>141,427</u>	<u>132,535</u>	<u>136,544</u>	<u>130,320</u>	<u>134,446</u>
Total primary government program revenues	<u>185,785</u>	<u>174,715</u>	<u>180,207</u>	<u>167,076</u>	<u>185,537</u>
Net (Expenses) Revenues:					
Governmental activities	(814)	4,318	6,783	(6,240)	9,533
Business-type activities	375	(3,938)	(3,079)	(11,353)	(17,946)
Total primary government net expenses	<u>(439)</u>	<u>380</u>	<u>3,704</u>	<u>(17,593)</u>	<u>(8,413)</u>

Source: Agency Comprehensive Annual Financial Reports

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Changes In Net Position (continued)
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands)

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General revenues, transfers and changes in net position:					
Governmental activities:					
Tax increment	\$ 67,792	\$ 61,367	\$ 52,083	\$ -	\$ -
Investment earnings	9,856	6,099	7,537	4,022	2,634
Miscellaneous	3,121	2,586	1,582	1,938	1,304
Special items	2,250	-	-	-	-
Transfers	<u>(6,151)</u>	<u>(2,460)</u>	<u>(9,463)</u>	<u>(6,559)</u>	<u>(8,019)</u>
Total governmental activities	<u>76,868</u>	<u>67,592</u>	<u>51,739</u>	<u>(599)</u>	<u>(4,081)</u>
Business-type activities:					
Investment earnings	390	378	610	697	1,072
Miscellaneous	301	416	713	727	751
Special items	-	-	-	-	1,369
Transfers	<u>6,151</u>	<u>2,460</u>	<u>9,463</u>	<u>6,559</u>	<u>8,019</u>
Total business-type activities	<u>6,842</u>	<u>3,254</u>	<u>10,786</u>	<u>7,983</u>	<u>11,211</u>
Total primary government	<u>83,710</u>	<u>70,846</u>	<u>62,525</u>	<u>7,384</u>	<u>7,130</u>
Change in net position before extraordinary item:					
Governmental activities	25,612	1,981	(7,596)	6,277	(15,809)
Business-type activities	<u>(5,837)</u>	<u>(6,941)</u>	<u>1,209</u>	<u>(3,298)</u>	<u>(12)</u>
Total primary government before extraordinary item	<u>19,775</u>	<u>(4,960)</u>	<u>(6,387)</u>	<u>2,979</u>	<u>(15,821)</u>
Extraordinary item - Governmental activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>116,162</u>	<u>-</u>
Change in net position:					
Governmental activities	25,612	1,981	(7,596)	122,439	(15,809)
Business-type activities	<u>(5,837)</u>	<u>(6,941)</u>	<u>1,209</u>	<u>(3,298)</u>	<u>(12)</u>
Total primary government	<u>19,775</u>	<u>(4,960)</u>	<u>(6,387)</u>	<u>119,141</u>	<u>(15,821)</u>

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Changes In Net Position (continued)
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands)

	2014	2015	2016	2017	2018
General revenues, transfers and changes in net position:					
Governmental activities:					
Tax increment	\$ -	\$ -	\$ -	\$ -	\$ -
Investment earnings	4,387	3,828	2,248	4,595	3,009
Miscellaneous	5,612	9,041	8,148	8,485	5,618
Special items	-	-	-	-	-
Transfers	(15,338)	(2,978)	(3,122)	(3,016)	(3,443)
Total governmental activities	<u>(5,339)</u>	<u>9,891</u>	<u>7,274</u>	<u>10,064</u>	<u>5,184</u>
Business-type activities:					
Investment earnings	4,735	1,404	1,353	1,312	1,693
Miscellaneous	839	766	1,082	1,091	1,117
Special items	7,200	-	-	-	-
Transfers, net	15,338	2,978	3,122	3,016	3,443
Total business-type activities	<u>28,112</u>	<u>5,148</u>	<u>5,557</u>	<u>5,419</u>	<u>6,253</u>
Total primary government	<u>22,773</u>	<u>15,039</u>	<u>12,831</u>	<u>15,483</u>	<u>11,437</u>
Change in net position before extraordinary item:					
Governmental activities	(6,153)	14,209	14,057	3,824	14,717
Business-type activities	28,487	1,210	2,478	(5,934)	(11,693)
Total primary government before extraordinary item	<u>22,334</u>	<u>15,419</u>	<u>16,535</u>	<u>(2,110)</u>	<u>3,024</u>
Extraordinary item - Governmental activities	-	-	-	-	-
Change in net position:					
Governmental activities	(6,153)	14,209	14,057	3,824	14,717
Business-type activities	28,487	1,210	2,478	(5,934)	(11,693)
Total primary government	<u>\$ 22,334</u>	<u>\$ 15,419</u>	<u>\$ 16,535</u>	<u>\$ (2,110)</u>	<u>\$ 3,024</u>

Source: Agency Comprehensive Annual Financial Reports

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Fund Balances of Governmental Funds
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands)

	2009	2010	2011	2012	2013
Major funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable:					
Long-term receivables	43,705	48,549	52,912	45,488	61,175
Prepaid items	26	-	-	-	-
Restricted for:					
Debt service reserves	934	934	1,038	-	-
Housing	-	-	-	-	21,239
Community development	-	-	-	-	2,954
Committed for:					
Housing	-	-	-	17,683	-
Community development	85,386	70,660	58,313	-	-
Assigned for:					
Housing	-	-	-	6,960	-
Community development	1,433	2,418	1,183	-	-
Debt service	4,703	-	-	-	-
Unassigned	-	(3,718)	(6,343)	-	-
Total major funds	<u>\$ 136,187</u>	<u>\$ 118,843</u>	<u>\$ 107,103</u>	<u>\$ 70,131</u>	<u>\$ 85,368</u>
Other governmental funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable:					
Long-term receivables	91,921	103,151	113,752	79,895	64,587
Prepaid items	8	-	-	-	-
Restricted for:					
Debt service reserves	12,222	12,056	12,093	211	435
Housing	61	61	61	61	14,962
Community development	-	-	-	-	6,864
Community services	-	-	-	-	116
Committed for:					
Housing projects	15,761	13,794	6,817	10,288	1,882
Community development projects	131,054	114,028	100,398	4,035	638
Community service projects	278	-	77	85	-
Assigned for:					
Debt service	4,156	968	400	-	-
Housing	7,241	5,460	6,209	6,478	3,859
Community development	7,875	7,480	14,159	1,051	176
Community services	-	16	80	-	-
Unassigned	(9,315)	(12,853)	(11,003)	(4,466)	(2,776)
Total other governmental funds	<u>\$ 261,262</u>	<u>\$ 244,161</u>	<u>\$ 243,043</u>	<u>\$ 97,638</u>	<u>\$ 90,743</u>
Total governmental Funds	<u>\$ 397,449</u>	<u>\$ 363,004</u>	<u>\$ 350,146</u>	<u>\$ 167,769</u>	<u>\$ 176,111</u>

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

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Fund Balances of Governmental Funds (continued)
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands)

	2014	2015	2016	2017	2018
Major funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable:					
Long-term receivables	-	-	-	-	-
Prepaid items	-	-	-	-	-
Restricted for:					
Debt service reserves	-	-	-	-	-
Housing	76,524	86,851	91,083	92,529	93,467
Community development	1,207	650	2,492	6,528	5,839
Committed for:					
Housing	-	-	-	-	-
Community development	-	-	-	-	-
Assigned for:					
Housing	-	-	-	-	-
Community development	-	-	-	-	-
Debt service	-	-	-	-	-
Unassigned	-	-	-	-	-
Total major funds	<u>\$ 77,731</u>	<u>\$ 87,501</u>	<u>\$ 93,575</u>	<u>\$ 99,057</u>	<u>\$ 99,306</u>
Other governmental funds:					
Reserved	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Nonspendable:					
Long-term receivables	-	-	-	-	-
Prepaid items	-	-	-	-	-
Restricted for:					
Debt service reserves	96	3	3	3	3
Housing	72,896	77,897	80,595	84,386	87,558
Community development	17,507	14,731	14,722	14,132	14,752
Community services	127	1,604	2,547	2,980	2,822
Committed for:					
Housing projects	-	-	-	-	-
Community development projects	-	-	-	-	-
Community service projects	-	-	-	-	-
Assigned for:					
Debt service	-	-	-	-	-
Housing	-	-	-	-	-
Community development	177	-	-	-	-
Community services	-	-	-	-	-
Unassigned	(2,459)	(2,591)	(2,251)	(2,221)	(4,664)
Total other governmental funds	<u>\$ 88,344</u>	<u>\$ 91,644</u>	<u>\$ 95,616</u>	<u>\$ 99,280</u>	<u>\$ 100,471</u>
Total governmental Funds	<u>\$ 166,075</u>	<u>\$ 179,145</u>	<u>\$ 189,191</u>	<u>\$ 198,337</u>	<u>\$ 199,777</u>

Source: Agency Comprehensive Annual Financial Reports

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

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Changes in Fund Balances of Governmental Funds
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands)

	2009	2010	2011	2012	2013
Revenues:					
Intergovernmental	\$ 34,038	\$ 52,961	\$ 54,043	\$ 33,525	\$ 31,466
Property taxes	67,792	61,367	52,083	-	-
Charges for services	1,346	1,637	1,433	1,419	1,533
Investment earnings	6,245	6,230	7,061	3,506	2,329
Miscellaneous	2,480	1,633	517	1,817	1,032
Total revenues	<u>111,901</u>	<u>123,828</u>	<u>115,137</u>	<u>40,267</u>	<u>36,360</u>
Expenditures:					
Current:					
Housing operations	1,568	3,789	2,360	9,326	10,703
Community development	76,167	100,755	76,050	19,891	19,824
Community services	3,586	9,133	5,848	2,860	2,946
Capital outlay	18,913	17,203	12,310	8,364	5,305
Debt service:					
Principal retirement	25,564	19,105	20,823	1,517	1,048
Interest and related charges	17,966	16,973	16,246	605	757
Total expenditures	<u>143,764</u>	<u>166,958</u>	<u>133,637</u>	<u>42,563</u>	<u>40,583</u>
Deficiency of revenues under expenditures	<u>(31,863)</u>	<u>(43,130)</u>	<u>(18,500)</u>	<u>(2,296)</u>	<u>(4,223)</u>
Other Financing Sources(Uses):					
Long-term debt issued	6,412	-	2,200	-	-
Proceeds from sale of capital assets	1,550	10,929	4,755	851	1,068
Satisfaction of debt	-	-	-	-	-
Transfers in	36,256	19,131	14,996	101,565	5,250
Transfers out	(37,605)	(21,375)	(16,309)	(101,702)	(5,899)
Total other financing sources (uses)	<u>6,613</u>	<u>8,685</u>	<u>5,642</u>	<u>714</u>	<u>419</u>
Special Item:					
Proceeds from sale of Sheraton Hotel	2,250	-	-	-	-
Extraordinary Item-Dissolution of RDA	<u>-</u>	<u>-</u>	<u>-</u>	<u>(180,795)</u>	<u>-</u>
Net change in fund balances	<u>\$ (23,000)</u>	<u>\$ (34,445)</u>	<u>\$ (12,858)</u>	<u>\$ (182,377)</u>	<u>\$ (3,804)</u>
Debt service as a percentage of non-capital expenditures	35%	24%	31%	6%	5%

Source: Agency Comprehensive Annual Financial Reports

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Changes in Fund Balances of Governmental Funds (continued)
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands)

	2014	2015	2016	2017	2018
Revenues:					
Intergovernmental	\$ 18,815	\$ 33,986	\$ 37,823	\$ 32,829	\$ 38,526
Property taxes	-	-	-	-	-
Charges for services	8	2,155	1,850	2,501	1,896
Investment earnings	2,017	3,700	2,417	4,587	2,998
Miscellaneous	3,782	8,954	8,065	8,442	5,520
Total revenues	<u>24,622</u>	<u>48,795</u>	<u>50,155</u>	<u>48,359</u>	<u>48,940</u>
Expenditures:					
Current:					
Housing operations	2,991	8,980	11,248	11,490	11,935
Community development	10,740	22,437	16,103	16,714	23,512
Community services	3,745	4,850	5,244	5,942	6,832
Capital outlay	1,708	1,482	5,336	2,961	3,173
Debt service:					
Principal retirement	392	1,347	639	602	779
Interest and related charges	93	305	263	240	228
Total expenditures	<u>19,669</u>	<u>39,401</u>	<u>38,833</u>	<u>37,949</u>	<u>46,459</u>
Excess (Deficiency) of revenues over expenditures	<u>4,953</u>	<u>9,394</u>	<u>11,322</u>	<u>10,410</u>	<u>2,481</u>
Other Financing Sources(Uses):					
Long-term debt issued	-	150	-	-	-
Proceeds from sale of capital assets	206	385	783	851	500
Satisfaction of debt					
Transfers in	6,061	1,322	597	376	377
Transfers out	(2,746)	(2,823)	(2,656)	(2,491)	(2,118)
Total other financing sources (uses)	<u>3,521</u>	<u>(966)</u>	<u>(1,276)</u>	<u>(1,264)</u>	<u>(1,241)</u>
Special Item:					
Proceeds from sale of Sheraton Hotel	-	-	-	-	-
Extraordinary Item-Dissolution of RDA	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 8,474</u>	<u>\$ 8,428</u>	<u>\$ 10,046</u>	<u>\$ 9,146</u>	<u>\$ 1,240</u>
Debt service as a percentage of non-capital expenditures	3%	4%	3%	2%	2%

Source: Agency Comprehensive Annual Financial Reports

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Ratios of Outstanding Debt by Type
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands)

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Actual Taxable Value of Property (2)	Percentage of Personal Income (1)	Per Capita (1)
	Notes Payable	Tax Allocation Bonds	Mortgage Notes Payable				
2009	109,126	320,306	1,067	430,499	4.85%	0.79%	309
2010	103,967	305,949	1,036	410,952	5.05%	0.76%	292
2011	99,898	290,961	2,580	393,439	5.21%	0.72%	277
2012	19,908	-	2,543	22,451	*N/A	0.04%	16
2013	18,379	-	2,503	20,882	*N/A	0.03%	14
2014	17,260	-	2,460	19,720	*N/A	0.03%	14
2015	15,530	-	2,412	17,942	*N/A	0.03%	12
2016	14,330	-	2,361	16,691	*N/A	0.02%	11
2017	13,137	-	2,306	15,443	*N/A	0.02%	10
2018	11,736	-	2,245	13,981	*N/A	0.02%	9

Source: Agency Comprehensive Annual Financial Reports

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

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

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

* Not available at this time

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Demographic and Economic Statistics
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands except per capita amount)

	2009	2010	2011	2012	2013
City population (1)	481	486	470	471	474
City assessed value (1)	\$ 41,560,435	\$ 38,778,007	\$ 37,647,002	\$ 36,502,112	\$ 35,494,811
County population (2)	1,394	1,409	1,422	1,435	1,447
County assessed value (2)	\$ 137,078,562	\$ 127,408,390	\$ 124,550,358	\$ 120,463,520	\$ 117,150,562
Unemployment Rate % (2)	7.2%	11.0%	12.6%	12.1%	10.5%
Personal Income (2)	\$ 54,773,648	\$ 53,826,177	\$ 54,666,004	\$ 57,498,308	\$ 59,775,785
Per Capita Personal Income (2)	\$ 39,280	\$ 38,213	\$ 38,443	\$ 40,068	\$ 41,303
City public housing authority low income housing units (3)	1,822	1,798	1,799	1,868	1,866
County public housing authority low income housing units (3)	1,017	1,018	1,021	1,047	1,035
County housing choice vouchers (3) (4)	11,245	11,268	11,507	11,840	11,890

Sources:

- (1) City of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30.
- (2) County of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30. The Bureau of Economic Analysis revised population and per capita personal income to reflect Census Bureau midyear population estimates for 2010-2017 available as of March 2018.
- (3) These statistics have been provided to assist in the analysis of the Agency's financial position. Demographic information specific to the City and County can be found in their annual reports. Amounts are not reported in thousands.
- (4) The City and County Housing Choice Voucher programs were combined into a single County program during 2005.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Demographic and Economic Statistics (continued)
For the Ten Years Ended December 31, 2018
(amounts expressed in thousands except per capita amount)

	2014	2015	2016	2017	2018
City population (1)	475	480	486	493	501
City assessed value (1)	\$ 36,924,255	\$ 39,067,503	\$ 40,897,784	\$ 43,485,723	\$ 46,645,376
County population (2)	1,460	1,478	1,497	1,514	1,531
County assessed value (2)	\$ 122,505,185	\$ 130,274,313	\$ 136,123,278	\$ 143,368,927	\$ 152,390,356
Unemployment Rate % (2)	8.9%	7.3%	6.0%	5.4%	4.6%
Personal Income (2)	\$ 61,654,690	\$ 65,486,553	\$ 70,110,138	\$ 72,878,458	\$ 76,832,120
Per Capita Personal Income (2)	\$ 42,229	\$ 44,303	\$ 46,845	\$ 48,122	\$ 50,197
City public housing authority low income housing units (3)	1,753	1,759	1,699	1,699	1,699
County public housing authority low income housing units (3)	1,035	1,035	1,013	1,013	1,013
County housing choice vouchers (3) (4)	12,019	12,063	12,107	11,424	11,238

Sources:

- (1) City of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30.
- (2) County of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30. The Bureau of Economic Analysis revised population and per capita personal income to reflect Census Bureau midyear population estimates for 2010-2017 available as of March 2018.
- (3) These statistics have been provided to assist in the analysis of the Agency's financial position. Demographic information specific to the City and County can be found in their annual reports. Amounts are not reported in thousands.
- (4) The City and County Housing Choice Voucher programs were combined into a single County program during 2005.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Principal Employers
June 30, 2018 and 2019

Employer	June 30, 2018			June 30, 2009		
	Employees (b)	Rank	Percentage of Total County Employment	Employees (c)	Rank	Percentage of Total County Employment (c)
Kaiser Permanente	10,517	1	1.57%	9,608	1	1.50%
UC Davis Health System	10,467	2	1.56%			
Sutter / California Health Services	9,911	3	1.48%	8,220	2	1.28%
Dignity / Mercy Health Care	8,039	4	1.20%	6,328	3	0.99%
Intel Corporation	6,000	5	0.90%	6,300	4	0.98%
Apple Inc.	5,000	6	0.75%			
Raley's Inc. / Bel Air	3,147	7	0.47%	3,335	8	0.52%
Health Net of California Inc.	3,000	8	0.45%	2,720	9	0.42%
VSP Global	2,927	9	0.44%			
Wells Fargo & Co.	1,804	10	0.27%	6,272	5	0.98%
AT&T Corporation	-			5,389	6	0.84%
Hewlett-Packard	-			3,600	7	0.56%
PRIDE Industries	-			2,504	10	0.39%
Total	60,812		9.09%	54,276		8.46%

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

(b) Source: Sacramento County CAFR, as of June 30.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
 Full-time Equivalent Agency Employees by Function/Program
 For The Ten Years Ended December 31, 2018

Function/Program:	2009	2010	2011	2012	2013
Administration	45.50	46.50	45.50	40.00	39.00
Housing	155.00	156.00	156.00	160.00	163.50
Community Development	87.50	85.50	87.50	51.00	50.50
Affiliated Organizations	<u>3.00</u>	<u>3.00</u>	<u>2.00</u>	<u>2.00</u>	<u>0.00</u>
Total agency	<u><u>291.00</u></u>	<u><u>291.00</u></u>	<u><u>291.00</u></u>	<u><u>253.00</u></u>	<u><u>253.00</u></u>

Source: Agency Annual Budgets

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
 Full-time Equivalent Agency Employees by Function/Program (continued)
 For The Ten Years Ended December 31, 2018

Function/Program:	2014	2015	2016	2017	2018
Administration	35.60	37.60	41.60	44.00	43.20
Housing	156.50	156.00	155.00	157.00	162.00
Community Development	32.90	31.40	28.40	29.00	27.30
Affiliated Organizations	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>
Total agency	<u><u>225.00</u></u>	<u><u>225.00</u></u>	<u><u>225.00</u></u>	<u><u>230.00</u></u>	<u><u>232.50</u></u>

Source: Agency Annual Budgets

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
 Operating Indicators by Function
 For the Ten Years Ended December 31, 2018

	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Affordable Housing (1):					
Public housing units occupied	2,845	2,529	2,575	2,695	2,816
Housing choice vouchers utilized	11,245	11,268	11,228	11,774	11,326
Multi-family housing units assisted (2)	504	853	390	589	630
Homeownership assistance (3)	401	534	379	214	291
Neighborhood Development:					
Planning activities	21	22	7	7	4
Infrastructure projects (4)	12	40	12	28	15
Community facilities (5)	12	14	0	8	6
Economic Development:					
Commercial loans	6	23	2	0	0

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

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
 Operating Indicators by Function (continued)
 For the Ten Years Ended December 31, 2018

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Affordable Housing (1):					
Public housing units occupied	2,724	2,693	2,633	2,712	2,712
Housing choice vouchers utilized	11,826	11,967	11,934	11,424	11,238
Multi-family housing units assisted (2)	643	624	504	220	534
Homeownership assistance (3)	83	94	90	146	75
Neighborhood Development:					
Planning activities	1	1	0	0	0
Infrastructure projects (4)	8	8	6	5	9
Community facilities (5)	2	1	2	4	7
Economic Development:					
Commercial loans	0	0	0	0	0

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

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Capital Assets by Function
For the Ten Years Ended December 31, 2018

	2009	2010	2011	2012	2013
Primary government:					
Governmental activities:					
Housing operations (1)					
Land and Construction in progress	\$ 6,495	\$ 19,475	\$ 25,549	25,035	\$ 24,472
Depreciable buildings and improvements, and property and equipment, net	197	374	379	233	114
Total Housing operations	<u>6,692</u>	<u>19,849</u>	<u>25,928</u>	<u>25,268</u>	<u>24,586</u>
Community development (1)					
Land and Construction in progress	89,747	86,143	76,399	26,606	19,159
Depreciable buildings and improvements, and property and equipment, net	38,155	39,161	30,701	13,530	12,671
Total community development operations	<u>127,902</u>	<u>125,304</u>	<u>107,100</u>	<u>40,136</u>	<u>31,830</u>
Summary of governmental activities:					
Land and Construction in progress	96,242	105,618	101,948	51,641	43,631
Depreciable buildings and improvements, and property and equipment, net	38,352	39,535	31,080	13,763	12,785
Total governmental activities	<u>\$ 134,594</u>	<u>\$ 145,153</u>	<u>\$ 133,028</u>	<u>\$ 65,404</u>	<u>\$ 56,416</u>
Business-type activities:					
Local housing (1)					
Land and Construction in progress	\$ 3,420	\$ 2,890	\$ 5,000	\$ 5,050	\$ 5,127
Depreciable buildings and improvements, and property and equipment, net	7,469	6,731	8,047	7,027	11,561
Total local housing	<u>10,889</u>	<u>9,621</u>	<u>13,047</u>	<u>12,077</u>	<u>16,688</u>
Public housing (2)					
Land and Construction in progress	13,598	13,713	16,005	16,559	12,725
Depreciable buildings and improvements, and property and equipment, net	145,577	136,069	133,660	133,459	133,676
Total public housing	<u>159,175</u>	<u>149,782</u>	<u>149,665</u>	<u>150,018</u>	<u>146,401</u>
Housing choice vouchers					
Land and Construction in progress	-	-	197	4,004	-
Depreciable buildings and improvements, and property and equipment, net	34	24	15	5	-
Total housing choice vouchers	<u>34</u>	<u>24</u>	<u>212</u>	<u>4,009</u>	<u>-</u>
Summary of business-type activities:					
Land and Construction in progress	17,018	16,603	21,202	25,613	17,852
Depreciable buildings and improvements, and property and equipment, net	153,080	142,824	141,722	140,491	145,237
Total business-type activities	<u>\$ 170,098</u>	<u>\$ 159,427</u>	<u>\$ 162,924</u>	<u>\$ 166,104</u>	<u>\$ 163,089</u>
Total primary government	<u>\$ 304,692</u>	<u>\$ 304,580</u>	<u>\$ 295,952</u>	<u>\$ 231,508</u>	<u>\$ 219,505</u>
Component units:					
Local housing (1)					
Land and Construction in progress	\$ 7,344	\$ 2,552	\$ 2,552	\$ 2,552	\$ 4,500
Depreciable buildings and improvements, and property and equipment, net	73,338	84,698	81,843	79,049	77,083
Total component units-local housing	<u>\$ 80,682</u>	<u>\$ 87,250</u>	<u>\$ 84,395</u>	<u>\$ 81,601</u>	<u>\$ 81,583</u>

(1) Affordable housing

(2) Public housing

Source: Agency Finance Department

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Capital Assets by Function (continued)
For the Ten Years Ended December 31, 2018

	2014	2015	2016	2017	2018
Primary government:					
Governmental activities:					
Housing operations (1)					
Land and Construction in progress	\$ 20,023	\$ 18,394	\$ 17,610	\$ 16,255	\$ 16,012
Depreciable buildings and improvements, and property and equipment, net	441	401	241	205	89
Total Housing operations	<u>20,464</u>	<u>18,795</u>	<u>17,851</u>	<u>16,460</u>	<u>16,101</u>
Community development (1)					
Land and Construction in progress	5,207	5,147	7,616	7,599	7,495
Depreciable buildings and improvements, and property and equipment, net	10,634	10,033	9,511	9,398	9,167
Total community development operations	<u>15,841</u>	<u>15,180</u>	<u>17,127</u>	<u>16,997</u>	<u>16,662</u>
Summary of governmental activities:					
Land and Construction in progress	25,230	23,541	25,226	23,854	23,507
Depreciable buildings and improvements, and property and equipment, net	11,075	10,434	9,752	9,603	9,256
Total governmental activities	<u>\$ 36,305</u>	<u>\$ 33,975</u>	<u>\$ 34,978</u>	<u>\$ 33,457</u>	<u>\$ 32,763</u>
Business-type activities:					
Local housing (1)					
Land and Construction in progress	\$ 3,719	\$ 3,720	\$ 3,720	\$ 3,720	\$ 3,436
Depreciable buildings and improvements, and property and equipment, net	13,043	12,746	12,201	11,644	11,085
Total local housing	<u>16,762</u>	<u>16,466</u>	<u>15,921</u>	<u>15,364</u>	<u>14,521</u>
Public housing (2)					
Land and Construction in progress	12,483	12,161	11,996	11,887	11,878
Depreciable buildings and improvements, and property and equipment, net	146,244	135,151	131,012	126,955	118,012
Total public housing	<u>158,727</u>	<u>147,312</u>	<u>143,008</u>	<u>138,842</u>	<u>129,890</u>
Housing choice vouchers					
Land and Construction in progress	-	-	-	-	-
Depreciable buildings and improvements, and property and equipment, net	-	-	-	-	6
Total housing choice vouchers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6</u>
Summary of business-type activities:					
Land and Construction in progress	16,202	15,881	15,716	15,606	15,314
Depreciable buildings and improvements, and property and equipment, net	159,287	147,897	143,213	138,596	129,103
Total business-type activities	<u>\$ 175,489</u>	<u>\$ 163,778</u>	<u>\$ 158,929</u>	<u>\$ 154,202</u>	<u>\$ 144,417</u>
Total primary government	<u>\$ 211,794</u>	<u>\$ 197,753</u>	<u>\$ 193,907</u>	<u>\$ 187,659</u>	<u>\$ 177,180</u>
Component units:					
Local housing (1)					
Land and Construction in progress	\$ 2,552	\$ 2,552	\$ 2,552	\$ 2,552	\$ 2,981
Depreciable buildings and improvements, and property and equipment, net	10,519	9,866	9,213	8,561	10,227
Total component units-local housing	<u>\$ 13,071</u>	<u>\$ 12,418</u>	<u>\$ 11,765</u>	<u>\$ 11,113</u>	<u>\$ 13,208</u>

(1) Affordable housing
(2) Public housing
Source: Agency Finance Department

Other Supplemental Information

- **Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-City** - This Report sets forth certain details of the Housing Authority of the City of Sacramento (Housing Successor) activities.
- **Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-County** - This Report sets forth certain details of the Housing Authority of the County of Sacramento (Housing Successor) activities.

SENATE BILL 341 - LOW AND MODERATE INCOME HOUSING ASSET FUND REPORT

PURSUANT TO SECTION 34176.1(F) OF THE CALIFORNIA HEALTH AND SAFETY CODE FOR THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO FOR THE YEAR ENDED DECEMBER 31, 2018

The following Financial Report (Report) of the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to Section 34176.1(f) of the California Health and Safety Code and is dated June 13, 2019. This Report sets forth certain details of the Housing Authority of the City of Sacramento (Housing Successor) activities for the year ended December 31, 2018 (Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular Sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information contained within the Sacramento Housing and Redevelopment Agency's audit (Audit) for the year ended December 31, 2018 as prepared by management and conforms with – and is organized into the following 11 sections pursuant to Section 34176.1(f) of the Dissolution Law:

- I. **Amount Deposited into LMIHAF:** This section provides the total amount of funds deposited into the LMIHAF during the Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.
- II. **Ending Balance in the LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.
- III. **Description of Expenditures from the LMIHAF:** This section provides a description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).
- IV. **Statutory Value of Assets Owned by Housing Successor:** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

- V. Description of Transfers:** This section provides a description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous Year and, if still unencumbered, in earlier Years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.
- VI. Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.
- VII. Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, a status update on the project.
- VIII. Description of Outstanding Obligations Pursuant to Section 33413:** This section provides a description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.
- IX. Extremely-Low Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.
- X. Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former redevelopment agency and its host jurisdiction within the same time period.
- XI. Excess Surplus Test:** This section provides the amount of any excess surplus, the amount of time that the Housing Successor has had excess surplus and the Housing Successor's plan for eliminating the excess surplus.

This Report is to be provided to the Housing Successor's governing body by June 30, 2019. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the Agency's website at www.shra.org.

I. AMOUNT DEPOSITED INTO LMIHAF

A total of \$1,708,929 was deposited into the LMIHAF during the Year. Of the total funds deposited into the LMIHAF, a total of \$1,015,907 was related to items listed on the ROPS.

II. ENDING BALANCE IN THE LMIHAF

Since this section does not define what “balance” is required, the fund balances presented in the LMIHAF are presented and detailed into their component amounts as follows as of December 31, 2018:

Components of Fund Balance	Amount
Restricted for Housing	\$76,733,019

Note: Of the \$76.7 million fund balance restricted for housing, approximately \$59.8 million represents the net loans receivable balance and \$2.2 million represent bond proceeds being held for future development of low and moderate income housing.

III. DESCRIPTION OF EXPENDITURES FROM THE LMIHAF

The following is a description of expenditures from the LMIHAF by category as of December 31, 2018:

Category	Amount
Monitoring & Administration Expenditures	\$ 1,335,909
Homeless Prevention and Rapid Rehousing Services Expenditures	13,816
Housing Development Expenditures	-
Total LMIHAF Expenditures in the Year	\$ 1,349,725

IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR

Under the Dissolution Law and for purposes of this Report, “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer form approved by the Department of Finance by the housing asset transfer schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of properties purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor.

	Amount
Statutory Value of Real Property Owned by Housing Authority	\$6,136,537
Value of Loans and Grants Receivable	59,984,954
Total Value of Housing Successor Assets	\$66,121,491

V. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successors pursuant to Section 34176.1(c)(2) during the Year.

VI. PROJECT DESCRIPTIONS

The Housing Successor did not receive nor currently holds any tax revenues pursuant to the ROPS during the Year.

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 33334.16 requires that real property acquired using the LMIHAF must initiate activities consistent with the development of the property for the purpose for which it was acquired within five years from the date it first acquired the property.

The following provides a status update on the property or properties that have been acquired using LMIHAF prior to February 1, 2012:

Street #	Street Name	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
0	A Street	07/31/1995	7/31/2000	Leased to County
1400	N. B St	10/21/2011	10/21/2016	Sold 6/28/2016
1224	D Street	03/04/1985	3/5/1990	Site has soil contamination. Prepared remediation plans and specifications funded by a City grant (federal EPA). Allocated CDBG for remediation. Anticipate remediation activities to occur in the fall of 2019.

1017	10th Street	06/13/1994	6/14/1999	Shasta Hotel - land only. Bldg & improvements owned by Shasta Hotel Investors Partnership
1614	K Street	04/20/1988	4/21/1993	Sold 5/3/2017
2936	38th Street	12/19/1994	12/20/1999	Sold 7/11/2017
2942	38th Street	12/19/1994	12/20/1999	Sold 7/11/2017
3900	Broadway	10/29/1982	10/30/1987	Developer Chosen 4/10/2017
3025	39th Street	02/23/1995	2/24/2000	Developer Chosen 4/10/2017
3023	39th Street	02/23/1995	2/24/2000	Developer Chosen 4/10/2017
3021	39th Street	01/30/2001	1/31/2006	Developer Chosen 4/10/2017
3908	Broadway	10/29/1982	10/30/1987	Developer Chosen 4/10/2017
4501	9th Avenue	03/21/1986	3/22/1991	Leased to Fortune School
5266	Young Street	2/17/2011	2/18/2016	Initiated construction of fence around properties on Young Street and Stockton Blvd.
5270	Young Street	5/8/2009	5/9/2014	Initiated construction of fence around properties on Young Street and Stockton Blvd.
5300	Young Street	9/21/2010	9/22/2015	Initiated construction of fence around properties on Young Street and Stockton Blvd.
5320	Young Street	5/20/2010	5/21/2015	Initiated construction of fence around properties on Young Street and Stockton Blvd.
5340	Young Street	9/21/2010	9/22/2015	Initiated construction of fence around properties on Young Street and Stockton Blvd.
3515	ALBERGHINI ST	2/2/2009	2/3/2014	new subdivision map & APN's issued 6/19/2014
3521	ALBERGHINI ST	2/2/2009	2/3/2014	new subdivision map & APN's issued 6/19/2014
3509	ALBERGHINI ST	5/31/2006	6/1/2011	new subdivision map & APN's issued 6/19/2014
3500	ALBERGHINI ST	6/3/2005	6/4/2010	new subdivision map & APN's issued 6/19/2014
3506	ALBERGHINI ST	6/3/2005	6/4/2010	new subdivision map & APN's issued 6/19/2014
3510	ALBERGHINI ST	6/3/2005	6/4/2010	Sold 3/8/2017
3516	ALBERGHINI ST	6/3/2005	6/4/2010	Sold 3/8/2017
3520	ALBERGHINI ST	6/3/2005	6/4/2010	Sold 3/8/2017
3524	ALBERGHINI ST	6/3/2005	6/4/2010	Sold 3/8/2017
3523	HARRY BLOCK ST	7/20/2008	7/21/2013	new subdivision map & APN's issued 6/19/2014
3519	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014

3515	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3509	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3505	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3501	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3500	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3506	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3510	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3516	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3520	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3524	HARRY BLOCK ST	10/24/2005	10/25/2010	new subdivision map & APN's issued 6/19/2014
3523	JIMMY POPE AV	2/16/2006	2/17/2011	Sold 3/8/2017
3519	JIMMY POPE AV	2/16/2006	2/17/2011	Sold 3/8/2017
3515	JIMMY POPE AV	2/16/2006	2/17/2011	Sold 3/8/2017
3509	JIMMY POPE AV	2/16/2006	2/17/2011	Sold 3/8/2017
3505	JIMMY POPE AV	2/16/2006	2/17/2011	Sold 3/8/2017
3501	JIMMY POPE AV	2/16/2006	2/17/2011	Sold 3/8/2017
3500	JIMMY POPE AV	2/25/2002	2/26/2007	Sold 3/8/2017
3516	JIMMY POPE AV	2/25/2002	2/26/2007	Sold 3/8/2017
3520	JIMMY POPE AV	11/1/2007	11/1/2012	Sold 3/8/2017
3524	JIMMY POPE AV	12/13/2007	12/13/2012	Sold 3/8/2017
704	SOUTH AV	10/28/2005	10/29/2010	new subdivision map & APN's issued 6/19/2014
705	FRAN BARKER AV	10/28/2005	10/29/2010	new subdivision map & APN's issued 6/19/2014
711	FRAN BARKER AV	5/19/2006	5/20/2011	new subdivision map & APN's issued 6/19/2014
725	FRAN BARKER AV	8/29/2007	8/29/2012	new subdivision map & APN's issued 6/19/2014
735	FRAN BARKER AV	3/28/2008	3/29/2013	new subdivision map & APN's issued 6/19/2014
601	FRAN BARKER AV	4/28/2010	4/29/2015	new subdivision map & APN's issued 6/19/2014
751	FRAN BARKER AV	6/22/2005	6/23/2010	new subdivision map & APN's issued 6/19/2014
750	FRAN BARKER AV	6/22/2005	6/23/2010	new subdivision map & APN's

				issued 6/19/2014
3450	TAYLOR ST	6/30/2005	7/1/2010	new subdivision map & APN's issued 6/19/2014
612	JOHNNIE MORRIS A	5/30/2006	5/31/2011	new subdivision map & APN's issued 6/19/2014
618	JOHNNIE MORRIS A	1/30/2006	1/31/2011	new subdivision map & APN's issued 6/19/2014
624	JOHNNIE MORRIS A	1/30/2006	1/31/2011	new subdivision map & APN's issued 6/19/2014
630	JOHNNIE MORRIS A	1/30/2006	1/31/2011	new subdivision map & APN's issued 6/19/2014
3415	LOUISE WILLIAMS	1/30/2006	1/31/2011	new subdivision map & APN's issued 6/19/2014
3407	LOUISE WILLIAMS	1/30/2006	1/31/2011	new subdivision map & APN's issued 6/19/2014
3400	LOUISE WILLIAMS	6/30/2005	7/1/2010	sold 05/30/2018
3406	LOUISE WILLIAMS	6/30/2005	7/1/2010	sold 05/30/2018
3412	LOUISE WILLIAMS	6/30/2005	7/1/2010	sold 05/30/2018
3418	LOUISE WILLIAMS	6/30/2005	7/1/2010	sold 05/30/2018
636	JOHNNIE MORRIS A	6/30/2005	7/1/2010	sold 05/30/2018
642	JOHNNIE MORRIS A	11/20/2006	11/21/2011	sold 05/30/2018
648	JOHNNIE MORRIS A	11/20/2006	11/21/2011	sold 05/30/2018
3401	ALBERGHINI ST	2/9/2006 10/23/2007	10/23/2012	new subdivision map & APN's issued 6/19/2014
3405	ALBERGHINI ST	2/9/2006	2/10/2011	new subdivision map & APN's issued 6/19/2014
3409	ALBERGHINI ST	2/9/2006	2/10/2011	new subdivision map & APN's issued 6/19/2014
3424	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
3420	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
3416	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
3410	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
3406	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
3400	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
631	JOHNNIE MORRIS A	2/1/2006	2/2/2011	new subdivision map & APN's issued 6/19/2014
637	JOHNNIE MORRIS A	2/1/2006	2/2/2011	new subdivision map & APN's

				issued 6/19/2014
643	JOHNNIE MORRIS A	6/30/2006	7/1/2011	new subdivision map & APN's issued 6/19/2014
649	JOHNNIE MORRIS A	6/30/2006	7/1/2011	new subdivision map & APN's issued 6/19/2014
655	JOHNNIE MORRIS A	6/30/2006	7/1/2011	new subdivision map & APN's issued 6/19/2014
707	JOHNNIE MORRIS A	3/16/2006	3/17/2011	sold 05/30/2018
711	JOHNNIE MORRIS A	2/1/2006	2/2/2011	sold 05/30/2018
719	JOHNNIE MORRIS A	8/21/2007	8/21/2012	sold 05/30/2018
727	JOHNNIE MORRIS A	8/21/2007	8/21/2012	sold 05/30/2018
733	JOHNNIE MORRIS A	5/22/2008	5/23/2013	sold 05/30/2018
739	JOHNNIE MORRIS A	5/22/2008	5/23/2013	sold 05/30/2018
734	HAYES AV	2/1/2006	2/2/2011	sold 05/30/2018
3433	ALTOS AV	10/13/2005	10/14/2010	sold 05/30/2018
3401	LOUISE WILLIAMS	6/30/2005	7/1/2010	new subdivision map & APN's issued 6/19/2014
605	JOHNNIE MORRIS A	6/30/2005	7/1/2010	new subdivision map & APN's issued 6/19/2014
3419	ALBERGHINI ST	4/6/2006	4/7/2011	new subdivision map & APN's issued 6/19/2014
701	JOHNNIE MORRIS A	4/25/2006	4/26/2011	new subdivision map & APN's issued 6/19/2014
735	JOHNNIE MORRIS A	10/13/2005 10/23/2007	10/23/2012	new subdivision map & APN's issued 6/19/2014
	Ford Road	06/14/2000	6/15/2005	Developer RFP 2014
	Carroll Avenue	10/01/1998	10/2/2003	Developer RFP 2014
3368	Taylor St	1/26/2009	1/27/2014	home is leased by Housing Authority as low income housing
3374	Taylor St	1/26/2009	1/27/2014	home is leased by Housing Authority as low income housing
3380	Taylor St	1/26/2009	1/27/2014	home is leased by Housing Authority as low income housing
608	Ford Rd	1/26/2009	1/27/2014	home is leased by Housing Authority as low income housing
612	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
3381	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-7-2015
3375	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-7-2015
3369	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-7-2015
3363	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-7-2015
3357	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-7-2015
3351	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3345	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3339	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3333	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016

3327	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3321	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3315	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3307	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
3301	Auntine Burney S	1/26/2009	1/27/2014	Sold 7-11-2016
615	Carroll Ave	1/26/2009	1/27/2014	Sold 7-11-2016
609	Carroll Ave	1/26/2009	1/27/2014	Sold 7/11/2017
3300	Taylor St	1/26/2009	1/27/2014	Sold 7/11/2017
3308	Taylor St	1/26/2009	1/27/2014	Sold 7/11/2017
3316	Taylor St	1/26/2009	1/27/2014	Sold 7/11/2017
593	Carroll Ave	1/26/2009	1/27/2014	sold 09/04/2018
3311	Taylor St	1/26/2009	1/27/2014	Sold 09/04/2018
3301	Taylor St	1/26/2009	1/27/2014	Sold 09/04/2018
639	Carroll Ave	1/26/2009	1/27/2014	Sold 7/11/2017
3300	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3308	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3316	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
660	Wendell Echols W	1/26/2009	1/27/2014	Sold 7/11/2017
671	Wendell Echols W	1/26/2009	1/27/2014	Sold 7-11-2016
667	Wendell Echols W	1/26/2009	1/27/2014	Sold 7-11-2016
661	Wendell Echols W	1/26/2009	1/27/2014	Sold 7-11-2016
653	Wendell Echols W	1/26/2009	1/27/2014	Sold 7-11-2016
641	Wendell Echols W	1/26/2009	1/27/2014	Sold 7-11-2016
640	Dora Hunting Ave	1/26/2009	1/27/2014	Sold 7-7-2015
654	Dora Hunting Ave	1/26/2009	1/27/2014	Sold 7-7-2015
660	Dora Hunting Ave	1/26/2009	1/27/2014	Sold 7-7-2015
668	Dora Hunting Ave	1/26/2009	1/27/2014	Sold 7-7-2015
672	Dora Hunting Ave	1/26/2009	1/27/2014	Sold 7-7-2015
641	Dora Hunting Ave	1/26/2009	1/27/2014	Developer RFP 2014
653	Dora Hunting Ave	1/26/2009	1/27/2014	Developer RFP 2014
661	Dora Hunting Ave	1/26/2009	1/27/2014	Developer RFP 2014
667	Dora Hunting Ave	1/26/2009	1/27/2014	Developer RFP 2014
673	Dora Hunting Ave	1/26/2009	1/27/2014	Developer RFP 2014
640	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
654	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
660	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
668	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
674	Ford Rd	1/26/2009	1/27/2014	Sold 7-7-2015
3360	Dorothy Hill St	1/26/2009	1/27/2014	Developer RFP 2014
3354	Dorothy Hill St	1/26/2009	1/27/2014	Developer RFP 2014
3346	Dorothy Hill St	1/26/2009	1/27/2014	Developer RFP 2014
3340	Dorothy Hill St	1/26/2009	1/27/2014	Developer RFP 2014
701	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
707	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014

715	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
721	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
727	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
733	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014; Lot line adjustment 08/29/2018
739	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014; Lot line adjustment 08/29/2018
745	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014: Lot line adjustment 08/29/2018
3	Mary Watts Ct	1/26/2009	1/27/2014	Developer RFP 2014; Lot line adjustment 08/29/2018
9	Mary Watts Ct	1/26/2009	1/27/2014	Developer RFP 2014
15	Mary Watts Ct	1/26/2009	1/27/2014	Developer RFP 2014
14	Mary Watts Ct	1/26/2009	1/27/2014	Developer RFP 2014
2	Mary Watts Ct	1/26/2009	1/27/2014	Developer RFP 2014
744	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
750	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
756	Wendell Echols W	1/26/2009	1/27/2014	Developer RFP 2014
3279	Taylor Rd	1/26/2009	1/27/2014	sold 09/04/2018
565	Charles Bradley Way	1/26/2009	1/27/2014	sold 09/04/2018
569	Charles Bradley Way	1/26/2009	1/27/2014	sold 09/04/2018
573	Charles Bradley Way	1/26/2009	1/27/2014	sold 09/04/2018
3272	Taylor St	1/26/2009	1/27/2014	sold 09/04/2018
3278	Taylor St	1/26/2009	1/27/2014	sold 09/04/2018
3284	Taylor St	1/26/2009	1/27/2014	sold 09/04/2018
3290	Taylor St	1/26/2009	1/27/2014	sold 09/04/2018
3296	Taylor St	1/26/2009	1/27/2014	sold 09/04/2018
608	Carroll Ave	1/26/2009	1/27/2014	sold 09/04/2018
607	Charles Bradley Way	1/26/2009	1/27/2014	sold 09/04/2018
611	Charles Bradley Way	1/26/2009	1/27/2014	sold 09/04/2018
614	Carroll Ave	1/26/2009	1/27/2014	sold 09/04/2018
3295	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3289	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3283	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3277	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3271	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3272	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3278	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3284	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3290	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3296	Auntine Burney S	1/26/2009	1/27/2014	Sold 7/11/2017
3637	Rio Linda Blvd	11/01/2004	11/2/2009	Site remediation was completed utilizing a City grant (federal EPA) and CDBG. Anticipate site closure letter from the County of

				Sacramento in 2019.
3633	Rio Linda Blvd	11/01/2004	11/2/2009	Site remediation was completed utilizing a City grant (federal EPA) and CDBG. Anticipate site closure letter from the County of Sacramento in 2019.
3629	Rio Linda Blvd.	4/4/2008	4/5/2013	Site remediation was completed utilizing a City grant (federal EPA) and CDBG. Anticipate site closure letter from the County of Sacramento in 2019.
3617	Rio Linda Blvd	2/14/1990	2/15/1995	Site remediation was completed utilizing a City grant (federal EPA) and CDBG. Anticipate site closure letter from the County of Sacramento in 2019.
	Rio Linda Blvd	11/01/2004	11/2/2009	Site remediation was completed utilizing a City grant (federal EPA) and CDBG. Anticipate site closure letter from the County of Sacramento in 2019.
3605	Rio Linda Blvd	11/01/2004	11/2/2009	Site remediation was completed utilizing a City grant (federal EPA) and CDBG. Anticipate site closure letter from the County of Sacramento in 2019.
3601	Rio Linda Blvd	12/17/1990	12/18/1995	Site remediation was completed utilizing a City grant (federal EPA) and CDBG. Anticipate site closure letter from the County of Sacramento in 2019. Outside counsel engaged to resolve title issue.
3621	Rio Linda Blvd	08/24/2007	8/24/2012	Site remediation was completed utilizing a City grant (federal EPA) and CDBG. Anticipate site closure letter from the County of Sacramento in 2019.
0	South Avenue	11/10/2009	11/11/2014	Site remediation was completed utilizing a City grant (federal EPA) and CDBG. Anticipate site closure letter from the County of Sacramento in 2019.
801	South Avenue	05/25/2007	5/25/2012	Site remediation was completed utilizing a City grant (federal EPA) and CDBG. Anticipate site closure

				letter from the County of Sacramento in 2019.
324	Fairbanks Avenue	08/11/1993	8/12/1998	Developer RFP 2014
1737	Kathleen Avenue	11/5/2008	11/6/2013	Sold 12/29/2017
58	Arden Way	01/30/1991	1/31/1996	no activity

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

According to the 2011 Implementation Plan for the former redevelopment agency, no replacement housing obligations were transferred to the Housing Successor.

IX. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the Area Median Income (AMI). If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five year report, then the Housing Successor must ensure that at least 50% of the remaining LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

X. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds to assist additional senior housing units until the Housing Successor or City assists and construction has commenced a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10 year period of January 1, 2009 through December 31, 2018:

	<u>1/1/2009 – 12/31/2018</u>
# of Assisted Senior Rental Units	378
# of Total Assisted Rental Units	1,639
Senior Housing Percentage	<u>23%</u>

XI. EXCESS SURPLUS TEST

The LMIHAF does not have Excess Surplus.

**SENATE BILL 341 - LOW AND MODERATE INCOME HOUSING ASSET FUND REPORT
PURSUANT TO SECTION 34176.1(F) OF THE
CALIFORNIA HEALTH AND SAFETY CODE FOR THE
HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO
FOR THE YEAR ENDED DECEMBER 31, 2018**

The following Financial Report (Report) of the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to Section 34176.1(f) of the California Health and Safety Code and is dated June 12, 2019. This Report sets forth certain details of the Housing Authority of the County of Sacramento (Housing Successor) activities for the year ended December 31, 2018 (Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular Sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information contained within the Sacramento Housing and Redevelopment Agency's audit (Audit) for the year ended December 31, 2018 as prepared by management and conforms with – and is organized into the following 11 sections pursuant to Section 34176.1(f) of the Dissolution Law:

- I. Amount Deposited into LMIHAF:** This section provides the total amount of funds deposited into the LMIHAF during the Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.
- II. Ending Balance in the LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.
- III. Description of Expenditures from the LMIHAF:** This section provides a description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).
- IV. Statutory Value of Assets Owned by Housing Successor:** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

- V. Description of Transfers:** This section provides a description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous Year and, if still unencumbered, in earlier Years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.
- VI. Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.
- VII. Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, a status update on the project.
- VIII. Description of Outstanding Obligations Pursuant to Section 33413:** This section provides a description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.
- IX. Extremely-Low Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.
- X. Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former redevelopment agency and its host jurisdiction within the same time period.
- XI. Excess Surplus Test:** This section provides the amount of any excess surplus, the amount of time that the Housing Successor has had excess surplus and the Housing Successor's plan for eliminating the excess surplus.

This Report is to be provided to the Housing Successor's governing body by June 30, 2019. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the Agency's website at www.shra.org.

I. AMOUNT DEPOSITED INTO LMIHAF

A total of \$478,063.63 was deposited into the LMIHAF during the Year. Of the total funds deposited into the LMIHAF, a total of \$446,000 was related to items listed on the ROPS.

II. ENDING BALANCE IN THE LMIHAF

Since this section does not define what “balance” is required, the fund balances presented in the LMIHAF are presented and detailed into their component amounts as follows as of December 31, 2018:

Components of Fund Balance	Amount
Restricted for Housing	\$16,734,672

Note: Of the \$16.7 million fund balance restricted for housing, approximately \$15.9 million represents the net loans receivable balance.

III. DESCRIPTION OF EXPENDITURES FROM THE LMIHAF

The following is a description of expenditures from the LMIHAF by category as of December 31, 2018:

Category	Amount
Monitoring & Administration Expenditures	\$ 396,514
Total LMIHAF Expenditures in the Year	\$ 396,514

IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR

Under the Dissolution Law and for purposes of this Report, “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer form approved by the Department of Finance by the housing asset transfer schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of properties purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor.

	Amount
Statutory Value of Real Property Owned by Housing Authority	\$ 2,149,805
Value of Loans and Grants Receivable	15,868,000
Total Value of Housing Successor Assets	\$18,017,805

V. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successors pursuant to Section 34176.1(c)(2) during the Year.

VI. PROJECT DESCRIPTIONS

The Housing Successor did not receive nor currently holds any tax revenues pursuant to the ROPS during the Year.

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 33334.16 requires that real property acquired using the LMIHAF must initiate activities consistent with the development of the property for the purpose for which it was acquired within five years from the date it first acquired the property.

The following provides a status update on the property or properties that have been acquired using LMIHAF prior to February 1, 2012:

Street #	Street Name	Date of Acquisition	Deadline to Initiate Development Activity	Status of Housing Successor Activity
5258	Young St	07/30/2010	7/30/2015	Initiated construction of fence around properties on Young Street and Stockton Blvd.
5716	Stockton Blvd	7/30/2008	7/30/2013	Initiated construction of fence around properties on Young Street and Stockton Blvd.
0	Elkhorn Blvd	10/3/2007	10/2/2012	Sold 6/13/2017

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

According to the 2011 Implementation Plan for the former redevelopment agency, no replacement housing obligations were transferred to the Housing Successor.

IX. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the Area Median Income (AMI). If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five year report, then the Housing Successor must ensure that at least 50% of the remaining LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

X. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds to assist additional senior housing units until the Housing Successor or City assists and construction has commenced a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10 year period of January 1, 2009 through December 31, 2018:

	1/1/2009 – 12/31/2018
# of Assisted Senior Rental Units	132
# of Total Assisted Rental Units	900
Senior Housing Percentage	14.7%

XI. EXCESS SURPLUS TEST

The LMIHAF does not have Excess Surplus.



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