



NOTICE OF REGULAR MEETING
**Sacramento Housing and
Redevelopment Commission**
Wednesday, October 16, 2019 – 6:00 pm
801 12th Street Commission Room
Sacramento CA

ROLL CALL

APPROVAL OF AGENDA

CITIZENS COMMENTS

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

APPROVAL OF MINUTES – October 2, 2019

DISCUSSION/BUSINESS ITEMS

1. 2020 and Subsequent Years Authorization for Solicitation, Award and Approval of Annual Expenditure Caps and Per Contract Caps for Routine Services
2. Approval of Interim Lease with Fortune School of Education for the property at 4501 9th Avenue
3. 2020 Sacramento Housing and Redevelopment Agency Proposed Budget – City Report
4. 2020 Sacramento Housing and Redevelopment Agency Proposed Budget – County Report

EXECUTIVE DIRECTOR REPORT

COMMISSION CHAIR REPORT

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

ADJOURNMENT

REPORTS: Copies of documents relating to agenda items are available for review in the Agency Clerk's office located at 801 12th Street, Sacramento CA 95814. Agendas and reports are also posted online at www.shra.org. Materials related to an item on this agenda submitted after distribution of the agenda packet are available for public inspection in the Agency Clerk's office during normal business hours and will also be available at the meeting. **AMERICANS WITH DISABILITIES ACT:** Meeting facilities are accessible to persons with disabilities. If you require special assistance to participate in the meeting, notify the Agency Clerk at (916) 440-1363 at least 48 hours prior to the meeting.



MINUTES

Sacramento Housing and Redevelopment Commission (SHRC) Meeting of October 2, 2019

Meeting noticed on September 27, 2019

ROLL CALL

The Sacramento Housing and Redevelopment Commission meeting was called to order at 6:05 p.m. by Chair Morgan.

MEMBERS PRESENT: Boyd, Griffin, Morgan, Nunley, Staajabu

MEMBERS ABSENT: Alcalay, Macedo, Starks, Wedding (two vacancies)

STAFF PRESENT: La Shelle Dozier, David Levin, James Shields, Angela Jones, Suzie Jackson, Tyrone Williams, Victoria Johnson, Christine Weichert, Celia Yniguez, Susan Veazey, Tyrone Williams, Susana Jackson, Frederick Parrish, Steven Armour, Mark Hamilton, MaryLiz Paulson, Larry Jenkins, Karen Wallace

APPROVAL OF AGENDA

The Chair announced that items 1 and 2 would be heard together and items 3 and 4 would be heard together.

CITIZENS COMMENTS

Jeffery Tardaguila of Disability Organizing Group For Initiating Total Equality (DOGFITE) provided comment and asked about the October 1st SHRA agenda item for a staff aide.

Susan Strong provided comment regarding homelessness.

APPROVAL OF MINUTES – The September 18, 2019 minutes were approved as submitted.

PUBLIC HEARING

1. Authorize the Submission the Analysis of Impediments (AI); Adopt the 2020-2024 Consolidated Plan; Approval of the 2020 One-Year Action Plan for the Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), Emergency Solutions Grant (ESG), and Housing Opportunities for Persons With AIDS (HOPWA) Funded Projects and Programs; Amendment of Prior Years' Action Plans; Amendment to the Sacramento Housing and Redevelopment Agency (SHRA) Budget; and Other Related Actions – City Report

2. Authorize The Submission Of The Analysis of Impediments (AI); Adopt The 2020-2024 Consolidated Plan; Approval Of The 2020 One-Year Action Plan For The Community Development Block Grant (CDBG), HOME Investment Partnerships Program (HOME), And Emergency Solutions Grant (ESG) Funded Projects And Programs; Amendment Of Prior Years' Action Plans; Amendment To The Sacramento Housing And Redevelopment Agency (SHRA) Budget; Authorize Cooperation Agreements With Non-entitlement Jurisdictions For CDBG, HOME, And ESG Activities And Consortium Agreements With Entitlement Jurisdictions For HOME Activities; Execute A Memorandum Of Understanding For The One Year Action Plan Allocation Process – County Report

Chair Morgan opened the public hearing.

Celia Yniguez presented the item.

Chair Morgan asked for information regarding the boundaries of the Howe Avenue improvement project. Celia indicated that she would provide this information.

Commissioner Boyd asked for information regarding the Meadowview lighting project and the LED lighting project on Broadway. He also asked for information regarding additional funds that were allocated by the City for the Meadowview area. Celia indicated that she would provide this information.

Commissioner Nunley provided comment about how the Analysis of Impediments item related to expanding homeownership opportunities for underserved communities does not address bank lending practices and that transportation inequalities exist in areas outside of the urban core.

Chair Morgan closed the public hearing.

Commissioner Griffin motioned to approve the item listed above. Commissioner Nunley seconded the motion. The votes were as follows:

AYES: Boyd, Griffin, Morgan, Nunley, Staajabu

NOES: None

ABSENT: Alcalay, Macedo, Starks, Wedding

ABSTAIN: None

DISCUSSION/BUSINESS ITEMS

3. Authorization to Enter into Development Services Agreement with the Sacramento Housing Authority Repositioning Program, Inc. (SHARP) for the Rental Assistance Demonstration (RAD) Project – City Report
4. Authorization to Enter into Development Services Agreement with the Sacramento Housing Authority Repositioning Program, Inc. (SHARP) for the Rental Assistance Demonstration (RAD) Project – County Report

Mark Hamilton presented the item.

Commissioner Griffin motioned to approve the item listed above. Commissioner Nunley seconded the motion. The votes were as follows:

AYES: Boyd, Griffin, Morgan, Nunley, Staajabu

NOES: None

ABSENT: Alcalay, Macedo, Starks, Wedding

ABSTAIN: None

PRESENTATIONS

5. Development Department Budget Overview

Tyrone Williams presented the item and introduced staff from the Development Department Team. He also reviewed the new name of the Twin Rivers Development which will now be known as Mirasol Village.

EXECUTIVE DIRECTOR'S REPORT

La Shelle Dozier reviewed the following:

- Next meeting will be October 16th
- David Levin has retired and was hired effective October 2nd to serve as interim general counsel while a new general counsel is recruited.

COMMISSION CHAIR REPORT

Chair Morgan suggested that members contact their counterparts on the commission regarding attending meetings and asked for volunteers to bring snacks to the next Meeting. He also suggested that members arrive 15 minutes early.

ITEMS AND QUESTIONS OF COMMISSION MEMBERS

None

ADJOURNMENT

As there was no further business to be conducted, Chair Morgan adjourned the meeting at 7:30 pm.

Clerk

October 16, 2019



Sacramento Housing and Redevelopment Commission
Sacramento, California

Honorable Members in Session:

SUBJECT 2020 and Subsequent Years Authorization for Solicitation, Award and Approval of Annual Expenditure Caps and Per Contract Caps for Routine Services

RECOMMENDATION

Staff recommends adoption of the attached resolution which authorizes the Executive Director or her designee to: 1) solicit competitive bids and proposals, and award contracts according to adopted Sacramento Housing and Redevelopment Agency (Agency) Procurement Policy and Procedures for routine and recurring services and, 2) authorizes the Executive Director or her designee to execute contracts in amounts not to exceed annual expenditure or per contract amounts set forth for routine and recurring services.

CONTACT PERSON

Frederick Parrish, Procurement Manager, 916-440-1327
James Shields, Director of Administration, 916-440-1308

SUMMARY

The attached resolution authorizes the Executive Director to solicit competitive bids and/or proposals, make awards, and enter into agreements with the responsive and responsible bidders and/or offerors for the services required in 2020 and the subsequent years as set out in Attachment 1.

BACKGROUND

As in previous years, the Agency will procure routine services for various activities such as general administration and operations. This report covers anticipated services needed during 2020 and subsequent years. If the length of the contract is greater than one year, the resolution authorizes the Executive Director to amend the contract each subsequent year for the dollar amounts listed up to the total number of years listed. Any procurement that exceeds \$100,000 that is not included in this report or in the adopted budget resolution will be presented individually for approval at a future Commission meeting.

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FINANCIAL CONSIDERATIONS

Attachment 1 outlines the anticipated procurements for 2020 and subsequent years. This list is similar to the types of routine services that have been previously approved by the Commission and staff does not anticipate any substantial changes to the specifications.

As always, services will be procured by competitive bids and proposals in accordance with the Agency Procurement Policy and Procedures. Funds for the above services will be budgeted in the requesting departments' 2020 and subsequent years operating or project budgets.

POLICY CONSIDERATIONS

Agency procurement policy requires that all purchase orders and agreements for routine services, supplies and maintenance exceeding \$100,000 be approved by the Sacramento Housing and Redevelopment Commission. Any activities exceeding that amount that are not listed in Attachment 1 will be brought back to the Commission for review and approval. Actions proposed in this report are consistent with adopted Agency Procurement Policy and no changes to that policy are currently recommended.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA) and National Environmental Policy Act (NEPA): Authorization for Solicitation, Award and Approval of Annual Expenditure Caps and per Contract Caps is an administrative and fiscal activity and is therefore not considered a project under CEQA, per CEQA Guidelines 15378(b), and exempt under NEPA per 24 CFR 58.34(a)(2) and (3). This is not considered a choice limiting action and does not constitute a commitment of funding. Environmental reviews for individual activities undertaken by these procurements will be completed prior to project commitment or choice limiting actions.

M/WBE AND SECTION 3 CONSIDERATIONS

Minority and Women's Business Enterprise requirements and Section 3 will be applied to all activities to the greatest extent possible and as required by federal funding and in accordance with the Agency's Section 3 Economic Opportunity Plan. All vendors, contractors and professional services will work with the Agency's Section 3 Coordinator, Sacramento Employment and Training Agency, the Greater Sacramento Urban League or similar programs, to promote employment opportunities.

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Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachments

Resolution – 2020 and Subsequent Years Solicitation
Attachment12: Anticipated Procurements for 2020 and Subsequent Years

RESOLUTION NO. SHRC-_____

ADOPTED BY THE SACRAMENTO HOUSING AND REDEVELOPMENT COMMISSION UNDER THE AUTHORITY DELEGATED TO THE COMMISSION PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE, SECTION 33202 BY RESOLUTION NO. RA 81-083 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. RA-83 ADOPTED BY THE REDEVELOPMENT AGENCY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981, AND PURSUANT TO CALIFORNIA HEALTH AND SAFETY CODE SECTION 34292 BY RESOLUTION NO. HA 81-098 ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO ON OCTOBER 20, 1981, AND BY RESOLUTION NO. HA-1497 ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO ON OCTOBER 27, 1981.

ON DATE OF
October 16, 2019

2020 AND SUBSEQUENT YEARS SOLICITATION AWARD AND APPROVAL OF ANNUAL EXPENDITURE CAPS AND PER CONTRACT CAPS OF ROUTINE SERVICES, SUPPLIES, MAINTENANCE AND PUBLIC WORKS MAINTENANCE PROJECTS

WHEREAS, Authorization for Solicitation, Award and Approval of Annual Expenditure Caps and per Contract Caps is an administrative and fiscal activity and is therefore not considered a project under CEQA, per CEQA Guidelines 15378(b), and exempt under NEPA per 24 CFR 58.34(a)(2) and (3). This is not considered a choice limiting action and does not constitute a commitment of funding. Environmental reviews for individual activities undertaken by these procurements will be completed prior to project commitment or choice limiting actions.

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

Section 1. After due consideration of the facts presented in the recitals above the findings, including environmental findings, are found to be true and correct and are hereby approved and adopted.

Section 2. The Executive Director or her designee is authorized to solicit competitive bids and proposals, and award contracts according to adopted Agency Procurement Policy and Procedures for routine and recurring services, supplies, maintenance and public works maintenance projects set forth in Attachment 1.

Section 3. The Executive Director or her designee is authorized to execute contracts for routine and recurring services, supplies, maintenance and public works maintenance projects, in amounts not to exceed the annual expenditure cap or per contract cap set forth in Attachment 1.

ATTEST:

CHAIR

CLERK

ATTACHMENT 1

2020 AND SUBSEQUENT YEARS AUTHORIZATION FOR SOLICITATION, AWARD AND APPROVAL OF ANNUAL EXPENDITURE CAPS AND PER CONTRACT CAPS OF ROUTINE SERVICES

2020 and Subsequent Years Procurements		
Description	Annual Services Expenditure Caps	Maximum Length of Contract
Architectural Services	\$300,000 per contract	5 Years
Banking	\$75,000 per contract	5 Years
Countertop and Cabinet Repairs and Replacement	\$150,000 per contract	5 Years
Energy Analyst Consulting	\$100,000 per contract	5 Years
Fire Protection Services	\$300,000 per contract	5 Years
Fire, Water, and Bio-hazard Remediation	\$150,000 per contract	5 Years
Furniture Rental for RAD Relocation	\$250,000 per contract	5 Years
General Construction Services	\$100,000 per contract	5 Years
Green Energy Analyst Consulting	\$100,000 per contract	5 Years
Hazardous Materials Assessment Inspection and Testing	\$300,000 per contract	5 Years
Market Study	\$100,000 per contract	5 Years
Physical Needs Assessment	\$150,000 per contract	5 Years
RAD Construction Management Software Maintenance	\$25,000 per contract	5 Years
RAD Engineering Services	\$200,000 per contract	5 Years
Real Estate Appraisal	\$100,000 per contract	5 Years
Pest Control Services	\$400,000 per contract	5 Years
Temporary Staffing Services	\$750,000 per contract	5 Years
Testing Services for the Recruitment Process	\$100,000 per contract	5 Years
Training Services	\$150,000 per contract	5 Years
Wood Destroying Pests and Organisms – Inspections and Treatment	\$300,000 per contract	5 Years
Workplace Violence Prevention Services	\$100,000 per contract	5 Years



October 11, 2019

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Approval of Interim Lease with Fortune School of Education for 4501 9th Avenue
Property

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report prior to final
approval by the City of Sacramento.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



REPORT TO HOUSING AUTHORITY
City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org

Public Hearing
November 5, 2019

Chair and Members of the Housing Authority Board

Title: Approval of Interim Lease with Fortune School of Education for the property at 4501 9th Avenue

Location/Council District: 4501 9th Avenue, District 5

Recommendation: Adopt a **Housing Authority Resolution** a) authorizing a five and a half (5 ½) year lease of the vacant parcel at 4501 9th Avenue to the Fortune School of Education; and b) making related environmental findings.

Contact: Michael Taylor, Program Manager, Sacramento Housing and Redevelopment Agency, 916-449-6285

Presenters: Michael Taylor; Program Manager, Sacramento Housing and Redevelopment Agency, 916-449-6285

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue Detail: The vacant parcel located at 4501 9th Avenue (formerly known as Donner Field) is adjacent to the charter school operated by the Fortune School of Education, on Stockton Boulevard between 8th and 9th Avenues. The site was originally acquired in 1986 for redevelopment purposes. On September 1, 2012, the Housing Authority and the Fortune School of Education (Fortune School) executed a one-year lease with three one-year extensions for Donner Field. The Fortune School operates the Ephraim Williams College Prep Middle School, a charter school, in the adjacent building, and uses the parcel (1.23 acres) for outdoor recreation. In return, the Fortune School has maintained, secured and insured the parcel during the term of the lease. The lease expired on August 31, 2016, and a subsequent lease was executed, which expired on October 31, 2017. A use permit was granted from Feb. 16, 2018 to June 30, 2018 to coincide with the end of the school year.

Approval of Interim Lease with Fortune School of Education for 4501 9th Avenue
November 5, 2019

A housing developer (Related California) was chosen on April 10, 2018 to develop affordable housing on the property. The developer was granted an 18-month period to determine the feasibility of the project. The current use permit expires on Oct. 10, 2019, to coincide with the end of this 18-month period. The Housing Authority is currently extending the use permit through Dec. 31, 2019, to allow time for the approval and execution of an interim lease. This report requests authority to execute a new five and a half (5 ½) year interim lease, commencing Jan. 1, 2020, and terminating June 30, 2025 (to coincide with the end of the school year), with the option to terminate at any time during the lease after a 30-day notice is given.

Policy Considerations: Public noticing is required for any lease agreement longer than a one-year period. This is a requirement per federal law for housing authority properties and per redevelopment law for those acquired by the former Redevelopment Agency.

Economic Impacts: Not applicable.

Environmental Considerations: The lease agreement associated with Fortune School for the 4501 9th Avenue site is exempt under the California Environmental Quality Act (CEQA) pursuant to Guidelines Section 15301. There are no federal actions and therefore review under the National Environmental Policy Act (NEPA) is not required.

Sustainability Considerations: Not applicable.

Commission Action: At its meeting of October 16, 2019, the Sacramento Housing and Redevelopment Commission reviewed the staff recommendation for this item. The votes were as follows.

AYES:

NOES:

ABSENT:

Rationale for Recommendation: The proposed lease of 4501 9th Avenue will allow students to continue to use the property for play activities and physical education, until such time as the feasibility of development of affordable housing on the property is determined.

Financial Considerations: Consideration for the interim lease shall be the securing, maintenance and insuring of the property. There will be no monetary charge.

LBE - M/WBE and Section 3 requirements: The items discussed in this report do not involve federal funding; therefore, there are no LBE - M/WBE or Section 3 considerations.

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

- 01 Resolution
- 02 Lease Agreement
- 03 Site Map

RESOLUTION NO. 2019 -

Adopted by the Housing Authority of the City of Sacramento

on date of

INTERIM LEASE APPROVAL FOR HOUSING AUTHORITY OWNED PROPERTY AT 4501 9th AVENUE FOR USE BY THE FORTUNE SCHOOL OF EDUCATION

BACKGROUND

- A. The Redevelopment Agency of the City of Sacramento acquired the 4501 9th Ave (Donner Field Site) as a future housing site on March 21, 1986. The property was transferred to the Housing Authority in 2012 when the redevelopment agency was dissolved.
- B. The Fortune School of Education has been operating the William Lee College Prep School, authorized by the Sacramento Board of Education in buildings located at 3300 Stockton Blvd and 4545 9th Ave. since September 2012.
- C. Since that time, the Fortune School of Education has been using the Donner Field Site with the approval of the Housing Authority under various leases and use permits, allowing the school and its students to use the field for play activities and physical education. The Housing Authority desires to continue this interim use. The lot is adjacent to the structures leased by the school for classroom instruction.
- D. A Request for Proposals for affordable housing development was issued in January 2018, and Related California was selected as the developer to work exclusively to determine feasibility, and if appropriate, a financing plan for the development of new affordable housing on the Donner Field Site.
- E. Staff recommends issuing a new interim lease with the Fortune School of Education, which serves low income families in the area, for the continued use of the property at 4501 9th Avenue.. In exchange, Fortune School of Education will continue to secure, maintain and insure the parcel for the duration of the interim lease, thereby preserving and maintaining this asset until such time as it is feasible to develop the property. No structures will be constructed on the parcel by Fortune School of Education.
- F. California Environmental Quality Act (CEQA): The interim lease agreement associated with 4501 9th Avenue is exempt under CEQA pursuant to Guidelines Section 15301.
- G. There are no federal actions and therefore review under the National Environmental Policy Act (NEPA) is not required.

- H. On October 25, 2016, the Housing Authority of the City Sacramento (Resolution 2016-0022) and the City of Sacramento (Resolution 2016-0360) approved the Vacant Lot Disposition Strategy, which included 4501 9th Avenue in the Affordable Housing Opportunity Site category. A Request for Proposals for affordable housing development was issued in January 2018 and Related California was selected as the developer to work exclusively to determine feasibility and if appropriate financing.

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

- Section 1. All recitals, including but not limited to the environmental findings, are found to be true and correct and are hereby adopted.
- Section 2. The Executive Director, or her designee, is authorized to enter into an interim lease with the Fortune School of Education for up to five and a half (5 ½) years, beginning Jan. 1, 2020, and ending June 30, 2025 for the property at 4501 9th Avenue. The Housing Authority shall have the ability to terminate the interim lease without penalty after 30 days from notification.

Table of Contents:

Exhibit A - Lease Agreement

INTERIM LEASE AGREEMENT

THIS INTERIM LEASE (LEASE), dated **January 1, 2020**, is between the **HOUSING AUTHORITY OF THE CITY OF SACRAMENTO** (LESSOR), and the **FORTUNE SCHOOL OF EDUCATION** (LESSEE).

RECITALS

- A. LESSOR is the owner of real property known as 4501 9th Avenue, Sacramento, California, in the County of Sacramento, State of California, (the Premises), more particularly described in the Property Description, Exhibit A, attached hereto and incorporated herein (the Premises).
- B. The Redevelopment Agency of the City of Sacramento acquired the property for housing on March 21, 1986.
- C. In 2011, the California Legislature enacted AB 1x 26, which coupled with a subsequent decision of the State Supreme Court, resulted in the dissolution of redevelopment agencies as of February 1, 2012.
- D. The City of Sacramento, by Resolution Number 2012-018 (adopted on January 31, 2012), designated the Housing Authority of the City of Sacramento as the local authority to retain the housing assets and functions previously performed by the Redevelopment Agency of the City of Sacramento.
- E. The Redevelopment Agency of the City of Sacramento, by resolution Number 2013-001 (adopted on January 31, 2012) transferred its housing assets and housing functions to the Housing Authority of the City of Sacramento.
- F. The Housing Authority of the City of Sacramento, by Resolution Number 2012-001 (adopted on January 31, 2012), accepted the housing assets and housing functions previously performed by the Redevelopment Agency of the City of Sacramento.
- G. LESSEE began operating the Ephraim Williams College Prep Middle School (charter school) in 2012 in leased facilities located at 3300 Stockton Boulevard and 4545 9th Ave. in Sacramento as authorized by the Sacramento County Board of Education.
- H. The Premises consist of a vacant lot directly adjacent to this charter school, and have been used as a play field by the school since its inception in 2012.
- I. LESSEE desires this Interim Lease to continue to allow students to use the Premises as a field for play activities and physical education.
- J. In October 2016, the Housing Authority of the City Sacramento approved the Vacant Lot Disposition Strategy, which included the Premises (4501 9th Avenue) in the "Affordable Housing Opportunity Site" category. A Request for Proposals for affordable

housing development was issued in January 2018, and Related California was selected as the developer to work exclusively to determine feasibility, and if appropriate, a financing plan for the development of new affordable housing on the Premises.

K. During the term of this Lease, no structures will be constructed on the Premises, and LESSEE is willing to participate in its maintenance and upkeep.

L. LESSEE acknowledges that LESSEE is leasing the Premises from the Housing Authority, on a temporary, interim basis. The Housing Authority acquired the Premises from the former Redevelopment Agency of the City of Sacramento for housing purposes to develop housing. LESSEE also acknowledges that the Housing Authority intends to develop housing or cause housing to be developed on the site in the future. This INTERIM LEASE (hereinafter LEASE) is consistent with, and furthers, the goals and needs of the Housing Authority. Such LEASE will assist in the maintenance and preservation of this asset while LESSOR evaluates the Premises' future redevelopment and use, which will be addressed as soon as feasible.

IT IS AGREED:

1. **LEASE TERM:**

A. LESSOR grants to LESSEE a tenancy of the Premises for up to five and a half (5 ½) years commencing on January 1, 2020, according to the Schedule in Section 2, below.

B. LESSEE understands and acknowledges that LESSOR intends to develop housing on the Premises, as soon as development becomes feasible and parameters of the project are met. This LEASE and the use contemplated by this LEASE are, therefore, temporary in nature. LESSEE shall not by this LEASE or otherwise be entitled to relocation benefits or replacement property or premises resulting from expiration or termination of this LEASE.

C. Therefore, LESSOR shall have the right to cancel this LEASE at no cost or penalty by giving LESSEE a minimum of thirty (30) days written notice.

2. **SCHEDULE:**

A. The LEASE term shall commence on January 1, 2020 and expire on June 30, 2025 to coincide with the ending of the school year in 2025.

3. **RENTAL RATE:**

Consideration for this LEASE shall be the securing, maintenance of, and insuring of the Property. There will be no monetary charge.

LESSEE shall at all times during this LEASE be responsible for and maintain and clean the Premises. This includes but is not limited to keeping the Premises free of debris and mowing the grasses on the Premises once a week except for the months of November, December, January and February, when mowing will be subject to the weather, but in no case less than once every three weeks.

4. USE:

A. LESSEE accepts the Premises in its present "as is" condition and LESSOR is under no obligation to undertake any improvements to make the Premises suitable for LESSEE's intended use. LESSEE, at its sole cost, shall maintain the Premises in good condition and keep them free of garbage and debris.

B. The Premises shall be used by LESSEE only for customary school yard activities, including play activities and physical education, but for no other uses without LESSOR's written consent.

5. ALTERATIONS BY LESSEE:

LESSEE may make no alterations to the leased premises without the prior written consent of LESSOR. No building or structures shall be constructed on the Premises.

6. UTILITY SERVICE PAYMENT:

The LESSEE is responsible for any and all utilities, if any, that may be required in LESSEE's use of the Premises, including, but not limited to water, electricity and drainage.

7. INDEMNIFICATION:

LESSEE agrees to indemnify, defend and hold LESSOR and LESSOR'S governing boards, employees, agents and contractors harmless from all liability, penalties, losses, damages, costs, expenses, causes of action, claims, or judgments arising by reason of any death, bodily injury, personal injury, or property damage resulting from any cause occurring in or about or resulting from an occurrence in or about Premises during the Lease Term; the negligence or willful misconduct of LESSEE or LESSEE's agents, employees, and contractors wherever it occurs; or, an Event of LESSEE's Default.

The provisions of this Section 7 shall survive the expiration or sooner termination of this Lease.

8. INSURANCE:

During the Lease Term, LESSEE must maintain the following insurance coverage from insurance providers licensed to do business in California and having an industry

rating that is reasonably acceptable to LESSOR. Failure to maintain the required insurance is a material breach of this Lease. Before beginning any work under this Lease, LESSEE must provide LESSOR with certificates of insurance or copies of the insurance policies demonstrating the required coverage, and the required endorsements naming LESSOR as an additional insured. LESSEE must assure that such certificates and endorsements are in a form reasonably acceptable to the LESSOR and reflect fulfillment of all of the requirements of this Lease. LESSEE must assure that the coverage afforded under the policies can only be canceled after thirty (30) days prior written notice to the LESSOR of the pending cancellation. LESSEE must mark such notice to the attention of the LESSOR's Procurement Services Office at the following address:

The Housing Authority of the City of Sacramento
801 12th Street
Sacramento, California 95814
Attn: Risk Management

a) The required insurance coverage is the following: (i) Two Million Dollars (\$2,000,000) or more of commercial general liability coverage including, without limitation, coverage for liability, public liability and property damage. The liability shall be endorsed to name the LESSOR as an additional insured.

b) Cancellation: LESSEE will provide the LESSOR with the cancellation clause and/or any amendatory endorsements that modify or change the policy cancellation clause of the insurance policies in force. It is the LESSEE's responsibility to notify the LESSOR of any notice of cancellation, non-renewal or non-payment of premium in accordance with your policy provisions. In the event insurance is cancelled or not renewed, the LESSEE shall notify the LESSOR within forty eight (48) hours of such cancellation or non-renewal.

_____ **LESSEE's Initials**

LESSEE is in material breach of this Lease for so long as LESSEE fails to maintain all of the required insurance. LESSOR has the right, but not the obligation, to pay any delinquent insurance premiums and any other charges to reinstate or maintain the required insurance policies and coverage. Upon LESSOR's demand, LESSEE must immediately reimburse LESSOR for any and all costs incurred by LESSOR in so obtaining or maintaining insurance.

9. REPAIR CONTRACT:

LESSOR shall designate sources to be called when repairs to the leased premises are required. Said sources shall be called in the event LESSEE is unable to contact LESSOR within a reasonable time.

10. RISK OF HAZARDS:

LESSEE shall not do anything on the Premises, nor bring or keep anything thereon, which will in any way increase the risk of fire or the rate of insurance, or which shall conflict with the regulations of any fire district having jurisdiction.

LESSEE shall not do anything on the Premises, nor bring or keep anything thereon or use or apply chemical or hazardous materials on the Premises.

11. LESSEE OWNED ITEMS:

All permanent fixtures, partitions or other improvements made or installed under the requirements of this Lease, by either LESSOR or LESSEE, shall remain the property of the LESSOR. LESSEE shall repair any damage to the leased premises resulting from removal of any fixture, partition or other improvement installed by LESSEE.

12. GOOD NEIGHBOR:

LESSEE's use of the Premises shall be in a manner consistent with the general use of school yards located in residential neighborhoods.

13. WRITTEN COMMUNICATIONS:

A. Any notice, demand, request, consent, approval, or communication that either party desires or is required to give to the other party pursuant to this Lease shall be in writing and either served personally or sent by prepaid, first class, certified mail.

Such matters shall be addressed to the other party at the following address or such other address as a party may designate to the other by notice:

<u>To LESSOR at:</u>	<u>To LESSEE at:</u>
Housing Authority of the City of Sacramento 801 12 th Street Sacramento, CA 95814	Fortune School of Education Margaret Fortune 2890 Gateway Oaks Drive, Suite 100 Sacramento, CA 95833

B. Any matter mailed pursuant to this paragraph shall be deemed communicated within forty-eight (48) hours from the time of mailing.

14. RIGHT AND REMEDY:

No delay or omission in the exercise of any right or remedy of either party on any default of the other party shall impair such a right or remedy or be construed as a waiver of such default. Any waiver by either party of any default of the other party shall be in

writing and shall not be a waiver of any other default concerning the same or any other provisions of the Lease.

15. RULES AND REGULATIONS:

LESSEE'S occupancy and use of the Premises shall at all times be conducted in manner that is in compliance with applicable statues, regulations and ordinances. Violation of these Rules and Regulations will be a default by LESSEE, in which case LESSOR may terminate this Lease on 48 hours written notice.

16. GOVERNING LAW:

This Lease shall be governed by and construed in accordance with the laws and regulations of the State of California.

LESSOR:
HOUSING AUTHORITY OF
THE CITY OF SACRAMENTO

LESSEE:
FORTUNE SCHOOL OF EDUCATION

By: _____
LA SHELLIE DOZIER,
Executive Director

By: _____
MARGARET FORTUNE,
President/CEO

DATE: _____

DATE: _____

APPROVED AS TO FORM:

AGENCY COUNSEL

EXHIBIT A

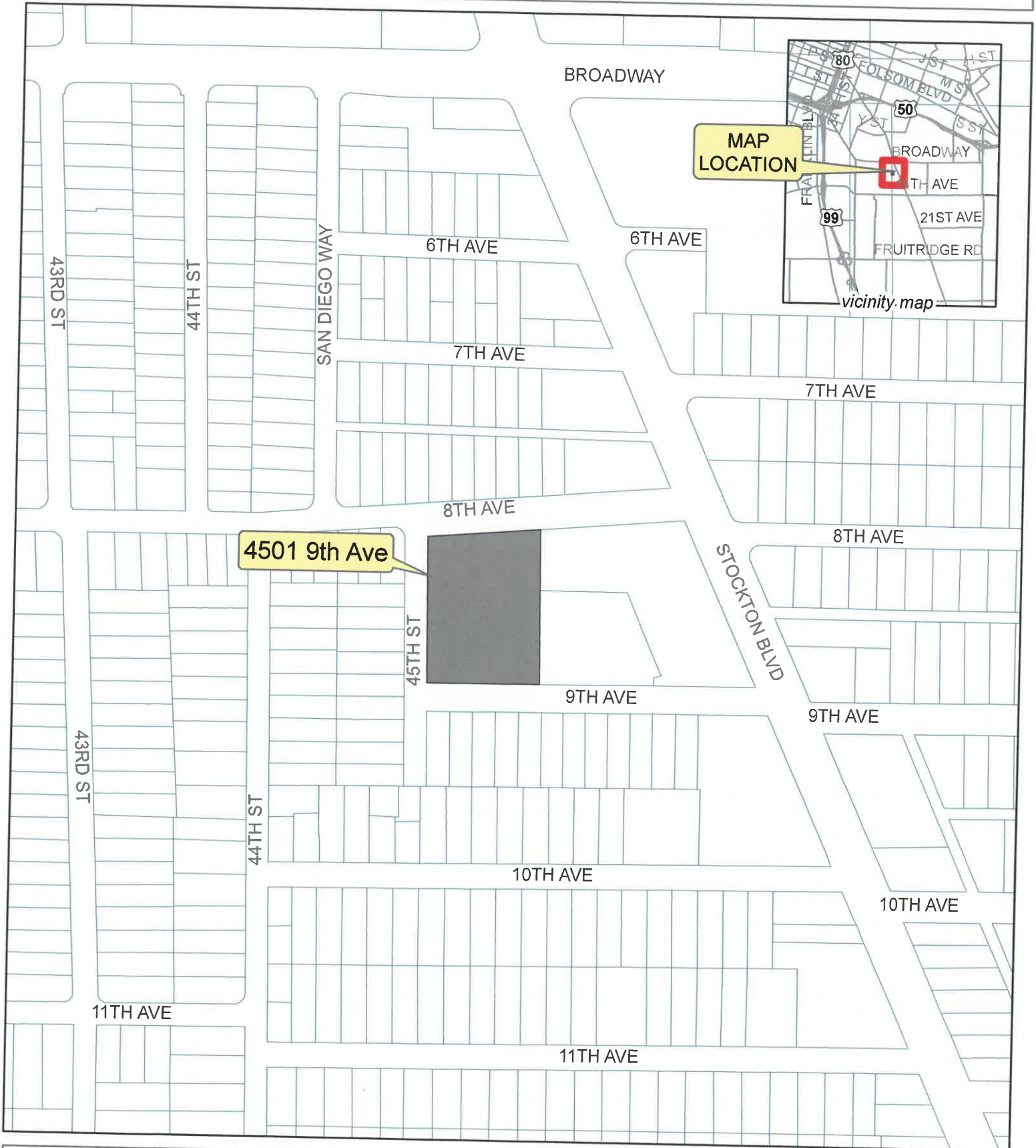
Legal Description

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF SACRAMENTO, COUNTY OF SACRAMENTO, STATE OF CALIFORNIA AND IS DESCRIBED AS FOLLOWS:

Parcel 3, as shown on the Parcel Map entitled Lots 1-26 Inclusive as shown on the Plat of Tresch Tract, according to the official plat thereof, filed in the office of the Recorder of Sacramento County, California, on March 3, 1914 in Book 14 of Maps, Map No. 58.

APN: 014-0223-004-0000

4501 9th Avenue



4501 9th Ave



SHRA GIS
June 7, 2012



October 11, 2019

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2020 Sacramento Housing and Redevelopment Agency Proposed Budget

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report prior to final approval by the City of Sacramento.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment



**REPORT TO HOUSING AUTHORITY
AND CITY COUNCIL**

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

Public Hearing

November 5, 2019

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

Title: 2020 Sacramento Housing and Redevelopment Agency Proposed Budget

Location/Council District: Citywide

Recommendation: Conduct a public hearing and upon conclusion: 1) adopt a **Council Resolution:** a) approving the 2020 proposed budget for the Sacramento Housing and Redevelopment Agency (Agency); b) delegating authority to the Agency to administer certain federal funds; c) authorizing the Agency to submit grant applications for activities within the jurisdiction of the Agency; d) authorizing the Agency to enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget and to undertake other actions necessary to implement the delegated authorizations; and e) consent to the Agency's submittal of the annual housing operating budgets and application for Capital Fund Plan funding to HUD. 2) adopt a **Housing Authority Resolution:** a) approving the 2020 proposed budget for the Housing Authority of the City of Sacramento (Authority); b) delegating authority to administer certain federal funds; c) authorizing the Authority to submit grant applications for activities within the jurisdiction of the Authority; d) authorizing the Executive Director to submit the annual housing operating budgets to HUD and the application to HUD for Capital Fund Plan funding; and e) authorizing the Executive Director to enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget and undertake other actions necessary to implement the delegated authorizations. 3) Adopt a **Council Resolution** adopting a Multi-Family Loan and Mortgage Revenue Bond Application Schedule that correspond with California Tax Credit Allocation Committee and California Debt Limit Allocation Committee application deadlines.

Contact: Susana Jackson, Finance Director, 440-1373, LaShelle Dozier, Executive Director, 440-1319

Presenters: La Shelle Dozier, Executive Director, Susana Jackson, Director of Finance

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

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

The proposed 2020 budget provides a plan by which the Agency operates in an efficient manner and in compliance with funding source regulatory requirements and the Government Accounting Standards Board. The Agency's budget and fiscal year is the calendar year from January 1st through December 31st. The City does not provide General Fund support for the Agency's operating budget.

The Agency proposes a balanced budget in the amount of \$211.9 million representing the operational activities and projects for 2020. The 2020 proposed budget represents a \$10.6 million or 9.1 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 Mirasol Village Project (formerly known as Twin Rivers).

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

Calendar Year 2020 Proposed Budget (In Millions)							
	2016	2017	2018	2019	2020	Variance	
	Budget	Budget	Budget	Budget	Budget	(2019 to 2020)	
OPERATIONS							
Salaries and Benefits	22.3	24.7	24.4	27.3	28.7	1.4	5.1%
Services and Supplies	17.0	18.3	17.9	17.8	17.4	(0.4)	-2.2%
Housing Assistance Payments	105.6	106.0	100.7	100.3	109.1	8.8	8.0%
Debt Service	2.4	3.3	2.2	2.6	2.9	0.3	9.9%
Financial Transactions	0.4	0.7	3.3	0.3	0.7	0.4	56.7%
Public Services	5.7	6.0	6.7	5.1	5.1	0.0	-0.6%
Subtotal	\$153.4	\$159.0	\$155.2	\$153.4	\$163.9	\$10.5	6.4%
CAPITAL PROJECTS							
Subtotal	\$26.2	\$31.5	\$35.5	\$47.9	\$48.0	0.1	18.1%
TOTAL	\$179.6	\$190.5	\$190.7	\$201.3	\$211.9	\$10.6	9.1%

The Agency receives 89 percent of its funding from the federal government through the United States Department of Housing and Urban Development (HUD). Funding for the Housing Choice Voucher (HCV) program increased slightly and it is anticipated 2020 will also experience an increase due to the participation in the Rental Assistance Demonstration (RAD) Program. Public Housing revenues remained constant in 2019 and based on federal budget projections should continue into 2020. However, the operating subsidy will decrease due to the transition of units from Public Housing to RAD.

Federal programs such as the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) fund a number of housing projects, public services, and infrastructure improvements. In 2019, there was a decrease in both programs; however, it is expected that funding levels for 2020 will remain stable and be consistent with what was received in 2019. Therefore, prior year reserves consisting of both federal and non-federal funding sources such as loan repayments and interest revenue will be utilized to fund projects and other operating expenses.

The following table provides a visual representation of the historical and estimated funding levels for the Agency's major federal programs from 2016-2020.

City & County Federal Revenues (In Millions)					
FUNDING SOURCES	2016	2017	2018	2019 Est.	2020 Est.
CDBG	\$ 9.52	\$ 9.57	\$ 10.57	\$ 9.41	\$ 9.41
HOME	\$ 3.97	\$ 3.90	\$ 5.81	\$ 3.28	\$ 3.28
Entitlement Programs Sub-Total:	\$ 13.49	\$ 13.47	\$ 16.38	\$ 12.69	\$ 12.69
PHA OPERATING FUND	\$ 10.27	\$ 11.62	\$ 11.20	\$ 9.70	\$ 8.60
PHA CAPITAL FUND	\$ 3.97	\$ 4.06	\$ 6.08	\$ 6.20	\$ 4.00
Public Housing Sub-Total:	\$ 14.24	\$ 15.68	\$ 17.28	\$ 15.90	\$ 12.60
HCV HAPS	\$101.90	\$ 94.90	\$100.70	\$105.00	\$109.00
HCV ADMINISTRATIVE FEES	\$ 8.00	\$ 8.90	\$ 9.30	\$ 8.00	\$ 8.00
HCV Sub-Total:	\$109.90	\$103.80	\$110.00	\$113.00	\$117.00
EMERGENCY SOLUTIONS GRANT (ESG)	\$ 0.81	\$ 0.86	\$ 0.86	\$ 0.80	\$ 0.96
SHELTER PLUS CARE	\$ 4.53	\$ 4.34	\$ 4.40	\$ 4.53	\$ 4.53
HOPWA	\$ 0.90	\$ 1.04	\$ 1.10	\$ 0.90	\$ 0.90
Public Services Sub-Total:	\$ 6.24	\$ 6.24	\$ 6.36	\$ 6.23	\$ 6.39

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

This report also recommends adoption of the Agency's Multi-Family Loan and Mortgage Revenue Bond 2020 Application Schedule and anticipated funding for Agency funded projects. The schedule will allow applicants to apply for funding on certain dates corresponding to the California Tax Credit Allocation Committee (TCAC) and California Debit Limit Allocation Committee (CDLAC) application deadlines.

Economic Impacts: Not applicable

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

Sustainability Considerations: N/A

Commission Action: At its meeting of October 16, 2019, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

Rationale for Recommendation: The proposed budget provides a fiscal strategy for operations and capital projects during 2020. The budget is in balance and complies with applicable federal, state, and local regulations on the use of the funds.

Financial Considerations: The 2020 proposed budget recommends total expenses of \$211.9 million, with the Housing Assistance Payments budget at \$109.1 million; the Operating budget at \$46.1 million; the Capital Projects budget at \$48 million; the Public Services budget at \$5.1 million; and, the Debt Service and Financial Transactions budget at \$3.6 million. The 2020 proposed budget of \$211.9 million represents a \$10.62 million or 9.1 percent increase compared with the total 2019 Adopted budget.

A new initiative for the Public Housing Department includes participation in the Rental Assistance Demonstration Program (RAD), which will allow for the transition of units from Public Housing to an Agency nonprofit component unit. These units will convert to the Housing Choice Voucher program. The RAD program allows for private investment to rehabilitate the properties.

In 2020, the Agency proposes to increase its authorized full-time equivalent (FTE) positions to 246 from 236.5 FTE in 2019. These additional positions will provide staffing to support the Housing Authority in aligning housing resources to serve the homeless, and to implement the Rental Assistance Demonstration Program (RAD). The Housing Authority is continuing to implement a strategy utilizing vouchers to serve up to 1,755 homeless families and individuals and those on the verge of homelessness, in addition to families on housing assistance wait lists.

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

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

Attachments

- 1-Description/Analysis
- 2-Background
- 3-City Council Resolution – and Exhibit A Summary of Changes to the budget
- 4-Housing Authority of the City of Sacramento Resolution and Exhibit A Summary of Changes to the budget
- 5-Exhibit B-1 2020 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)
- 6-Exhibit B-2 HUD Resolution Approving the 2020 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)
- 7-City Council Resolution Multi-Family Loan and Mortgage Revenue Bond Application Schedule
- 8-Exhibit A- Multi-Family Loan and Mortgage Revenue Bond Application Schedule
- 9-Proposed Agency 2020 Budget

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

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

Revenue under the HCV program is received from HUD in the form of Housing Assistance Payments (HAP) and Administrative Fees (AF). The federal appropriations process dictates the amount of funding that will be allocated to the HCV program on a national level. Jurisdictional funding allocations are performance based, with the funding level determined by the number of authorized vouchers leased. Currently, the Housing Authority has 12,608 vouchers authorized for leasing each month and the program strives to maintain a leasing level of 99-100 percent utilization of all vouchers authorized by HUD. In addition, the Agency also administers 594 vouchers for the Shelter Plus Care program serving disabled, homeless individuals and families and certificates for the Moderate Rehabilitation program. In total between all programs the HCV department houses 13,202 families on an annual basis.

The utilization level of vouchers makes the HCV program eligible for maximum funding from HUD. However, despite being entitled to maximum funding for the program, depending upon federal appropriations, HUD prorates the amount received by each Agency to remain within the parameters of the federal budget. In 2019, the Agency's HAP eligibility was at 99.7 percent. Staff anticipates a similar funding level for 2020 based upon the current proposals moving through Congress. In addition, HUD intentionally provides less funding than required to cover HAP costs in an effort to recapture accumulated HAP reserves from public housing authorities across the country. In 2018 HUD intentionally recaptured HAP reserves leaving the Housing Authority with approximately two weeks of reserves; therefore, managing leasing levels effectively is exceptionally critical.

HCV administrative funding eligibility is based upon the number of units leased within the Housing Authority's authorized voucher allocation, currently 12,375 units per month. Once eligibility is determined, HUD uses a formula to determine administrative fees for the Agency. For 2019, the Agency receives \$94.43 per unit for the first 7,200 unit months leased and \$88.13 per unit on all remaining unit months leased. HUD then applies a proration to the formula to reduce fees paid so that the administrative fees paid to housing authorities' matches the appropriations provided by Congress. In 2019 the proration was 79.569 percent of administrative funding eligibility. This is a slight

decrease from the 80 percent proration of administrative funding eligibility in 2018. The Agency expects funding in 2020 to remain similar to that purposed by the Administration and Congress in 2019.

Public Housing:

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

HUD provides an annual operating subsidy to pay the cost of the Public Housing Program not covered by tenant rents which is appropriated annually through the federal budget process. The federal budget process has recently been erratic, with annual appropriations reaching as high as 103 percent of funding eligibility in 2010 to as low as 82 percent in 2013. In 2019, the program was funded at 97 percent of funding eligibility, meaning that the program received only 97 percent of what HUD believes the Agency needs to run the program. This requires that the Public Housing Program cut operating costs whenever possible and utilize operating reserves. The Agency anticipates a similar level of funding for 2020.

The Housing Authority will be participating in the Rental Assistance Demonstration (RAD) Program, where HUD has approved the disposition of public housing from the program in order to address the nationwide backlog of deferred maintenance on public housing properties. The authority will be working with SHRA's nonprofit, Sacramento Housing Authority Repositioning Program, Inc. (SHARP) to dispose and maintain the properties. This move, will not only preserve low income housing, it will allow private investment to address the capital needs of the Agency properties.

Local Housing (Non-Federal)

The Housing Authority also owns and manages 271 affordable units funded with tax credits and local funds. These local housing projects are not regulated by HUD and have 2019 revenues that are relatively status quo with 2018.

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

The budget for the Sacramento Housing Development Corporation (SHDC), a nonprofit public benefit corporation created to serve as the general partner of Riverview Plaza Associates (RPA) is also included in the Agency budget. SHDC is the General Partner of the Riverview Plaza Associates (RPA) - a California limited partnership created to provide affordable housing to seniors with limited income. One of the governing boards of the Agency (the County Board of Supervisors) serves as the Board of Directors of the general partner. The Housing Authority of the City of Sacramento serves as the limited partner. The 2020 budget of SHDC and its limited partnership is \$711,912 and is

approved annually by the County Board of Supervisors sitting as the Board of SHDC.

Capital Fund Program (CFP):

The HUD CFP provides funding specifically intended for the development, financing, modernization, and management improvements needed at properties owned under the HUD public housing program. Funds are allocated annually via a formula. The Agency receives funding for the public housing properties owned by both the City and County Housing Authorities. Between 2003 and 2015, HUD funding for the CFP decreased 36 percent, with the sharpest decrease coming in 2011 at 21 percent. In 2019 HUD funding for the CFP increased from the 2018 levels; however 2020 is expected to return to pre-2019 levels. Revenue estimates are based on the current year grant amounts and are adjusted based upon Federal appropriation proposals.

Community Development Block Grant (CDBG):

CDBG is a federal entitlement program provided to communities annually for the benefit of low-income persons through housing improvement, public improvements, economic development, public service and elimination of blighting conditions. Areas of Sacramento which are low-income and extremely physically blighted have been selected for targeted CDBG

assistance in the areas of capital improvements, housing preservation and renovation, and economic development and commercial revitalization activities. These funds must be used to augment but not replace local funds and responsibilities.

The annual HUD CDBG entitlement budget is allocated to cities and counties based on a formula comprised of several measures. The Agency receives grants for both the City and the County of Sacramento. Since 2010, CDBG appropriations have been cut by as much as 25 percent. Though funding levels are currently unknown for 2020, 2019 revenues increased slightly and are projected to be status quo with 2018 levels.

Home Investment Partnership Program (HOME):

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

The annual HUD HOME budget is allocated to participating jurisdictions as formula grants. Since 2010, federal appropriations for the HOME program have declined significantly. 2018 saw a slight increase that did not continue into 2019. HOME federal funding levels are anticipated to be status quo with 2018 funding levels.

Housing Trust Funds (HTF):

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

Housing Trust Fund fees dropped dramatically from 2009 to 2012 due to the sharp decline in the number of commercial building permits being issued. Beginning in 2013, there has been a steady increase in revenues due to an increase in building permits and prior year loan repayments; however 2019 is experienced a slight decrease in revenue and 2020 funding levels are anticipated remain consistent with 2019.

Affordable and Mixed Income Housing Programs:

The Agency administers the Affordable Housing and the Mixed Income Housing Ordinance on behalf of the City and County of Sacramento respectfully. Residential nexus analyses demonstrate the relationship between the development of market-rate residential units and the need for additional workforce housing. The fees associated with the ordinances are applicable to new housing developments and used to increase the supply of affordable workforce housing.

In 2014 the County increased the ability for developers to pay a fee, rather than construct affordable units, with revisions to Affordable Housing Ordinance. Fee collection in the City began in 2015 with the adoption of the revised Mixed Income Housing Ordinance.

Emergency Solutions Grant (ESG):

The ESG program is designed to directly assist homeless individuals and families by providing funding to support the provision of emergency shelters and rapid rehousing assistance. ESG funding is used for operations and essential social services necessary to support shelter residents and for the rapid re-housing of eligible individuals and families. The ESG program is designed to assist homeless subpopulations within this group, such as victims of domestic violence, youth, people with mental illness, families with children, and veterans. ESG funds can also be used, in narrowly defined situations, to aid people who are imminently at risk of becoming homeless. Revenues for 2020 are projected to be relative status quo with 2019 levels.

Housing Opportunities for Persons With AIDS (HOPWA):

HOPWA funding provides housing assistance and related supportive services in an effort to develop consortium-wide strategies and to form partnerships with area nonprofit organizations. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. HOPWA funds may also be used for health care and mental health services, chemical dependency treatment, nutritional services,

case management, assistance with daily living, and other supportive services. Revenues for 2020 are projected to be relative status quo with 2019 levels.

As a HOPWA recipient, SHRA has the responsibility to serve eligible individuals within the Eligible Metropolitan Statistical Area (EMSA) which is a metropolitan area with more than 500,000 people and more than 2,000 persons living with HIV or AIDS. For HOPWA funds allocated to the City, the eligible area includes Sacramento, Yolo, Placer, and El Dorado counties. SHRA works with sub-recipients to provide services to HOPWA-eligible clients.

RESOLUTION NO. 2019 -

Adopted by the Sacramento City Council

On date of

APPROVAL OF 2020 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORIZATIONS INCLUDING AUTHORITY FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

BACKGROUND

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

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

- Section 1. The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b), and are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.
- Section 2. The 2020 Operating Budget totaling \$163,933,237 and the 2020 Project Budget totaling \$48,027,902, all as further described in the 2020 Proposed Agency Budget (hereinafter "2020 Agency Budget" or "Budget"), a copy of which is on file with the Agency Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of the Agency for the 2020 fiscal year. The 2020 Agency Budget incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.
- Section 3. A total of 246 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.
- Section 4. The budgeted amount for any item in the Budget may be amended by majority vote of the governing body of each entity actually undertaking and funding the activity. Such an amendment to the Budget so enacted shall be deemed to have been approved by all of the entities that originally adopted the Budget without further action of the remaining entities.
- Section 5. The Agency is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate legal directives of the California State Department of Finance and/or the State Controller's Office and the actions taken by the City of Sacramento acting as Successor Agency to the former Redevelopment Agency as approved by the Successor Agency's Oversight Board regarding housing successor matters.
- Section 6. The Agency is authorized to submit the 2020 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Agency is authorized to amend the Budget to reflect

actual HUD approved expenditures and revenues for HUD funded programs and projects.

- Section 7. The proposed expenditures under the 2020 Housing Operating Budget are necessary in the efficient and economical operation of Agency housing to serve low-income families.
- Section 8. The housing financial plan set forth in the 2020 Housing Operating Budget is reasonable in that:
- a. It indicates a source of funding adequate to cover all proposed expenditures.
 - b. It does not provide for the use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
 - c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract.
 - d. It includes asset management project budgets prepared on an individual basis as shown in the schedule of public housing AMP and Central office 2020 budget.
- Section 9. The Housing Authority of the City of Sacramento (Authority), staffed by the Agency, is authorized to submit applications to HUD for the Capital Fund Plan and Program funding. If such grants are awarded, the Agency is authorized to accept the grant or grants, execute all related documents, execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements and amend the budget accordingly. The Agency is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Agency is authorized to submit the Comprehensive Plan or annual statement to HUD, after receiving public comments and resident review and approval of the Sacramento Housing and Redevelopment Agency Commission.
- Section 10. On an annual basis, HUD requires the Authority, staffed by the Agency, to conduct a physical inventory, analyze receivables for collectability, and, accordingly, reconcile and adjust related financial records. The Agency is authorized to amend the Budget and financial records as needed for such adjustments.
- Section 11. The Agency is authorized to purchase all lines of applicable insurance for its properties and operations through local independent agents, direct carriers, or risk retention pools, provided that the insurance requirements, coverage and terms are commercially reasonable and provided that the cost does not exceed the amounts in the approved Budget. The Agency is also authorized to obtain flood insurance through the federal flood insurance program for Agency properties and this coverage may be

secured through a local independent agent.

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

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

- Homeless Prevention and Rapid Re-housing Program (HPRP)
- Neighborhood Stabilization Program
- Family Unification Program
- Family Self Sufficiency
- Veteran's Assistance and Supportive Housing
- California State Water Resources Control Board –
Underground Storage Cleanup
- CAL REUSE Cleanup Grant and Loan Program
- Social Innovation Funds

- Section 18. The Agency is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Agency may allocate and transfer any available fund balances to accounts held for future projects or reduce budget shortfalls in any other fund balances, provided monies so used are not otherwise restricted by law or regulations related to the funding source. Further, the Agency is authorized to expend available balances from the payroll fund for the cost of liabilities such as post-retirement medical benefits, sick leave, and vacation accruals.
- Section 19. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.
- Section 20. The Agency is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.
- Section 21. The Agency is authorized to increase or decrease operating Budget appropriations up to \$100,000. Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 22. The Agency is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 23. The Agency is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 24. The Agency is authorized to transfer project appropriations among fund groups.
- Section 25. The Agency is authorized to amend the Budget to reflect all required debt service payments, pass through payments loan repayments, and other existing obligations based on actual higher or lower revenues.

- Section 26. The Agency is authorized to amend the Operating Budget or Capital Project Budget or transfer funding of approved capital projects or operating budgets within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable redevelopment laws and regulations or changes to the aforementioned.
- Section 27. The Agency is authorized to execute and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed to assure receipt of anticipated revenues.
- Section 28. The Agency is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. The Agency is authorized to enter into "loan work outs," to the extent reasonably necessary to protect Agency assets, and in entering such "work outs," the Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria (including forgiveness of principal as necessary to reflect underwriting the loan at current fair market value of the subject property). Further, the Agency is authorized to renegotiate existing Agency debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide the Agency with more favorable loan terms.
- Section 29. The Executive Director, or designee, is authorized to amend the budget to receive insurance proceeds and award contracts to expend insurance proceeds so long as such proceeds are used exclusively towards, the repairing, rehabilitating, replacing or otherwise compensating for the insured loss.
- Section 30. All project appropriations in existence as of December 31, 2019 will be carried over and continued in 2020.
- Section 31. All multi-year operating grant budgets in existence as of December 31, 2019 shall be continued in 2020.
- Section 32. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2019 may remain in effect in 2020. The Agency is authorized to increase the Budget for valid encumbrances as of December 31, 2019, but only to the extent that the applicable division's 2019 operating budget appropriations exceeded 2019 expenditures.
- Section 33. The Agency is authorized to incorporate the changes listed on Exhibit A as part of the 2020 Budget.

- Section 34. If any entity requires a separate resolution to confirm any action approved within this resolution, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.
- Section 35. The Agency is authorized to delegate the authorities as set out in this resolution to Agency's Executive Director.
- Section 36. This resolution shall take effect immediately.

Table of Contents:

Exhibit A - Summary of Sacramento Housing and Redevelopment Agency Proposed
2020 Budget

EXHIBIT A

SUMMARY OF SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY PROPOSED 2020 BUDGET

Approved 2020 Total Operating Budget	\$ 163,933,237
Approved 2019 New Projects	\$ 48,027,902
TOTAL AGENCY BUDGET	\$ 211,961,139

RESOLUTION NO. 2019 -

Adopted by the Housing Authority of the City of Sacramento

on date of

APPROVAL OF 2020 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS, AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

BACKGROUND

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

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

- Section 1. The above recitals are found to be true and correct and are hereby adopted.
- Section 2. The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical

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

Section 3. The 2020 Operating Budget totaling \$163,933,237 and the 2020 Project Budget totaling \$48,027,902, all as further described in the 2020 Proposed Agency Budget (hereinafter "2020 Agency Budget" or "Budget"), a copy of which is on file with the Agency Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of Agency for the 2020 fiscal year. The 2020 Agency Budget incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, the Sacramento Housing Development Corporation, and the adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 4. A total of 246 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.

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

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

Section 7. The Executive Director, or designee, is authorized to submit the 2020 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Executive Director, or designee, is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects. See Exhibit B-1 for a summary of the public housing operating budget.

Section 8. The proposed expenditures under the 2020 Housing Operating Budget are necessary for the efficient and economical operation of Agency housing to

serve low-income families.

- Section 9. The housing financial plan set forth in the 2020 Housing Operating Budget is reasonable in that:
- a. It indicates a source of funding adequate to cover all proposed expenditures.
 - b. It does not provide for the use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
 - c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract
 - d. It includes asset management project budgets prepared on an individual basis as shown in the Schedule of Public Housing AMP and Central Office 2020 Budget attached as Exhibit B-1.
- Section 10. Form HUD-52574 (04/2013), attached as Exhibit B-2 for signature by the Chair of the Board of the Housing Authority, provides necessary certifications for submission of the Operating Budgets described in Section 7d.
- Section 11. Based on the HUD requirement for public housing authorities to implement Asset Management that includes fee for service, the proposed Budget implements the fee for service provisions and support service costs. The fee for service provision is predicated on the concept that fee revenues will cover the cost of the services provided. Such services include, but are not limited to property management services. Subject to applicable laws, regulations and policies governing Agency procurement, the Agency is authorized to competitively procure and execute contracts for such fee for services.
- Section 12. The Executive Director, or designee, is authorized to submit applications to HUD for the Capital Fund Plan and Program funding. If such grants are awarded, the Executive Director, or designee, is authorized to accept the grant or grants, execute all related documents and to execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements and amend the budget accordingly. The Executive Director, or designee, is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Executive Director, or designee, is authorized to submit the Comprehensive Plan or annual statement to HUD, after receiving public comments and resident review.
- Section 13. On an annual basis the Agency, on behalf of HACS, conducts a physical inventory, analyzes receivables for collectability and, accordingly, reconciles and adjusts related financial records. The Executive Director, or designee, is authorized to amend the Budget and financial records as needed for such adjustments.

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

- Section 19. The Executive Director, or designee, is authorized to enter into necessary grants and agreements with HUD, the State Housing and Community Development Department (HCD), and other governmental or private entities for homeless programs for which HACS/Agency is the designated recipient of grant funds or contracting agency. The Agency, on behalf of HACS, is authorized to accept such grants, execute contracts to implement homeless activities funded in the Budget, and amend the Budget accordingly (provided that the activities are fully funded by the grant or are within the Agency Budget). The Executive Director, or designee, is authorized to execute contracts for homeless activities funded in the Agency Budget as outlined in the Agency public services schedule.
- Section 20. HACS finds and declares that the proposed expenditure of tax increment housing funds, as set forth in approved recognized obligation payment schedules, for activities serving the homeless, including providing subsidies to, or for the benefit of, extremely low income households through either site specific rental assistance or tenant based rental assistance, as allocated/outlined in the budget, will not cause or exacerbate racial, ethnic or economic segregation and will be beneficial to all former Redevelopment Project Areas by facilitating the production of affordable housing and providing housing for a population which remains in or frequents the former Redevelopment Project Areas and is perceived as a blighting influence by business owners, property owners, workers and residents, and as a result impedes the elimination of blight in the community.
- Section 21. HACS further finds and declares that the proposed expenditure of tax increment housing funds, as set forth in approved recognized obligation payment schedules to provide subsidies to, or for the benefit of, extremely low income households through either site specific rental assistance or tenant based rental assistance, increases, improves, and preserves the community's supply of low and moderate-income housing available at an affordable housing cost to persons and families that are extremely low, very low, low or moderate income households and will be of benefit to the community.
- Section 22. HACS finds and declares that the proposed planning and administrative expenses which may be paid for from the former low and moderate income housing fund, pursuant to an approved recognized obligation payment schedule, is necessary for the production, improvement and/or preservation of low and moderate income housing during the 2020 Agency Budget year.
- Section 23. The Executive Director is authorized to amend the budget to transfer or accept funding or assets consistent with an approved recognized obligation payment schedule to the Agency or City Redevelopment Agency Successor Agency (RASA) for approved capital projects or operating expenses in compliance with all bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.

- Section 24. The Executive Director is authorized to amend the budget to receive assets or transfer assets, receive funds or transfer funds to the City RASA and execute agreements with the City or RASA as necessary to facilitate authorized directives of the State of California, the California State Department of Finance and/or the State Controller's Office or to provide staffing services to RASA. Agreements between the Agency or HACS and the City RASA are subject to Successor Agency Oversight Board Approval.
- Section 25. The Executive Director, or designee, is authorized to submit grant applications on behalf of the Housing Authority of the City of Sacramento for any and all housing and community development activities within the jurisdiction of Agency. If such grants are awarded, Agency is authorized to accept the grant or grants execute contracts to implement grant activities with the appropriate entities (provided that the activities are fully funded by the grant or within the Budget), execute all related documents and amend the Budget. Budget expenditure and amendments for such grants are permitted for positions, services and supplies, equipment and projects. The Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Such grants may include but are not limited to the following:
- Homeless Prevention and Rapid Re-housing Program HPRP
 - Neighborhood Stabilization Program
 - Family Unification Program
 - Family Self Sufficiency
 - Veteran's Assistance and Supportive Housing
 - California State Water Resources Control Board – Underground Storage Cleanup
 - CAL REUSE Cleanup Grant and Loan Program
 - Social Innovation Fund
- Section 26. The Executive Director, or designee, is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Executive Director, or designee, may allocate and transfer any available fund balances to accounts held for future projects or reduce budget shortfalls in any other fund balances, provided monies so used are not otherwise restricted by law or regulations related to the funding source. Further, the Agency is authorized to expend available balances from the payroll fund for the cost of liabilities such as post-retirement medical benefits, sick leave and vacation accruals.
- Section 27. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.
- Section 28. The Executive Director, or designee, is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.

- Section 29. The Executive Director, or designee, is authorized to increase or decrease operating Budget appropriations up to \$100,000. Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 30. The Executive Director, or designee, is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 31. The Executive Director, or designee, is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 32. The Executive Director, or designee, is authorized to amend the budget to receive insurance proceeds and award contracts to expend insurance proceeds so long as such proceeds are used exclusively towards, the repairing, rehabilitating, replacing or otherwise compensating for the insured loss.
- Section 33. The Executive Director, or designee, is authorized to transfer any available fund balances from HACS instrumentalities or affiliates to allocate for future HACS projects or to reduce budget shortfalls, provided the use and receipt of funds is not otherwise restricted by law or regulations. Such transactions are subject to HACS instrumentality or affiliate board approval.
- Section 34. The Executive Director, or designee, is authorized to amend the Budget to reflect all required debt service payments, pass through payments, loan repayments, and other existing obligations based on actual higher or lower revenues.
- Section 35. The Executive Director, or designee, is authorized to amend the operating budget or capital project budget or transfer funding of approved capital projects or operating budgets in compliance with appropriate approvals, bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.
- Section 36. The Executive Director, or designee, on behalf of HACS serving as the Successor Housing Entity, is authorized to execute, and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed for the completion of enforceable housing obligations of the former redevelopment agency to assure receipt of anticipated revenues.
- Section 37. The Executive Director, or designee, is authorized to exercise default remedies and take other actions to protect HACS assets under contracts, loans, disposition and development agreements, owner participation agreements and other HACS agreements and to appropriate the

associated revenues in the Budget. Agency, on behalf of HACS is authorized to enter into "loan work outs," to the extent reasonably necessary to protect HACS assets, and in entering such "work outs," The Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria (including forgiveness of principal as necessary to reflect underwriting the loan at current fair market value of the subject property). Further, The Executive Director, or designee, is authorized to renegotiate existing HACS debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide HACS with more favorable loan terms.

- Section 38. All project appropriations in existence as of December 31, 2019 will be carried over and continued in 2020.
- Section 39. All multi-year operating grant budgets in existence as of December 31, 2019 shall be continued in 2020.
- Section 40. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2019 may remain in effect in 2020. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2019, but only to the extent that the applicable division's 2019 operating budget appropriations exceeded 2019 expenditures.
- Section 41. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A-1 as part of the 2020 Budget.
- Section 42. If any entity requires a separate resolution for any action approved within this resolution other than resolutions for approval or amendment of projects, programs or the Agency Budget, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.
- Section 43. The Executive Director, or designee, or designee, is authorized to delegate the authorities as set out in this resolution.
- Section 44. Form HUD-52574 (04/2013), attached as Exhibit B-2 for signature by the Chair of the Board of the Housing Authority, provides necessary certifications for submission of the Operating Budgets described in Section 8d.
- Section 45. This resolution shall take effect immediately.

Table of Contents:

- Exhibit A-1: Summary of Sacramento Housing and Redevelopment Agency Proposed 2020 Budget
- Exhibit B-1: 2020 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)
- Exhibit B-2: HUD Resolution Approving the 2020 AMP Budgets

EXHIBIT A

SUMMARY OF SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY PROPOSED 2020 BUDGET

Approved 2020 Total Operating Budget	\$ 163,933,237
Approved 2020 New Projects	\$ 48,027,902
TOTAL SHRA BUDGET	\$ 211,961,139

City Public Housing AMP, Central Office and Central Services Budget

January 1 - December 31, 2020

PHA Code: CA005
City of Sacramento

	City AMP 1	City AMP 2	City AMP 3	City AMP 4	City AMP 5	City AMP 7	Total City Public Housing	City COCC Central Office & Central Svc
Beginning fund equity	\$ 1,993,017	\$ 3,670,840	\$ 2,310,985	\$ 1,071,986	\$ 968,974	\$ 855,023	\$ 10,870,825	\$ -
Revenues:								
HUD Operating Subsidy	1,647,851	2,038,662	614,791	435,181	519,740	585,053	5,841,278	-
Maintenance Charges to Tenants	3,000	5,000	3,000	12,000	10,000	5,000	38,000	-
Washer/Dryer Income	-	60	15,000	5,000	4,000	4,000	28,060	-
Rental Income - Dwelling	864,790	843,375	874,547	370,143	449,022	420,871	3,822,748	-
Rental Income - Commercial	-	-	-	-	-	-	-	-
Rental Income other	15,000	15,000	-	-	-	-	30,000	-
Interest Income - Investment	25,000	46,656	24,000	13,500	13,000	10,367	132,523	-
Bad Debt Recovery	500	1,000	300	500	500	500	3,300	-
Return Check Fee	30	60	75	30	60	30	285	-
Miscellaneous income	10,000	10,000	3,000	2,000	4,000	3,000	32,000	22,146
Management Fee	-	-	-	-	-	-	-	1,818,432
IT/Bookkeeping Fee	-	-	-	-	-	-	-	174,870
Asset Management Fee	-	-	-	-	-	-	-	218,660
Admin Fee (CFP)	-	-	-	-	-	-	-	266,389
Central services fees	-	-	-	-	-	-	-	288,591
Total operating revenue	2,566,171	2,959,813	1,534,713	838,354	1,000,322	1,028,821	9,928,194	2,789,088
CFP Mgmt impr transfers	65,415	65,809	76,249	65,415	65,415	67,642	405,945	-
Local Housing Transfers	-	-	50,000	-	20,000	-	70,000	520,655
Total revenues and transfers in	2,631,586	3,025,622	1,660,962	903,769	1,085,737	1,096,463	10,404,139	3,309,743
Expenditures:								
Employee Services:								
- Management/Maintenance	715,807	812,800	404,780	257,556	253,039	261,252	2,705,234	754,229
- Resident Trainees	65,415	65,809	76,249	65,380	65,415	66,679	404,947	-
Total Employee Services	781,222	878,609	481,029	322,936	318,454	327,931	3,110,181	754,229
Services & Supplies:								
- Management/Maintenance	1,310,041	1,583,334	694,950	373,801	559,455	504,379	5,025,960	2,032,299
Other Charges:								
Financial Transactions								
- Central Service Fees	68,620	75,193	63,594	23,969	28,027	29,188	288,591	-
- Miscellaneous (PILOT, Depr.)	35,417	38,368	32,466	11,807	14,757	14,756	147,571	-
- AMP to AMP transfers	-	-	-	20,000	-	50,000	70,000	-
Management Fee	289,297	317,004	268,109	97,790	114,061	122,359	1,208,620	-
IT / Bookkeeping Fee	31,950	35,010	29,610	11,340	12,597	13,510	134,017	-
Asset Management Fee	43,200	46,920	39,720	15,120	16,796	18,360	180,116	-
Total operating expense	2,559,747	2,974,438	1,609,478	876,763	1,064,147	1,080,483	10,165,056	2,786,528
Ending Balance	\$ 2,064,856	\$ 3,722,024	\$ 2,362,469	\$ 1,098,992	\$ 990,564	\$ 871,003	\$ 11,109,908	\$ 523,215

PHA Board Resolution
Approving Operating Budget

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

Exhibit B-2
OMB No. 2577-0026
(exp. 04/30/2016)

Public reporting burden for this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

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

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

PHA Fiscal Year Beginning: 01/01/2020 Board Resolution Number: _____

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

DATE

- Operating Budget approved by Board resolution on: 11/05/2019
- Operating Budget submitted to HUD, if applicable, on: _____
- Operating Budget revision approved by Board resolution on: _____
- Operating Budget revision submitted to HUD, if applicable, on: _____

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

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

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

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Mayor Darrell Steinberg	Signature:	Date: 11/05/19
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RESOLUTION NO. 2019 -

Adopted by the Sacramento City Council

On date of

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

BACKGROUND

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

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

Section 1. SHRA is authorized to adopt the 2020 Multifamily Lending and Mortgage Revenue Bond Policies Program Application Schedule as outlined Exhibit A.

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

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

**Sacramento Housing and Redevelopment Agency
Multifamily Loan and Mortgage Revenue Bond Applications
2020 Schedule ***

July 9% TCAC & CDLAC Applications:

Pre-Application Deadline	January 2, 2020
Application Deadline	March 2, 2020
Environmental Deadline**	April 30, 2020
Sacramento Housing and Redevelopment Commission (SHRC)	June 3, 2020
Board of Supervisors (Board) / City Council (Council)	June 23, 2020
9% TCAC/CDLAC Application Deadline (est.)	July 6, 2020

March 9% TCAC & CDLAC Applications:

Pre-Application Deadline	August 3, 2020
Application Deadline	October 5, 2020
Environmental Deadline **	December 18, 2020
SHRC	February 3, 2021
Board / Council	February 23, 2021
9% TCAC/CDLAC Application Deadline (est.)	March 1, 2021

Optional CDLAC Applications:

(based on funding availability)

Pre-Application Deadline:	October 1, 2020
Application Deadline	December 1, 2020
Environmental Deadline **	February 18, 2021
SHRC	April 21, 2021
Board / Council	May 11, 2021
CDLAC Application Deadline	May 19, 2021

* TCAC/CDLAC deadlines are estimates; therefore, schedule subject to change, if needed, to align with State program deadlines and governing body meeting calendars.

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



October 11, 2019

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2020 Sacramento Housing and Redevelopment Agency Proposed Budget

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report prior to final approval by the County of Sacramento.

Respectfully submitted,


LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
November 5, 2019
2:00 pm

To: Board of Supervisors
Housing Authority
Sacramento Housing Development Corporation

Through: Navdeep S. Gill, County Executive

From: La Shelle Dozier, Executive Director, Sacramento Housing
and Redevelopment Agency

Subject: 2020 Sacramento Housing And Redevelopment Agency
Proposed Budget

District(s): All

RECOMMENDED ACTION

Conduct a public hearing and upon conclusion adopt the following resolutions: 1) a County Board Resolution 2) a Housing Authority Resolution (Authority) approving the 2020 Sacramento Housing and Redevelopment Agency Budget, 3) a Sacramento Housing Development Corporation Resolution approving the 2020 Proposed budget for the Riverview Plaza Residential Project, and 4) a Board of Supervisors Resolution adopting a Multi-Family Loan and Mortgage Revenue Bond Application Schedule that corresponds with California Tax Credit Allocation Committee and California Debt Limit Allocation Committee application deadlines.

BACKGROUND

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

The proposed 2020 budget provides a plan by which the Agency operates in an efficient manner and in compliance with the regulatory requirements of

our funding sources and the Government Accounting Standards Board. The Agency's budget and fiscal year is the calendar year from January 1st through December 31st. The County does not provide any General Funds in support of the Agency's budget. Appropriate financial planning and applicable government regulations require that the Agency have an operating budget and capital budget adopted prior to the start of each new fiscal year. Consequently, the Agency presents its budget to all governing bodies for approval annually.

The Agency proposes a balanced budget in the amount of \$211.9 million representing the operational activities and projects for 2020. The 2020 proposed budget represents a \$10.6 million or 9.1% 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.

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

Calendar Year 2020 Proposed Budget (In Millions)							
	2016 Budget	2017 Budget	2018 Budget	2019 Budget	2020 Budget	Variance (2019 to 2020)	
OPERATIONS							
Salaries and Benefits	22.3	24.7	24.4	27.3	28.7	1.4	5.1%
Services and Supplies	17.0	18.3	17.9	17.8	17.4	(0.4)	-2.2%
Housing Assistance Payments	105.6	106.0	100.7	100.3	109.1	8.8	8.0%
Debt Service	2.4	3.3	2.2	2.6	2.9	0.3	9.9%
Financial Transactions	0.4	0.7	3.3	0.3	0.7	0.4	56.7%
Public Services	5.7	6.0	6.7	5.1	5.1	0.0	-0.6%
Subtotal	\$153.4	\$159.0	\$155.2	\$153.4	\$163.9	\$10.5	6.4%
CAPITAL PROJECTS							
Subtotal	\$26.2	\$31.5	\$35.5	\$47.9	\$48.0	0.1	18.1%
TOTAL	\$179.6	\$190.5	\$190.7	\$201.3	\$211.9	\$10.6	9.1%

The Agency receives 89 percent of its funding from the federal government through the United States Department of Housing and Urban Development (HUD). Funding for the Housing Choice Voucher (HCV) program increased slightly and it is anticipated 2020 will also experience an increase due to the participation in the Rental Assistance Demonstration (RAD) Program. Public Housing revenues remained constant in 2019 and based on federal budget projections should continue into 2020. However, the operation subsidy will decrease due to the transition of units from Public Housing to RAD.

Federal programs such as the Community Development Block Grant (CDBG) and HOME Investment Partnerships (HOME) Programs fund a number of housing projects, public services, and infrastructure improvements. In 2019, there was an increase in both programs; however it is expected that funding levels for 2020, will decrease and be more consistent with what was received in 2017. Therefore, prior year reserves consisting of both federal and non-federal funding sources such as loan repayments and interest revenue will be utilized to fund projects and other operating expenses.

The following table provides a visual representation of the historical and estimated funding levels for the Agency's major federal programs from 2016-2020.

City & County Federal Revenues (In Millions)					
FUNDING SOURCES	2016	2017	2018	2019 Est.	2020 Est.
CDBG	\$ 9.52	\$ 9.57	\$ 10.57	\$ 9.41	\$ 9.41
HOME	\$ 3.97	\$ 3.90	\$ 5.81	\$ 3.28	\$ 3.28
Entitlement Programs Sub-Total:	\$ 13.49	\$ 13.47	\$ 16.38	\$ 12.69	\$ 12.69
PHA OPERATING FUND	\$ 10.27	\$ 11.62	\$ 11.20	\$ 9.70	\$ 8.60
PHA CAPITAL FUND	\$ 3.97	\$ 4.06	\$ 6.08	\$ 6.20	\$ 4.00
Public Housing Sub-Total:	\$ 14.24	\$ 15.68	\$ 17.28	\$ 15.90	\$ 12.60
HCV HAPS	\$101.90	\$ 94.90	\$100.70	\$105.00	\$109.00
HCV ADMINISTRATIVE FEES	\$ 8.00	\$ 8.90	\$ 9.30	\$ 8.00	\$ 8.00
HCV Sub-Total:	\$109.90	\$103.80	\$110.00	\$113.00	\$117.00
EMERGENCY SOLUTIONS GRANT (ESG)	\$ 0.81	\$ 0.86	\$ 0.86	\$ 0.80	\$ 0.96
SHELTER PLUS CARE	\$ 4.53	\$ 4.34	\$ 4.40	\$ 4.53	\$ 4.53
HOPWA	\$ 0.90	\$ 1.04	\$ 1.10	\$ 0.90	\$ 0.90
Public Services Sub-Total:	\$ 6.24	\$ 6.24	\$ 6.36	\$ 6.23	\$ 6.39

COMMISSION ACTION

At its meeting of October 16, 2019, the Sacramento Housing and Redevelopment Commission will consider the staff recommendation for this item. Staff will notify the Board in the event the item is not approved.

POLICY CONSIDERATIONS

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

This report also recommends adoption of the Agency's Multi-Family Loan and Mortgage Revenue Bond 2020 Application Schedule. The schedule will allow applicants to apply for funding on certain dates corresponding to the California Tax Credit Allocation Committee (TCAC) and California Debit Limit Allocation Committee (CDLAC) application deadlines.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the

proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b). Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects. Actions necessary for the effective management and operation of the Riverview Plaza Residential Project property are exempt under CEQA per Guidelines Section 15301.

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

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

M/WBE/SECTION 3 CONSIDERATIONS

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

FINANCIAL ANALYSIS

The 2020 proposed budget recommends total expenses of \$211.9 million, with the Housing Assistance Payments budget at \$109.1 million; the Operating budget at \$46.1 million; the Capital Project budget at \$48 million; the Public Services budget at \$5.1 million; and, the Debt Service and Financial Transaction budget at \$3.6 million. The 2020 proposed budget of \$211.9 million represents a \$10.6 million or 9.1 percent increase compared with the total 2019 Adopted budget.

In 2020, the Agency proposes to increase its authorized full-time equivalent (FTE) positions to 246 from 236.5 FTE in 2019. These additional positions will provide staffing to support the Housing Authority in aligning housing resources to serve the homeless, and to implement the Rental Assistance Demonstration Program (RAD). The Housing Authority is continuing to implement a strategy utilizing vouchers to serve up to 1,755 homeless families and individuals and those on the verge of homelessness, in addition to families on housing assistance wait lists.

The new initiative for Public Housing includes participation in the Rental Assistance Demonstration Program (RAD), which will allow for the transition of units from Public Housing to an Agency nonprofit component unit. These units will convert to the Housing Choice Voucher program. The RAD program allows for private investment to rehabilitate the properties.

Respectfully Submitted,

APPROVED
NAVDEEP S. GILL,
County Executive


LA SHELLE DOZIER, Executive Director
Sacramento Housing and
Redevelopment Agency

By: _____
ROBERT B. LEONARD
Deputy County Executive

Attachments:

- RES – County BOS Resolution and Exhibit A
- RES – HACOS Resolution and Exhibit A
- EX B-1 – County Public Housing and Central Services budget
- EX B-2 - HUD Resolution
- RES – SHDC Resolution
- RES – County Multifamily Housing Application Schedule
- EX A – Multifamily Housing Application Schedule
- ATT 1 – Background

RESOLUTION NO.

APPROVAL OF 2020 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITY FOR UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) SUBMISSIONS, GRANTS AND FUND TRANSFERS

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

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

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

Section 1. The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities, and therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b), and are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be

completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 2. The 2020 Operating Budget totaling \$163,933,237 and the 2020 Project Budget totaling \$48,027,902, all as further described in the 2020 Proposed Agency Budget (hereinafter "2020 Agency Budget" or "Budget"), a copy of which is on file with the Agency Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of the Agency for the 2020 fiscal year. The 2020 Agency Budget incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 3. A total of 246 full time equivalent positions (FTE) are approved subject to classification review by the Executive Director, or designee, of the Sacramento Housing and Redevelopment Agency.

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

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

Section 6. The Agency is authorized to submit the 2020 Annual Housing Operating Budget and all supporting documents to the United States

Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Agency is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects.

Section 7. The proposed expenditures under the 2020 Housing Operating Budget are necessary for the efficient and economical operation of Agency housing to serve low-income families.

Section 8. The housing financial plan set forth in the 2020 Housing Operating Budget is reasonable in that:

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

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

after receiving public comments and resident review and approval of the Sacramento Housing and Redevelopment Agency Commission.

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

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

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

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

Section 14. The Agency is authorized to submit to HUD the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG) and

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 25. The Agency is authorized to amend the operating budget or capital project budget or transfer funding of approved capital projects or operating budgets within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.

Section 26; The Executive Director, or designee, is authorized to amend the budget to receive insurance proceeds and award contracts to expend insurance proceeds so long as such proceeds are used exclusively towards, the repairing, rehabilitating, replacing or otherwise compensating for the insured loss.

Section 27. The Agency is authorized to execute and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to reconcile available revenues as needed to assure receipt of anticipated revenues.

Section 28. The Agency is authorized to exercise default remedies and take other actions to protect the Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. The Agency is authorized to enter into "loan work outs," to the extent reasonably necessary to protect the Agency assets, and in entering such "work outs," the Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria. Further, the Agency is authorized to

renegotiate existing Agency debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide the Agency with more favorable loan terms.

Section 29. All project appropriations in existence as of December 31, 2019 will be carried over and continued in 2020.

Section 30. All multi-year operating grant budgets in existence as of December 31, 2019 shall be continued in 2020.

Section 31. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2019 may remain in effect in 2020. The Agency is authorized to increase the Budget for valid encumbrances as of December 31, 2019, but only to the extent that the applicable division's 2019 operating budget appropriations exceeded expenditures.

Section 32. The Agency is authorized to incorporate the changes listed on Exhibit A as part of the 2020 Budget.

Section 33. If any entity requires a separate resolution to confirm any action approved within this resolution, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.

Section 34. The Agency is authorized to delegate the authorities as set out in this resolution to the Agency's Executive Director.

Section 35. This resolution shall take effect immediately.

On a motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this 5th day of November, 2019, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT (§ 18702.5.))

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors

EXHIBIT A

**SUMMARY OF SACRAMENTO HOUSING
AND REDEVELOPMENT AGENCY PROPOSED 2020 BUDGET**

Approved 2020 Total Operating Budget	\$ 163,933,237
Approved 2020 New Projects	\$ 48,027,902
Revised Approved 2020 New Projects	\$0
TOTAL AGENCY BUDGET	\$ 211,961,139

RESOLUTION NO. _____

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

ON DATE OF

**APPROVAL OF 2020 BUDGET FOR SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS,
DELEGATIONS, AND IMPLEMENTING AUTHORITIES; INCLUDING
AUTHORITY FOR UNITED STATES DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT (HUD) SUBMISSIONS, GRANTS AND FUND
TRANSFERS**

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

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

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

WHEREAS, as of February 1, 2012, pursuant to Health and Safety Code Section 34173 and resolution no. 2012-0051, the fiscal administration of the former Redevelopment Agency of the County was assumed within the

management structure of the County of Sacramento which elected to administer the dissolution of its redevelopment agency and manage the County Redevelopment Agency Successor Agency (CRASA). The budget of the former Redevelopment Agency is no longer incorporated within the Agency Budget; and

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

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

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

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

Section 3. The 2020 Operating Budget totaling \$163,933,237 and the 2020 Project Budget totaling \$48,027,902, all as further described in the 2020 Proposed Agency Budget (hereinafter "2020 Agency Budget" or "Budget"), a copy of which is on file with the Agency Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of Agency for the 2020 fiscal year. The 2020 Agency Budget incorporates the budgets of the Housing Authority of the City

of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 4. A total of 246 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.

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

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

Section 7. The Executive Director, or designee, is authorized to submit the 2020 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Executive Director, or designee, is authorized to amend the Budget to reflect actual HUD approved

expenditures and revenues for HUD funded programs and projects. Please see Exhibit B-1 for a summary of the Public Housing operating budget.

Section 8. The proposed expenditures under the 2020 Housing Operating Budget are necessary for the efficient and economical operation of Agency housing to serve low-income families.

Section 9. The housing financial plan set forth in the 2020 Housing Operating Budget is reasonable in that:

- a. It indicates a source of funding adequate to cover all proposed expenditures.
- b. It does not provide for use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
- c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract.
- d. It includes asset management project budgets prepared on an individual basis as shown in the Schedule of Public Housing AMP, Central Office, and Central Services 2020 Budget attached as Exhibit B-1.

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

Section 11. Based on the HUD requirement for public housing authorities to implement Asset Management that includes fee for service, the Budget implements the fee for service provisions and support service costs. The fee for service provision is predicated on the revenues generated by fees being equal to the cost of services provided. Such services include, but are not limited to property management services. Subject to applicable laws, regulations and policies governing Agency procurement, the Agency is

authorized to competitively procure and execute contracts for such fee for services.

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

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

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

Section 15. Subject to availability under the Budget of any required funds, The Executive Director, or designee, is authorized to approve conversion of HUD funded conventional public housing dwelling units to

non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with HACOS policy and governing board approvals. The Executive Director or her designee is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the approved HUD approved conversion.

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

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

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

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

Section 20. HACOS finds and declares that the proposed expenditure of tax increment housing funds, as set forth in approved recognized obligation payment schedules, for activities serving the homeless, including providing subsidies to, or for the benefit of, extremely low income households through either site specific rental assistance or tenant based rental assistance, as allocated/outlined in the budget, will not cause or exacerbate racial, ethnic or economic segregation and will be beneficial to all former Redevelopment Project Areas by facilitating the production of affordable housing and providing housing for a population which remains in or frequents the former Redevelopment Project Areas and is perceived as a blighting influence by business owners, property owners, workers and residents, and as a result impedes the elimination of blight in the community.

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

available at an affordable housing cost to persons and families that are extremely low, very low, low or moderate income households and will be of benefit to the community.

Section 22. HACOS finds and declares that the proposed planning and administrative expenses which may be paid for from the former low and moderate income housing fund, pursuant to an approved recognized payment obligation schedule, is necessary for the production, improvement and/or preservation of low and moderate income housing during the 2020 Agency Budget year.

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

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

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

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

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

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

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

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

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

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

Section 31. The Executive Director is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

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

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

Section 34. The Executive Director, or designee, is authorized to amend the budget to receive insurance proceeds and award contracts to expend insurance proceeds so long as such proceeds are used exclusively towards, the repairing, rehabilitating, replacing or otherwise compensating for the insured loss.

Section 35. The Executive Director, or designee, is authorized to amend the operating budget or capital project budget or transfer funding of approved capital projects or operating budgets within the respective project

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

Section 36. The Executive Director, or designee, on behalf of HACOS, serving as the County Successor Housing Entity, is authorized to execute, and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed for the completion of enforceable housing obligations of the former redevelopment agency to assure receipt of anticipated revenues.

Section 37. The Executive Director, or designee, is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. Agency is authorized to enter into "loan work outs," to the extent reasonably necessary to protect Agency assets, and in entering such "work outs," Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria. Further, The Executive Director, or designee, is authorized to renegotiate existing Agency debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide the Agency with more favorable loan terms.

Section 38. All project appropriations in existence as of December 31, 2019 will be carried over and continued in 2020.

Section 39. All multi-year operating grant budgets in existence as of December 31, 2019 shall be continued in 2020.

Section 40. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2019 may remain in effect in 2020. The

Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2019, but only to the extent that the applicable division's 2019 operating budget appropriations exceeded 2019 expenditures.

Section 41. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2020 Budget.

Section 42. If any entity requires a separate resolution to confirm any action approved within this resolution the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.

Section 43. The Agency is authorized to delegate the authorities as set out in this resolution to the Agency's Executive Director.

Section 44. This resolution shall take effect immediately.

On a motion by Member _____,
seconded by Member _____, the foregoing Resolution was passed
and adopted by the Housing Authority of the County of Sacramento, State of
California, this 5th day of November, 2019, by the following vote, to wit:

AYES: Members,

NOES: Members,

ABSTAIN: Members,

ABSENT: Members,

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

SEAL:

ATTEST: _____
Clerk

EXHIBIT A

**SUMMARY OF SACRAMENTO HOUSING
AND REDEVELOPMENT AGENCY PROPOSED 2020 BUDGET**

Approved 2020 Total Operating Budget	\$ 163,933,237
Approved 2020 New Projects	\$ 48,027,902
TOTAL SHRA BUDGET	\$ 211,961,139

County Public Housing AMP, Central Office and Central Services Budget

January 1 - December 31, 2020

PHA Code: CA007 County of Sacramento	County <u>AMP 1</u>	County <u>AMP 2</u>	County <u>AMP 3</u>	County <u>AMP 5</u>	Total County Public Housing	County COCC Central Office & Central Svc.
Beginning fund equity	\$ 1,234,427	\$ 943,217	\$ 583,689	\$ 1,145,256	\$ 3,906,589	\$ -
Revenues:						
HUD Operating Subsidy	637,000	709,950	1,125,849	684,809	3,157,608	-
Maintenance Charges to Tenants	-	3,000	1,000	3,500	7,500	-
Washer/Dryer Income	-	5,000	3,500	1,400	9,900	-
Rental Income - Dwelling	-	635,473	896,055	507,433	2,038,961	-
Rental Income - Other	-	-	-	5,000	5,000	-
Interest Income - Investment	-	2,000	8,500	8,400	18,900	200
Bad Debt Recovery	-	-	1,000	-	1,000	-
Miscellaneous Income	-	2,000	5,800	2,800	10,600	-
Return Check Fee	-	-	30	-	30	-
Management Fee	-	-	-	-	-	1,254,142
IT/Bookkeeping Fee	-	-	-	-	-	63,000
Asset Management Fee	-	-	-	-	-	92,520
Admin Fee (CFP) & (HCV)	-	-	-	-	-	2,278,717
Washer/Dryer Income	-	-	-	-	-	-
Central services fees	-	-	-	-	-	364,207
Total operating revenue	637,000	1,357,423	2,041,734	1,213,342	5,249,499	4,052,786
CFP operating transfers	-	-	-	-	-	-
CFP Mgmt Impr transfers	-	65,415	65,415	65,449	196,279	-
AMP to AMP transfers	(637,000)	212,333	212,333	212,334	-	-
Total revenues and transfers in	-	1,635,171	2,319,482	1,491,125	5,445,778	4,052,786
Expenditures:						
Employee Services:						
- Management/Maintenance	-	408,443	465,829	372,502	1,246,774	824,817
- Resident Trainees	-	65,415	65,415	65,449	196,279	-
Total Employee Services	-	473,858	531,244	437,951	1,443,053	824,817
Services & Supplies:						
- Management/Maintenance	-	585,556	1,059,500	542,386	2,187,442	3,227,769
Other Charges:						
Financial Transactions	133,195	855	1,230	1,500	136,780	200
- Central Service Fees	-	110,228	157,388	96,591	364,207	-
- Miscellaneous (PILOT, Depr.)	-	29,295	32,957	27,062	89,314	-
Management Fee	-	156,465	227,362	138,536	522,363	-
IT / Bookkeeping Fee	-	18,720	27,610	16,670	63,000	-
Asset Management Fee	-	31,320	32,280	28,920	92,520	-
Total operating expense	133,195	1,406,297	2,069,571	1,289,616	4,898,679	4,052,786
Ending Balance	\$ 1,101,232	\$ 1,172,091	\$ 833,600	\$ 1,346,765	\$ 4,453,688	\$ -

PHA Board Resolution
Approving Operating Budget

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

Exhibit B-2
OMB No. 2577-0026
(exp. 04/30/2016)

Public reporting burden for this collection of information is estimated to average **10 minutes per response**, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

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

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

PHA Fiscal Year Beginning: 01/01/2020 Board Resolution Number: _____

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

DATE

- Operating Budget approved by Board resolution on: 11/5/2019
- Operating Budget submitted to HUD, if applicable, on: _____
- Operating Budget revision approved by Board resolution on: _____
- Operating Budget revision submitted to HUD, if applicable, on: _____

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

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

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

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Patrick Kennedy	Signature:	Date:
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RESOLUTION NO. SHDC ____

ADOPTED BY THE SACRAMENTO HOUSING DEVELOPMENT CORPORATION

ON DATE OF

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

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

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

Section 2. The Budget totaling \$711,912 for the Riverview Plaza Residential project, which is incorporated in the budget of the Sacramento Housing and Redevelopment Agency, all as further described in the "2020 Proposed Budget", a copy of which is on file with the Agency Clerk, is approved as the Operating Budget for the 2020 fiscal year for the Sacramento Housing Development Corporation (2020 Budget).

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

amounts in the approved 2020 Budget.

Section 4. The Executive Director is authorized to submit grant applications for any and all activities within the authority and jurisdiction of the Sacramento Housing Development Corporation. The Executive Director is authorized to accept such grants, to amend the 2020 Budget to receive and allocate the grant funds, and to implement the actions required by the grant for any projects and programs currently within the Sacramento Housing Development Corporation's authorization and jurisdiction, provided that the activities are fully funded by the grant. Such Budget amendments are permitted for, but not limited to, positions, services and supplies, equipment and projects.

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

Section 6. The Executive Director is authorized to make payments on debt incurred by the Sacramento Housing Development Corporation as necessary to comply with the provisions of the Partnership Agreement within which the Corporation serves as the General Partner, and as deemed prudent and necessary by the Executive Director on behalf of the Sacramento Housing Development Corporation and within the 2020 Budget hereby adopted.

Section 7. The Executive Director, or designee, is authorized to amend the budget to receive insurance proceeds and award contracts to expend insurance proceeds so long as such proceeds are used exclusively towards, the repairing, rehabilitating, replacing or otherwise compensating for the insured

2019 Sacramento Housing and Redevelopment Agency Proposed Budget
Page 3 of 4
loss.

Section 8. The Executive Director is authorized to incorporate the changes listed on Exhibit A as part of the 2020 Budget.

Section 9. The Executive Director is authorized to act on behalf of the Sacramento Housing Development Corporation with the same authority as conferred upon the Executive Director of the Sacramento Housing and Redevelopment Agency.

Section 10. This resolution shall take effect immediately.

On a motion by Director _____,
seconded by Director _____, the foregoing
Resolution was passed and adopted by the Sacramento Housing
Development Corporation, State of California, this 5th day of November,
2019, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

ABSTAIN: Directors,

ABSENT: Directors,

ABSTAIN: Directors,

(PER POLITICAL REFORM ACT (§ 18702.5.))

Chair, Board of Directors
Sacramento Housing Development
Corporation

(SEAL)

ATTEST: _____
Clerk

RESOLUTION NO.

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

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

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

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

Section 1. The above recitals, including the environmental recital, are found to be true and correct and are hereby approved and adopted.

Section 2. SHRA is authorized to adopt the 2020 Multifamily Lending and Mortgage Revenue Bond Policies Program Application Schedule as outlined Exhibit A.

On a motion by Supervisor _____, seconded by Supervisor _____, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento this 5th day of November, 2018, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

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

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors

**Sacramento Housing and Redevelopment Agency
Multifamily Loan and Mortgage Revenue Bond Applications
2020 Schedule ***

July 9% TCAC & CDLAC Applications:

Pre-Application Deadline	January 2, 2020
Application Deadline	March 2, 2020
Environmental Deadline**	April 30, 2020
Sacramento Housing and Redevelopment Commission (SHRC)	June 3, 2020
Board of Supervisors (Board) / City Council (Council)	June 23, 2020
9% TCAC/CDLAC Application Deadline (est.)	July 6, 2020

March 9% TCAC & CDLAC Applications:

Pre-Application Deadline	August 3, 2020
Application Deadline	October 5, 2020
Environmental Deadline **	December 18, 2020
SHRC	February 3, 2021
Board / Council	February 23, 2021
9% TCAC/CDLAC Application Deadline (est.)	March 1, 2021

Optional CDLAC Applications:

(based on funding availability)

Pre-Application Deadline:	October 1, 2020
Application Deadline	December 1, 2020
Environmental Deadline **	February 18, 2021
SHRC	April 21, 2021
Board / Council	May 11, 2021
CDLAC Application Deadline	May 19, 2021

* TCAC/CDLAC deadlines are estimates; therefore, schedule subject to change, if needed, to align with State program deadlines and governing body meeting calendars.

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

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

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

Revenue under the HCV program is received from HUD in the form of Housing Assistance Payments (HAP) and Administrative Fees (AF). The federal appropriations process dictates the amount of funding that will be allocated to the HCV program on a national level. Jurisdictional funding allocations are performance based, with the funding level determined by the number of authorized vouchers leased. Currently, the Housing Authority has 12,608 vouchers authorized for leasing each month and the program strives to maintain a leasing level of 99-100 percent utilization of all vouchers authorized by HUD. In addition, the Agency also administers 594 vouchers for the Shelter Plus Care program serving disabled, homeless individuals and families and certificates for the Moderate Rehabilitation program. In total between all programs the HCV department houses 13,202 families on an annual basis.

The utilization level of vouchers makes the HCV program eligible for maximum funding from HUD. However, despite being entitled to maximum funding for the program, depending upon federal appropriations, HUD prorates the amount received by each Agency to remain within the parameters of the federal budget. In 2019, the Agency's HAP eligibility was at 99.7 percent. Staff anticipates a similar funding level for 2020 based upon the current proposals moving through Congress. In addition, HUD intentionally provides less funding than required to cover HAP costs in an effort to recapture accumulated HAP reserves from public housing authorities across the country. In 2018 HUD intentionally recaptured HAP reserves leaving the Housing Authority with approximately two weeks of reserves; therefore, managing leasing levels effectively is exceptionally critical.

HCV administrative funding eligibility is based upon the number of units leased within the Housing Authority's authorized voucher allocation, currently 12,375 units per month. Once eligibility is determined, HUD uses a formula to determine administrative fees for the Agency. For 2019, the Agency receives \$94.43 per unit for the first 7,200 unit months leased and \$88.13 per unit on all remaining unit months leased. HUD then applies a proration to the formula to reduce fees paid so that the administrative fees paid to housing authorities' matches the appropriations provided by Congress. In 2019 the proration was 79.569 percent of administrative funding eligibility. This is a slight decrease from the 80 percent proration of administrative funding eligibility in 2018. The Agency expects funding in 2020 to remain similar to that purposed by the Administration and Congress in 2019.

Public Housing:

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

HUD provides an annual operating subsidy to pay the cost of the Public Housing Program not covered by tenant rents which is appropriated annually through the federal budget process. The federal budget process has recently been erratic, with annual appropriations reaching as high as 103 percent of funding eligibility in 2010 to as low as 82 percent in 2013. In 2019, the program was funded at 97 percent of funding eligibility, meaning that the program received only 97 percent of what HUD believes the Agency needs to run the program. This requires that the Public Housing Program cut operating costs whenever possible and utilize operating reserves. The Agency anticipates a similar level of funding for 2020.

The Housing Authority will be participating in the Rental Assistance Demonstration (RAD) Program, where HUD has approved the disposition of public housing from the program in order to address the nationwide backlog of deferred maintenance on public housing properties. The authority will be working with SHRA's nonprofit, Sacramento Housing Authority Repositioning Program, Inc. (SHARP) to dispose and maintain the properties. This move, will not only preserve low income housing, it will allow private investment to address the capital needs of the Agency properties.

Local Housing (Non-Federal)

The Housing Authority also owns and manages 271 affordable units funded with tax credits and local funds. These local housing projects are not regulated by HUD and have 2019 revenues that are relatively status quo with 2018.

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

The budget for the Sacramento Housing Development Corporation (SHDC), a nonprofit public benefit corporation created to serve as the general partner of Riverview Plaza Associates (RPA) is also included in the Agency budget. SHDC is the General Partner of the Riverview Plaza Associates (RPA) - a California limited partnership created to provide affordable housing to seniors with limited income. One of the governing boards of the Agency (the County Board of Supervisors) serves as the Board of Directors of the general partner. The Housing Authority of the City of Sacramento serves as the limited partner. The 2020 budget of SHDC and its limited partnership is \$711,912 and is approved annually by the County Board of Supervisors sitting as the Board of SHDC.

Capital Fund Program (CFP):

The HUD CFP provides funding specifically intended for the development, financing, modernization, and management improvements needed at properties owned under the HUD public housing program. Funds are allocated annually via a formula. The Agency receives funding for the public housing properties owned by both the City and County Housing Authorities. Between 2003 and 2015, HUD funding for the CFP decreased 36 percent, with the sharpest decrease coming in 2011 at 21 percent. In 2019 HUD funding for the CFP increased from the 2018 levels; however 2020 is expected to return to pre-2019 levels. Revenue estimates are based on the current year grant amounts and are adjusted based upon Federal appropriation proposals.

Community Development Block Grant (CDBG):

CDBG is a federal entitlement program provided to communities annually for the benefit of low-income persons through housing improvement, public improvements, economic development, public service and elimination of blighting conditions. Areas of Sacramento which are low-income and extremely physically blighted have been selected for targeted CDBG

assistance in the areas of capital improvements, housing preservation and renovation, and economic development and commercial revitalization activities. These funds must be used to augment but not replace local funds and responsibilities.

The annual HUD CDBG entitlement budget is allocated to cities and counties based on a formula comprised of several measures. The Agency receives grants for both the City and the County of Sacramento. Since 2010, CDBG appropriations have been cut by as much as 25 percent. Though funding levels are currently unknown for 2020, 2019 revenues increased slightly and are projected to be status quo with 2018 levels.

Home Investment Partnership Program (HOME):

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

The annual HUD HOME budget is allocated to participating jurisdictions as formula grants. Since 2010, federal appropriations for the HOME program have declined significantly. 2018 saw a slight increase that did not continue into 2019. HOME federal funding levels are anticipated to be status quo with 2018 funding levels.

Housing Trust Funds (HTF):

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

Housing Trust Fund fees dropped dramatically from 2009 to 2012 due to the sharp decline in the number of commercial building permits being issued. Beginning in 2013, there has been a steady increase in revenues due to an increase in building permits and prior year loan repayments; however 2019 is experienced a slight decrease in revenue and 2020 funding levels are anticipated remain consistent with 2019.

Affordable and Mixed Income Housing Programs:

The Agency administers the Affordable Housing and the Mixed Income Housing Ordinance on behalf of the City and County of Sacramento respectfully. Residential nexus analyses demonstrate the relationship between the development of market-rate residential units and the need for additional workforce housing. The fees associated with the ordinances are applicable to new housing developments and used to increase the supply of affordable workforce housing.

In 2014 the County increased the ability for developers to pay a fee, rather than construct affordable units, with revisions to Affordable Housing Ordinance. Fee collection in the City began in 2015 with the adoption of the revised Mixed Income Housing Ordinance.

Emergency Solutions Grant (ESG):

The ESG program is designed to directly assist homeless individuals and families by providing funding to support the provision of emergency shelters and rapid rehousing assistance. ESG funding is used for operations and essential social services necessary to support shelter residents and for the rapid re-housing of eligible individuals and families. The ESG program is designed to assist homeless subpopulations within this group, such as victims of domestic violence, youth, people with mental illness, families with children, and veterans. ESG funds can also be used, in narrowly defined situations, to aid people who are imminently at risk of becoming homeless. Revenues for 2020 are projected to be relative status quo with 2019 levels.

Housing Opportunities for Persons With AIDS (HOPWA):

HOPWA funding provides housing assistance and related supportive services in an effort to develop consortium-wide strategies and to form partnerships with area nonprofit organizations. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. HOPWA funds may also be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services. Revenues for 2020 are projected to be relative status quo with 2019 levels.

As a HOPWA recipient, SHRA has the responsibility to serve eligible individuals within the Eligible Metropolitan Statistical Area (EMSA) which is a metropolitan area with more than 500,000 people and more than 2,000 persons living with HIV or AIDS. For HOPWA funds allocated to the City, the eligible area includes Sacramento, Yolo, Placer, and El Dorado counties. SHRA works with sub-recipients to provide services to HOPWA-eligible clients.

