



October 10, 2014

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2015 Sacramento Housing and Redevelopment Agency Budget – City Report

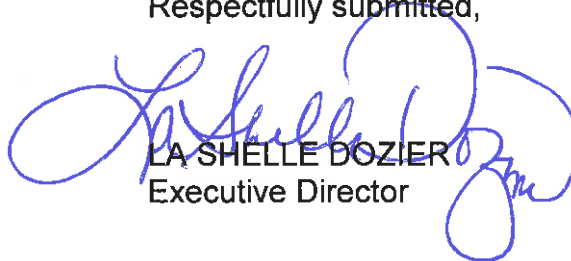
SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

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 6, 2014**

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

Title: 2015 Sacramento Housing and Redevelopment Agency Proposed Budget

Location/Council District: Citywide

Recommendation: Conduct a public hearing and upon conclusion adopt: 1) a **Council Resolution** a) approving the 2015 Proposed Budget for the Sacramento Housing and Redevelopment Agency (Agency), b) delegating authority to administer certain federal funds and authorizing the Agency to: i) submit the Comprehensive Plan to United States Department of Housing and Urban Development (HUD); ii) submit to HUD the One-Year Action Plan for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG), American Dream Down Payment Initiative (ADDI), and Housing Opportunities for People with AIDS (HOPWA) programs; iii) submit grant applications for activities within the jurisdiction of the Agency; and iv) enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget in accordance with the limitations of the Resolution, and undertake other actions necessary to implement the aforementioned; and c) consenting to the Agency's submittal of the annual housing operating budgets and application for Capital Fund Plan funding to HUD. 2) a **Housing Authority Resolution (Authority)** a) approving the 2015 proposed budget for the Housing Authority of the City of Sacramento; and b) delegating authority to administer certain federal funds and authorizing the Housing Authority to: i) submit the Comprehensive Plan to United States Department of Housing and Urban Development (HUD); ii) submit to HUD the One-Year Action Plan for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG), American Dream Down Payment Initiative (ADDI), and Housing Opportunities for People with AIDS (HOPWA) programs; iii) submit grant applications for activities within the jurisdiction of the Agency; c) authorizing the Executive Director to: (i) submit the annual housing operating budgets to HUD; (ii) submit application to HUD for Capital Fund Plan funding; (iii) submit the Comprehensive Plan to HUD; (iv) submit grant applications for activities within the jurisdiction of the Authority; and (v) enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget in accordance with the limitations of the resolution, and undertake other actions necessary to implement the aforementioned.

2015 SHRA Proposed Budget

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

Presenters: La Shelle Dozier, Executive Director, Donald Cavier, Director of Finance

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The annual budget of the Sacramento Housing and Redevelopment Agency (Agency) incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento and the administration of specific funds on behalf of the City and County of Sacramento. As of February 1, 2012 the fiscal administration of the former Redevelopment Agency of the City and the former Redevelopment Agency of the County were assumed within the management structure of the City and County which elected to administer the affairs of the successor agencies. The budgets of the former redevelopment agencies (Redevelopment Successor Agency) are no longer incorporated within the Agency Budget. The proposed 2015 Budget provides a plan by which the Agency operates in an efficient manner and in compliance with the regulatory requirements of our funding sources and the Government Accounting Standards Board. The Agency's budget and fiscal year is the calendar year from January 1st through December 31st. Neither the City nor the County provides any General Funds in support of the Agency's budget.

The Agency proposes a balanced budget in the amount of \$184.1 million representing the operational activities and projects for 2015. The 2015 proposed budget represents a \$16.4 million or 9.8 percent increase in net appropriations compared with the prior year. This change in annual budget appropriations is primarily the result of the following factors: 1) projected restoration of federal funding for housing assistance payments under the Housing Choice Voucher program (HCV), 2) an increase in funding available for multi-family development due to unscheduled loan repayments received in late 2014, and 3) an increase in funding available for homeownership activities due to the award of \$3.0 million in State CalHOME funds. Additionally, there is a onetime increase in debt service payments related to the maturity of a CalHFA Help Loan.

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

- Protecting "core services" to the greatest extent possible, with delivery of housing programs, public services and capital projects being a major priority;
- Managing program activities by focusing on the efficiency of program delivery and the maximization of results;
- Consideration of the overall financial health of the organization, not just the cash flow from year to year;
- Using partnerships with community based organizations and private entities whenever practicable; and

2015 SHRA Proposed Budget

- Developing budget plans that deal with the immediate needs of the Agency and employ strategies that address the long-term needs of the communities we serve.

Calendar Year 2015 Proposed Budget (\$\$\$ In Millions)						
	2012 Budget	2013 Budget	2014 Budget	2015 Budget	Variance (2014 to 2015)	
<u>OPERATIONS</u>						
Salaries and Benefits	23.3	19.9	19.6	20.9	1.3	6.6%
Services and Supplies	15.6	14.7	14.8	15.3	0.4	3.0%
Housing Assistance Payments	101.9	107.2	103.5	108.1	4.5	4.4%
Debt Service	42.4	3.1	2.3	3.2	0.9	38.1%
Financial Transactions	31.1	0.9	0.6	0.5	(0.0)	1.2%
Public Services	3.6	5.1	4.9	5.2	0.3	6.1%
Sub-Total	\$217.9	\$151.0	\$145.7	\$153.2	\$7.4	5.1%
<u>CAPITAL PROJECTS</u>						
Housing Development and Preservation	10.1	13.2	14.0	19.4	5.4	38.4%
Housing Authority Capital Projects	2.1	2.3	4.4	2.9	(1.5)	-35.5%
Infrastructure and Public Improvements	5.8	3.1	3.5	8.6	5.1	147.0%
Sub-Total	\$18.0	\$18.6	\$21.9	\$30.9	\$9.0	41.0%
TOTAL	\$235.9	\$169.6	\$167.6	\$184.1	\$16.4	9.8%

Since the elimination of redevelopment, the Agency receives 84% of its funding from the federal government through the Department of Housing and Urban Development. The Sequestration cuts of 2013 seriously impacted the Public Housing and Housing Choice Voucher programs; however, the passage of a two year budget agreement resulted in a small restoration of funding in 2014 for several housing programs.

While 2014 saw the partial restoration of funding for the HCV program, funding for other federal programs are expected to remain at or near the 2013 Sequestration levels. For 2014 federal programs like CDBG and HOME have not seen much change in appropriation levels since the Sequestration cuts of 2013 and this has reduced the number of housing projects, public services and infrastructure improvements the Agency can fund. For 2015, we expect Agency programs will be funded at levels similar to 2014.

2015 SHRA Proposed Budget

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

City & County Federal Funding (In Millions)						
FUNDING SOURCES	2010	2011	2012	2013	2014 Est.	2015 est
CDBG	\$ 12.57	\$ 10.47	\$ 8.69	\$ 9.11	\$ 9.09	\$ 9.09
HOME	\$ 6.98	\$ 6.16	\$ 3.78	\$ 3.72	\$ 3.91	\$ 3.72
Entitlement Programs Sub-Total:	\$ 19.55	\$ 16.63	\$ 12.47	\$ 12.83	\$ 13.00	\$ 12.81
PHA OPERATING FUND	\$ 9.36	\$ 10.26	\$ 9.94	\$ 8.80	\$ 10.12	\$ 10.12
PHA CAPITAL FUND	\$ 5.48	\$ 4.32	\$ 3.99	\$ 4.02	\$ 3.90	\$ 3.70
Public Housing Sub-Total:	\$ 14.84	\$ 14.58	\$ 13.93	\$ 12.82	\$ 14.02	\$ 13.82
HCV HAPS	\$ 99.10	\$ 101.10	\$ 103.00	\$ 98.50	\$ 102.80	\$ 103.00
HCV ADMINISTRATIVE FEES	\$ 9.30	\$ 8.95	\$ 8.40	\$ 7.57	\$ 7.78	\$ 7.47
HCV Sub-Total:	\$ 108.40	\$ 110.05	\$ 111.40	\$ 106.07	\$ 110.58	\$ 110.47
EMERGENCY SOLUTIONS GRANT (ESG)	\$ -	\$ -	\$ -	\$ 0.63	\$ 0.74	\$ 0.74
SHELTER PLUS CARE	\$ -	\$ 3.76	\$ 4.26	\$ 4.70	\$ 4.70	\$ 4.70
HOPWA	\$ -	\$ -	\$ 0.90	\$ 0.86	\$ 0.90	\$ 0.90
Public Services Sub-Total:	\$ -	\$ 3.76	\$ 5.16	\$ 6.19	\$ 6.34	\$ 6.34

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

For the Housing Authorities of the City and County, serving as Housing Successor to the former redevelopment agencies, the 2015 Proposed Budget contains provisions for rental assistance obligations of the former redevelopment agency previously funded from low and moderate tax increment revenues. These obligations have been reported on the Recognized Obligation Payment Schedule of the City Successor Agency and reviewed by the California Department of Finance without issue. However, obligations reported on the ROPS are subject to challenge every six months. If for any reason, the State later determines that these activities are not enforceable obligations the Housing Authority will have no ability to continue to fund these activities.

Economic Impacts: *Not applicable*

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action to adopt the Budget does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b)(4). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301 and these activities do not require a review under NEPA pursuant to 24 CFR Section 58.35(b)(1), (2), (3), and (4).

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All other actions are associated with the adoption of the 2015 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Sustainability Considerations: N/A

Other: The proposed actions to adopt the Budget are considered administrative and management activities, and are exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). All other actions are associated with the adoption of the 2015 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any choice limiting action(s) being carried out with regard to such projects.

Commission Action: At its meeting on October 15, 2014, the Sacramento Housing and Redevelopment Commission considered this item. The votes were as follows:

AYES:

NOES:

ABSENT:

Rationale for Recommendation: The proposed budget provides a fiscal strategy for operations and capital projects during 2015. The budget is in balance and complies with applicable federal, state, and local regulations on the use of the funds.

Financial Considerations: The 2015 Proposed Budget recommends total expenses of \$184.1 million, with the Housing Assistance Payments Budget at \$108.1 million; the Operating Budget at \$36.2 million; the Capital Project Budget at \$30.9 million; the Public Services Budget at \$5.2 million; and, the Debt Service and Financial Transaction Budget at \$3.7 million. The 2015 Proposed Budget of \$184.1 million represents a \$16.4 million or 9.8% increase compared with the total 2014 Adopted Budget.

The Agency has adapted to the new economic reality post redevelopment by refocusing the organization's direction and priorities, and fine tuning our resources for doing business. We have streamlined operations over the past several years by strategically reducing operational costs through layoffs, staff attrition, transfers, reduced work schedules, and cuts to services and supplies. To date, these efficiencies have been implemented without a reduction in the number of people we serve.

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

Respectfully Submitted by:


LA SHELLE DOZIER
Executive Director

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BACKGROUND**Public Housing:**

The Housing Authorities' own and/or manage approximately 3,416 housing units within the City and County of Sacramento. Of these, 2,788 of the units were developed under the federal public housing program administered by the Department of Housing and Urban Development (HUD) and are located throughout the Sacramento region with (1,753 units) in the City and (1,035 units) in the County. Approximately 1,000 of these units are designated as elderly and/or disabled only with the remaining units available to families. Program revenues are generated from tenant rent collections and operating subsidies provided by HUD. The amount of rent paid by the tenants is based on 30 percent of gross family income minus certain other adjustments. In 2014, HUD approved the disposition and sale of 76 single family units of public housing under the property recycling program (PRE) to low-income home buyers, with sales to qualified home buyers expected to begin in 2015. In addition to the public housing units, the Housing Authority manages another 628 units of local non-public housing.

The average occupancy rate in the Public Housing program is 98 percent for public housing properties available to be leased. Rents reflect a slight decline over the last several years due primarily to: 1) long term vacancies associated with major rehabilitation projects, 2) the disposition of three public housing high-rises to the Agency affiliated non-profit the Sacramento Housing Asset Repositioning Program, Inc. (SHARP), 3) the sale of single family public housing units under the HUD 5h/Section 32 program and 4) the reduction in TANF and SSI income to PHA tenants which reduces the tenants share of the rental payments (30% of income).

HUD operating subsidy, the funds provided by HUD to pay the costs of the program not covered by tenant rents, is appropriated annually through the federal budget process. Given the turmoil surrounding the federal budget, annual appropriations have been erratic reaching as high as 103% of funding eligibility in 2010 to as low as 82% in 2013. In 2014 the program is being funded at 89% of funding eligibility, meaning that the program is only receiving 89% of what HUD believes the Agency needs to run the program. This requires the public housing program to cut operating costs wherever possible and utilize its meager operating reserves. The Agency anticipates a similar level of funding for 2015.

Public Housing (Non-Federal):

While the public housing units have shown decreases in both rents and operating subsidy, the Agency's local housing projects, units not regulated by HUD, have shown positive revenue trends. The primary reason for this change is the implementation of the Housing Authority's asset repositioning strategy that has moved three Public Housing high-rise buildings to the Sacramento Housing Authority Asset Repositioning Program, Inc. (SHARP).

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Capital Fund Program:

The HUD CFP provides funding specifically intended for the development, financing, modernization, and management improvements for 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 the City and County Housing Authorities. Between 2001 and 2014, HUD funding for the capital improvements and modernization of Public Housing properties decreased 42%, with the sharpest decrease coming in 2011 at 21%. 2015 HUD funding for the CFP is expected to hover at or near the 2014 level. Revenue estimates are based on the current year grant amounts and are adjusted based upon Federal appropriation proposals.

Housing Choice Voucher Program (HCV):

The Housing Choice Voucher (formerly Section 8 Housing Assistance) program is funded by the U.S. Department of Housing and Urban Development (HUD) through Annual Contribution Contracts (ACC). The Agency administers this program on behalf of the Housing Authority of the County of Sacramento. The Housing Choice Voucher program permits the applicant to obtain housing in the private rental market using housing vouchers. The program participants pay a portion (an adjusted 30 percent of gross family income) of the lease rate to the owner and the remaining rent amount is paid by the Housing Authority. Participants can utilize their voucher anywhere in the City or County of Sacramento.

Revenue under the HCV program is received from HUD in the form of Housing Assistance Payments (HAP) and Administrative Fees (AF). The federal appropriations process dictates the amount of funding that will be allocated to the HCV program on a national level. Jurisdictional funding allocations are performance based, with the funding level determined by the number of authorized vouchers leased. Currently, the Housing Authority has 11,890 vouchers authorized for leasing each month and the program has effectively maintained a leasing level between 98% and 100% leasing for all vouchers authorized by HUD since 2008.

The high utilization level of vouchers makes the program eligible for maximum funding from HUD. Despite the fact that the Agency is entitled to maximum funding for the program, HUD has intentionally provided less funding than required to cover HAP costs in an effort to recapture accumulated HAP reserves from public housing authorities across the country. In 2008 and 2009 HUD intentionally recaptured HAP reserves leaving the Housing Authority with approximately two weeks of reserves; therefore, managing leasing levels becomes exceptionally important. During the Sequestration cuts of 2013, HUD provided significantly less funding than was required to cover the scheduled housing assistance payments to landlords. The Agency's 2013 funding eligibility of \$103.7 million was prorated at 95%, a funding cut of \$5.2 million. HUD's current funding level required the Agency to expend the majority of the Agency's existing HAP reserve. Currently, HUD is prorating our eligibility at 99.7% and the Agency projects that this will be sufficient to meet our HAP costs for 2014. The Agency

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anticipates a similar funding level for 2015 based upon the current proposals moving through Congress.

HCV administrative funding eligibility is based upon the number of units leased within the Housing Authority's authorized voucher allocation, currently 11,890 units per month. Once eligibility is determined, HUD uses a formula to determine administrative fees for the Agency. For 2014, the Agency receives \$82.58 for the first 7200 unit months leased and \$77.07 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. Sequestration triggered a 69% proration of 2013 HCV administrative funding eligibility and represented a 12% reduction compared with 2012. The Agency expects funding in 2014 to increase slightly based upon the slightly higher proration level applied by HUD. However, 2015 is a big unknown given the wide array of funding levels purposed by the administration and Congress.

Community Development Block Grant (CDBG):

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

The annual HUD CDBG entitlement budget is allocated to cities and counties based on a formula comprised of several measures. The Agency receives grants for both the City of Sacramento and the County of Sacramento. Since 2010, CDBG appropriations have been cut by 31%. Revenues are projected to be relative status quo with 2014 levels.

Home Investment Partnership Program (HOME):

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

The annual HUD HOME budget is allocated to states and participating jurisdictions as formula grants. The Agency receives HOME entitlement for both the City of Sacramento and the County of Sacramento. Since 2010, appropriations for HOME have declined by 49%. Funding improved slightly in 2014, but current federal funding proposals for 2015 reflect the possibility of another cut to the program on a national level.

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Housing Trust Funds (HTF):

The Agency administers Housing Trust Funds on behalf of 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 the commercial businesses in the surrounding area.

Housing Trust Fund fees have dropped dramatically due to the sharp decline in number of commercial building permits being issued. HTF fees in the City are expected to improve in the near term due to the construction of the new arena in downtown.

RESOLUTION NO. 2014-**Adopted by the Sacramento City Council**

on date of

APPROVAL OF 2015 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 to manage and administer federal housing and community development programs on behalf of the City and County and to provide a competitive advantage to the City and County when seeking federal and other housing and community development funding opportunities. The consolidation of multiple departments from different jurisdictions achieves close coordination of housing and community development programs and provides budget savings for operation and overhead. The Agency Executive Director reports directly to the City and the County governing boards. The Agency is recognized statewide and nationally as a model public agency that achieves multi-jurisdictional cooperation and effectively leverages local, state and federal housing and community development funds.
- B. Agency receives annual funding from a combination of federal, state and local sources.
- C. The sources of Agency revenues require an operating budget adopted prior to the start of each new fiscal year.
- D. As of February 1, 2012, pursuant to Health and Safety Code Section 34173 and resolution # 2012-018, the fiscal administration of the former Redevelopment Agency of the City was assumed within the management structure of the City of Sacramento which elected to administer the dissolution of its redevelopment agency and to manage and staff the Redevelopment Agency Successor Agency (RASA). The budget of the former Redevelopment Agency is no longer incorporated within the Agency Budget.
- E. Agency's fiscal year is the calendar year from January 1st through December 31st.
- F. Pursuant to Health and Safety Code Section 34176 and resolution # 2012-001, the City of Sacramento designated the Housing Authority of the City of

Sacramento (HACS or Authority), 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.

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

Section 1. The proposed actions to adopt the 2015 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301 and do not require a review under NEPA pursuant to 24 CFR Section 58.35(b)(1), (2), (3), and (4).

All other actions are associated with the adoption of the 2015 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 2. The 2015 Operating Budget totaling \$153,188,147 and the 2015 Project Budget totaling \$30,882,507, all as further described in the 2015 Proposed Agency Budget (hereinafter "2015 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 2015 fiscal year. The 2015 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 225 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.

Section 4. The budgeted amount for any item in the Budget may be amended by majority vote of the governing body of each entity actually undertaking and funding the activity. Such an amendment to the Budget so enacted shall

be deemed to have been approved by all of the entities that originally adopted the Budget without further action of the remaining entities.

- Section 5. The Agency is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate legal directives of the California State Department of Finance and/or the State Controller's Office and the actions taken by the City of Sacramento acting as Successor Agency of the former Redevelopment Agency approved by the Successor Agency's Oversight Board.
- Section 6. The Agency is authorized to submit the 2015 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, Agency is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects.
- Section 7. The proposed expenditures under the 2015 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 2015 Housing Operating Budget is reasonable in that:
- a. It indicates a source of funding adequate to cover all proposed expenditures.
 - b. It does not provide for use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
 - c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract.
 - d. It includes asset management project budgets prepared on an individual basis as shown in the schedule of public housing AMP and Central office 2015 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, Agency is authorized to accept the grant or grants, execute all related documents, execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements and amend the budget accordingly. Agency is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. Agency is

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

- Section 10. On an annual basis, HUD requires the Authority, staffed by the Agency, to conduct a physical inventory, analyze receivables for collectability, and, accordingly, reconcile and adjust related financial records. Agency is authorized to amend the Budget and financial records as needed for such adjustments.
- Section 11. Agency is authorized to purchase all lines of applicable insurance for its properties and operations through local independent agents, direct carriers, or risk retention pools, provided that the insurance requirements, coverage and terms are commercially reasonable and provided that the cost does not exceed the amounts in the approved Budget. Agency is also authorized to obtain flood insurance through the federal flood insurance program for Agency properties and this coverage may be secured through a local independent agent.
- Section 12. Subject to availability under the Budget of any required funds, Agency is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with adopted Agency/Housing Authority policy and governing board approvals. The Agency is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the approved HUD approved conversion.
- Section 13. The Agency is authorized and directed to approve, submit and implement the Public Housing Agency (PHA) Annual Plan and PHA Five-Year Plan and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998.
- Section 14. The Agency is 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. Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants.
- Section 15. Agency is authorized to administer funds or delegate authority to other appropriate entities approved by the governing boards, to administer ESG and HOPWA programs and expend funds and to execute contracts with the appropriate entities to carry out the activities contained in the Action Plan utilizing ESG and HOPWA funds, strictly in accordance with the terms of the approved Action Plans and funding source requirements.

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

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

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

Section 18. Agency is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. Agency may allocate and transfer any available fund balances to accounts held for future projects or reduce budget shortfalls in any other fund balances, provided monies so used are not otherwise restricted by law or regulations related to the funding source. Further, Agency is authorized to expend available

balances from the payroll fund for the cost of liabilities such as post retirement medical benefits, sick leave, and vacation accruals.

- Section 19. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.
- Section 20. Agency is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.
- Section 21. Agency is authorized to increase or decrease operating Budget appropriations up to \$100,000. Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 22. Agency is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 23. Agency is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 24. Agency is authorized to transfer project appropriations among fund groups.
- Section 25. Agency is authorized to amend the Budget to reflect all required debt service payments, pass through payments loan repayments and other existing obligations based on actual higher or lower revenues.
- Section 26. The Agency is authorized to amend the operating budget or capital project budget or transfer funding of approved capital projects or operating budgets within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable redevelopment laws and regulations or changes to the aforementioned.
- Section 27. Agency is authorized to execute and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed to assure receipt of anticipated revenues.
- Section 28. Agency is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the

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

- Section 29. All project appropriations in existence as of December 31, 2014 will be carried over and continued in 2015.
- Section 30. All multi-year operating grant budgets in existence as of December 31, 2014 shall be continued in 2015.
- Section 31. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2014 may remain in effect in 2015. Agency is authorized to increase the Budget for valid encumbrances as of December 31, 2014, but only to the extent that the applicable division's 2014 operating budget appropriations exceeded 2014 expenditures.
- Section 32. Agency is authorized to incorporate the changes listed on Exhibit A as part of the 2015 Budget.
- Section 33. If any entity requires a separate resolution for any action approved within this resolution other than resolutions for approval or amendment of projects, programs or the Agency Budget, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.
- Section 34. Agency is authorized to delegate the authorities as set out in this resolution.
- Section 35. This resolution shall take effect immediately.

Table of Contents:

Exhibit A - Summary of Changes to Sacramento Housing and Redevelopment Agency Proposed 2015 Budget

EXHIBIT A**SUMMARY OF CHANGES TO SACRAMENTO HOUSING
AND REDEVELOPMENT AGENCY PROPOSED 2015 BUDGET**

Approved 2015 Total Operating Budget	\$ 153,188,147
Revised Approved 2015 Total Operating Budget	\$0
Approved 2015 New Projects	\$ 30,882,507
Revised Approved 2015 New Projects	\$0
TOTAL SHRA BUDGET	\$ 184,070,654

RESOLUTION NO. 2014-

Adopted by the Housing Authority of the City of Sacramento

on date of

APPROVAL OF 2015 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 to manage and administer federal housing and community development programs on behalf of the City and County and to provide a competitive advantage to the City and County when seeking federal and other housing and community development funding opportunities. The consolidation of multiple departments from different jurisdictions achieves close coordination of housing and community development programs and provides budget savings for operation and overhead. The Agency Executive Director reports directly to the City and the County governing boards. The Agency is recognized statewide and nationally as a model public agency that achieves multi-jurisdictional cooperation and effectively leverages local, state and federal housing and community development funds.
- B. Agency receives annual funding from a combination of federal, state and local sources.
- C. The sources of Agency revenues require an operating budget adopted prior to the start of each new fiscal year. As of February 1, 2012, pursuant to Health and Safety Code Section 34173 and resolution 2012-018, the fiscal administration of the former Redevelopment Agency of the City was assumed within the management structure of the City of Sacramento which elected to administer the dissolution of its redevelopment agency and to manage and staff the Redevelopment Agency Successor Agency (RASA). The budget of the former Redevelopment Agency is no longer incorporated within the Agency Budget.
- D. Agency's fiscal year is the calendar year from January 1st through December 31st.
- E. Pursuant to Health and Safety Code Section 34176 and resolution 2012-001 the City of Sacramento designated the Housing Authority of the City of Sacramento (HACS), managed and staffed by the Agency, as the local authority to retain the

housing-assets and housing-functions previously performed by its Redevelopment Agency.

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

- Section 1. The above recitals are found to be true and correct and are hereby adopted.
- Section 2. The proposed actions to adopt the 2015 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301 and these activities do not require a review under NEPA pursuant to 24 CFR Section 58.35(b)(1), (2), (3), and (4).

All other actions associated with the adoption of the 2015 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 3. The 2015 Operating Budget totaling \$153,188,147 and the 2015 Project Budget totaling \$30,882,507, all as further described in the 2015 Proposed Agency Budget (hereinafter "2015 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 2015 fiscal year. The 2015 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 225 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 of any required funds, the Executive Director, or her designee, is authorized to amend the Budget as necessary to accept funds, expend funds, or transfer funds among operating budgets or project budgets to complete enforceable housing obligations, comply with legal directives of the California State Department of Finance and/or the State Controller's Office, facilitate the dissolution of redevelopment pursuant to AB 1x 26 and AB 1484, or to provide staffing services to Redevelopment Agency Successor Agency (RASA). Such transactions must comply with applicable laws and regulations and agreements to provide staffing services for RASA are subject to RASA Oversight Board Approval.
- Section 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 2015 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 2015 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 2015 Housing Operating Budget is reasonable in that:
- a. It indicates a source of funding adequate to cover all proposed expenditures.
 - b. It does not provide for use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
 - c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract
 - d. It includes asset management project budgets prepared on an individual basis as shown in the Schedule of Public Housing AMP and Central Office 2015 Budget attached as Exhibit B-1.

- Section 10. Form HUD-52574 (08/2005), attached as Exhibit B-2 for signature by the Chair of the Board of the Housing Authority, provides necessary certifications for submission of the Operating Budgets described in Section 7d.
- Section 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 concept that fee revenues will cover the cost of the services provided.
- 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 the Housing Authority of the City of Sacramento (HACS), conducts a physical inventory, analyzes receivables for collectability and, accordingly, reconciles and adjusts related financial records. The Executive Director, or designee, is authorized to amend the Budget and financial records as needed for such adjustments.
- Section 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. 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, 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 approved Action Plans utilizing ESG and HOPWA funds, strictly in accordance with the terms of the approved Action Plans 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. 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 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 payment obligation payment schedule, is necessary for the production, improvement and/or preservation of low and moderate income housing during the 2015 Agency Budget year.
- Section 23. HACS 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 City RASA for approved capital projects or operating expenses in compliance with all bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.
- Section 24. HACS is authorized to amend the budget to receive assets or transfer **assets**, receive funds or transfer funds to the City RASA and execute agreements with the City or RASA as necessary to facilitate authorized directives of the State of California, the California State Department of Finance and/or the State Controller's Office or to provide staffing services to RASA. Agreements between the Agency or HACS and the City RASA are subject to Successor Agency Oversight Board Approval.

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

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

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

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

Section 28. The Executive Director, or designee, is authorized to amend the Budget to

appropriate for expenditure all revenues received in revolving funds.

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

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

- Section 37. All project appropriations in existence as of December 31, 2014 will be carried over and continued in 2015.
- Section 38. All multi-year operating grant budgets in existence as of December 31, 2014 shall be continued in 2015.
- Section 39. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2014 may remain in effect in 2015. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2014, but only to the extent that the applicable division's 2014 operating budget appropriations exceeded 2014 expenditures.
- Section 40. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2015 Budget.
- Section 41. 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 42. The Executive Director, or designee, or designee, is authorized to delegate the authorities as set out in this resolution.
- Section 43. This resolution shall take effect immediately.

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Exhibit A: Summary of Changes To Sacramento Housing and Redevelopment
Agency Proposed 2015 Budget

Exhibit B-1: 2015 City Public Housing Asset Management Projects (AMP) and Central
Office Cost Center (COCC)

Exhibit B-2: HUD Resolution Approving the 2015 AMP Budgets

EXHIBIT A**SUMMARY OF CHANGES TO SACRAMENTO HOUSING
AND REDEVELOPMENT AGENCY PROPOSED 2015 BUDGET**

Approved 2015 Total Operating Budget	\$ 153,188,147
Revised Approved 2015 Total Operating Budget	\$0
Approved 2015 New Projects	\$ 30,882,507
Revised Approved 2015 New Projects	\$0
TOTAL SHRA BUDGET	\$ 184,070,654

City Public Housing AMP, Central Office and Central Services Budget

January 1 - December 31, 2015

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	\$ 1,439,334	\$ 1,639,266	\$ 1,891,908	\$ 638,236	\$ 497,134	\$ 833,558	6,939,436	\$ 710,063
Revenues:								
HUD Operating Subsidy	1,486,631	1,746,942	1,156,159	779,611	826,072	727,099	6,722,514	
Maintenance Charges to Tenants	15,000	25,000	5,000	5,000	11,000	20,000	81,000	
Washer/Dryer Income	4,000	-	10,000	6,000	4,000	4,000	28,000	
Rental Income - Dwelling	600,000	600,000	700,000	500,000	500,000	400,000	3,300,000	
Rental Income - Commercial			183,853				183,853	
Interest Income - Investment	10,000	12,000	9,000	4,000	3,000	5,000	43,000	-
Bad Debt Recovery	-	100	-	300	50	50	500	
Miscellaneous income	5,045	10,060	2,030	6,030	5,560	5,030	33,755	5,565
Management Fee	-	-	-	-	-	-	-	1,497,006
IT/Bookkeeping Fee	-	-	-	-	-	-	-	198,297
Asset Management Fee	-	-	-	-	-	-	-	325,440
Admin Fee (CFP)	-	-	-	-	-	-	-	253,460
Central services fees	-	-	-	-	-	-	-	399,784
Total operating revenue	2,120,676	2,394,102	2,066,042	1,300,941	1,349,682	1,161,179	10,392,622	2,679,552
CFP Mgmt impr transfers	74,411	69,991	104,091	55,591	62,761	66,539	433,384	
Total revenues and transfers in	2,195,087	2,464,093	2,170,133	1,356,532	1,412,443	1,227,718	10,826,006	2,679,552
Expenditures:								
Employee Services:								
- Management/Maintenance	688,361	576,369	573,782	404,504	323,731	335,622	2,902,369	1,014,870
- Resident Trainees	11,741	11,741	11,741	11,741	11,741	11,741	70,446	-
Total Employee Services	700,102	588,110	585,523	416,245	335,472	347,363	2,972,815	1,014,870
Services & Supplies:								
- Management/Maintenance	1,011,361	1,270,853	915,344	592,369	731,605	528,977	5,050,509	1,657,014
- Resident Trainees	62,670	58,250	92,350	43,850	51,020	54,798	362,938	
Total Services & Supplies	1,074,031	1,329,103	1,007,694	636,219	782,625	583,775	5,413,447	1,657,014
Other Charges:								
Financial Transactions	2,420	3,215	2,595	1,125	1,120	1,180	11,655	
- Central Service Fees	82,298	105,215	82,298	32,374	44,992	52,607	399,784	
- Miscellaneous (PILOT, Depr.)	43,756	50,318	39,380	28,442	28,442	28,442	218,780	
Management Fee	245,633	266,786	225,846	167,850	150,792	139,192	1,196,099	
IT / Bookkeeping Fee	31,752	34,487	29,194	21,697	19,492	17,993	154,615	
Asset Management Fee	43,200	46,920	49,080	29,520	27,480	27,720	223,920	
Total operating expense	2,223,192	2,424,154	2,021,610	1,333,472	1,390,415	1,198,272	10,591,115	2,671,884
Ending Balance	\$ 1,411,229	\$ 1,679,205	\$ 2,040,431	\$ 661,296	\$ 519,162	\$ 863,004	\$ 7,174,327	\$ 717,731

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

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

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

Previous editions are obsolete form HUD-52574 (08/2005) Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority- City of Sacramento

PHA Code: CA005

PHA Fiscal Year Beginning: 01/01/15

Board Resolution Number:

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

DATE

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

☐ Operating Budget submitted to HUD, if applicable, on:

☐ Operating Budget revision approved by Board resolution on:

☐ Operating Budget revision submitted to HUD, if applicable, on:

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

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditures are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(e) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.325.

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

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

Print Board Chairman's Name: Mayor Kevin Johnson	Signature:	Date:
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RESOLUTION NO. SHRC - _____

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

ON DATE OF

APPROVAL OF 2015 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

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

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

WHEREAS, the sources of Agency revenues require an operating budget adopted prior to the start of each new fiscal year; On February 1, 2012, pursuant to Health and Safety Code Section 34173, the fiscal administration of the former City and County Redevelopment Agencies was assumed within the management structure of the City and County of Sacramento which elected to administer the dissolution of their redevelopment agencies. The budgets of the former Redevelopment Agencies are no longer incorporated within the Sacramento Housing and Redevelopment Agency Budget; and

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

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

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

Section 1. The proposed actions to adopt the 2015 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301, and these activities do not require review under NEPA pursuant to 24 CFR Section 58.35(b)(1), (2), (3), and (4).

All other actions are associated with the adoption of the 2015 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 2. The 2015 Operating Budget totaling \$153,188,147 and the 2015 Project Budget totaling \$30,882,507, all as further described in the 2015 Proposed Agency Budget (hereinafter "2015 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 2015 fiscal year. The 2015 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 225 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.

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

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

by the Successor Agencies of the former Redevelopment Agencies approved by the Successor Agency oversight Boards.

Section 6. The Executive Director, or designee, is authorized to submit the 2015 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Executive Director, or designee, is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects.

Section 7. The proposed expenditures under the 2015 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 2015 Housing Operating Budget is reasonable in that:

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

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

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

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

independent agent.

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

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

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

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

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

Section 17. The Executive Director, or designee, is authorized to submit grant applications on behalf of any of the Agency constituent members for any and all housing and community

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

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

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

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

Section 20. The proposed planning and administrative expenses paid for from the low and moderate income housing fund are necessary for the production, improvement and/or preservation of low and moderate income housing during the 2015 Agency Budget year.

Section 21. The Executive Director, or designee, is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Executive Director, or

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

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

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

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

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

Section 26. The Executive Director, or designee, is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

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

Section 28. The Executive Director, or designee, is authorized to amend the Budget to reflect all required debt service payments, pass through payments loan repayments, and other existing obligations based on actual higher tax increment revenues.

Section 29. The Executive Director, or designee, is authorized to transfer funding of approved capital projects within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable redevelopment laws and regulations or changes to the aforementioned.

Section 30. The Executive Director, or designee, is authorized to execute and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed to assure receipt of anticipated revenues.

Section 31. The Executive Director, or designee, is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and

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

Section 32. All project appropriations in existence as of December 31, 2014 will be carried over and continued in 2015.

Section 33. All multi-year operating grant budgets in existence as of December 31, 2014 shall be continued in 2015.

Section 34. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2014 may remain in effect in 2015. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2014, but only to the extent that the applicable division's 2014 operating budget appropriations exceeded 2014 expenditures.

Section 35. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2015 Budget.

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

Section 37. This resolution shall take effect immediately.

_____ CHAIR

ATTEST

CLERK



October 10, 2014

Sacramento Housing and
Redevelopment Commission
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2015 Sacramento Housing and Redevelopment Agency Budget – County Report

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendations outlined in this report.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director

Attachment

**COUNTY OF SACRAMENTO
CALIFORNIA**

For the Agenda of:
November 4, 2014
10:30 am

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

From: Sacramento Housing and Redevelopment Agency

Subject: 2015 Sacramento Housing And Redevelopment Agency Proposed Budget

Supervisory
District: All

Contact: La Shelle Dozier, Executive Director, 440-1319
Don Cavier, Director of Finance, 440-1325

Overview

The annual budget of the Sacramento Housing and Redevelopment Agency (Agency) incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento and the administration of specific funds on behalf of the City and County of Sacramento. As of February 1, 2012 the fiscal administration of the former Redevelopment Agency of the City and the former Redevelopment Agency of the County were assumed within the management structure of the City and County which elected to administer the affairs of the successor agencies. The budgets of the former redevelopment agencies (Redevelopment Successor Agency) are no longer incorporated within the Agency Budget. The proposed 2015 Budget provides a plan by which the Agency operates in an efficient manner and in compliance with the regulatory requirements of our funding sources and the Government Accounting Standards Board. The Agency's budget and fiscal year is the calendar year from January 1st through December 31st. Neither the City nor the County provides any General Funds in support of the Agency's budget.

The Agency proposes a balanced budget in the amount of \$184.1 million representing the operational activities and projects for 2015. The 2015 proposed budget represents a \$16.4 million or 9.8 percent increase in net appropriations compared with the prior year. This change in annual budget appropriations is primarily the result of the following factors: 1) projected restoration of federal funding for housing assistance payments under the Housing Choice Voucher program (HCV), 2) an increase in funding available for multi-family development due to unscheduled loan repayments received in late 2014, and 3) an increase in funding available for homeownership activities due to the award of \$3.0 million in State CalHOME funds. Additionally, there is a onetime increase in debt service payments related to the maturity of a CalHFA Help Loan.

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

- Protecting "core services" to the greatest extent possible, with delivery of housing programs, public services and capital projects being a major priority;

- Managing program activities by focusing on the efficiency of program delivery and the maximization of results;
- Consideration of the overall financial health of the organization, not just the cash flow from year to year;
- Using partnerships with community based organizations and private entities whenever practicable; and
- Developing budget plans that deal with the immediate needs of the Agency and employ strategies that address the long-term needs of the communities we serve.

Calendar Year 2015 Proposed Budget (\$\$\$ In Millions)

	2012 Budget	2013 Budget	2014 Budget	2015 Budget	Variance (2014 to 2015)	
<u>OPERATIONS</u>						
Salaries and Benefits	23.3	19.9	19.6	20.9	1.3	6.6%
Services and Supplies	15.6	14.7	14.8	15.3	0.4	3.0%
Housing Assistance Payments	101.9	107.2	103.5	108.1	4.5	4.4%
Debt Service	42.4	3.1	2.3	3.2	0.9	38.1%
Financial Transactions	31.1	0.9	0.6	0.5	(0.0)	1.2%
Public Services	3.6	5.1	4.9	5.2	0.3	6.1%
Sub-Total	\$217.9	\$151.0	\$145.7	\$153.2	\$7.4	5.1%
<u>CAPITAL PROJECTS</u>						
Housing Development and Preservation	10.1	13.2	14.0	19.4	5.4	38.4%
Housing Authority Capital Projects	2.1	2.3	4.4	2.9	(1.5)	-35.5%
Infrastructure and Public Improvements	5.8	3.1	3.5	8.6	5.1	147.0%
Sub-Total	\$18.0	\$18.6	\$21.9	\$30.9	\$9.0	41.0%
TOTAL	\$235.9	\$169.6	\$167.6	\$184.1	\$16.4	9.8%

Recommendations

Conduct a public hearing and upon conclusion adopt: 1) a **County Board Resolution** a) approving the 2015 Proposed Budget for the Sacramento Housing and Redevelopment Agency (Agency), b) delegating authority to administer certain federal funds and authorizing the Agency to: i) submit the Comprehensive Plan to United States Department of Housing and Urban Development (HUD); ii) submit to HUD the One-Year Action Plan for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG), American Dream Down Payment Initiative (ADDI), and Housing Opportunities for People with AIDS (HOPWA) programs; iii) submit grant applications for activities within the jurisdiction of the Agency; and iv) enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget in accordance with the limitations of the Resolution, and undertake other actions necessary to implement the aforementioned; and c) consenting to the Agency's submittal of the annual housing operating budgets and application for Capital Fund Plan funding to HUD. 2) a **Housing Authority Resolution** (Authority) a) approving the 2015 proposed budget for the Housing Authority of the City of Sacramento; and b) delegating authority to administer certain federal funds and authorizing the Housing Authority to: i) submit the Comprehensive Plan to United States

Department of Housing and Urban Development (HUD); ii) submit to HUD the One-Year Action Plan for the Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG), American Dream Down Payment Initiative (ADDI), and Housing Opportunities for People with AIDS (HOPWA) programs; iii) submit grant applications for activities within the jurisdiction of the Agency; c) authorizing the Executive Director to: (i) submit the annual housing operating budgets to HUD; (ii) submit application to HUD for Capital Fund Plan funding; (iii) submit the Comprehensive Plan to HUD; (iv) submit grant applications for activities within the jurisdiction of the Authority; and (v) enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget in accordance with the limitations of the resolution, and undertake other actions necessary to implement the aforementioned. 3) Adopt a **Sacramento Housing Development Corporation Resolution** to: a) approve the 2013 Proposed Budget for The Riverview Plaza Residential Project; and b) authorize its Executive Director to: i) obtain flood insurance and liability insurance; ii) submit grant applications; and iii) enter into contracts, make fund transfers, make payments of debt, amend the budget, and undertake other actions necessary.

Measures/Evaluation

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

Fiscal Impact

The 2015 Proposed Budget recommends total expenses of \$184.1 million, with the Housing Assistance Payments Budget at \$108.1 million; the Operating Budget at \$36.2 million; the Capital Project Budget at \$30.9 million; the Public Services Budget at \$5.2 million; and, the Debt Service and Financial Transaction Budget at \$3.7 million.

BACKGROUND

The annual budget of the Sacramento Housing and Redevelopment Agency (Agency) incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento and the administration of specific funds on behalf of the City and County of Sacramento. As of February 1, 2012 the fiscal administration of the former Redevelopment Agency of the City and the former Redevelopment Agency of the County were assumed within the management structure of the City and County which elected to administer the affairs of the successor agencies. The budgets of the former redevelopment agencies (Redevelopment Successor Agency) are no longer incorporated within the Agency Budget. The proposed 2015 Budget provides a plan by which the Agency operates in an efficient manner and in compliance with the regulatory requirements of our funding sources and the Government Accounting Standards Board. The Agency's budget and fiscal year is the calendar year from January 1st through December 31st. Neither the City nor the County provides any General Funds in support of the Agency's budget. Appropriate financial planning and applicable government regulations require the Agency to have an operating budget and capital budget adopted prior to

the start of each new fiscal year. Consequently, the Agency presents its budget to all governing bodies for approval annually.

DISCUSSION

Since the elimination of redevelopment, the Agency receives 84% of its funding from the federal government through the Department of Housing and Urban Development. The Sequestration cuts of 2013 seriously impacted the Public Housing and Housing Choice Voucher programs; however, the passage of a two year budget agreement resulted in a small restoration of funding in 2014 for several housing programs.

While 2014 saw the partial restoration of funding for the HCV program, funding for other federal programs are expected to remain at or near the 2013 Sequestration levels. For 2014 federal programs like CDBG and HOME have not seen much change in appropriation levels since the Sequestration cuts of 2013 and this has reduced the number of housing projects, public services and infrastructure improvements the Agency can fund. For 2015, we expect Agency programs will be funded at levels similar to 2014.

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

City & County Federal Funding (In Millions)						
FUNDING SOURCES	2010	2011	2012	2013	2014 Est.	2015 est
CDBG	\$ 12.57	\$ 10.47	\$ 8.69	\$ 9.11	\$ 9.09	\$ 9.09
HOME	\$ 6.98	\$ 6.16	\$ 3.78	\$ 3.72	\$ 3.91	\$ 3.72
Entitlement Programs Sub-Total:	\$ 19.55	\$ 16.63	\$ 12.47	\$ 12.83	\$ 13.00	\$ 12.81
PHA OPERATING FUND	\$ 9.36	\$ 10.26	\$ 9.94	\$ 8.80	\$ 10.12	\$ 10.12
PHA CAPITAL FUND	\$ 5.48	\$ 4.32	\$ 3.99	\$ 4.02	\$ 3.90	\$ 3.70
Public Housing Sub-Total:	\$ 14.84	\$ 14.58	\$ 13.93	\$ 12.82	\$ 14.02	\$ 13.82
HCV HAPS	\$ 99.10	\$ 101.10	\$ 103.00	\$ 98.50	\$ 102.80	\$ 103.00
HCV ADMINISTRATIVE FEES	\$ 9.30	\$ 8.95	\$ 8.40	\$ 7.57	\$ 7.78	\$ 7.47
HCV Sub-Total:	\$ 108.40	\$ 110.05	\$ 111.40	\$ 106.07	\$ 110.58	\$ 110.47
EMERGENCY SOLUTIONS GRANT (ESG)	\$ -	\$ -	\$ -	\$ 0.63	\$ 0.74	\$ 0.74
SHELTER PLUS CARE	\$ -	\$ 3.76	\$ 4.26	\$ 4.70	\$ 4.70	\$ 4.70
HOPWA	\$ -	\$ -	\$ 0.90	\$ 0.86	\$ 0.90	\$ 0.90
Public Services Sub-Total:	\$ -	\$ 3.76	\$ 5.16	\$ 6.19	\$ 6.34	\$ 6.34

COMMISSION ACTION

At its meeting of October 15, 2015, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

MEASURES/EVALUATIONS

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

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

FINANCIAL ANALYSIS

The 2015 Proposed Budget recommends total expenses of \$184.1 million, with the Housing Assistance Payments Budget at \$108.1 million; the Operating Budget at \$36.2 million; the Capital Project Budget at \$30.9 million; the Public Services Budget at \$5.2 million; and, the Debt Service and Financial Transaction Budget at \$3.7 million. The 2015 Proposed Budget of \$184.1 million represents a \$16.4 million or 9.8% increase compared with the total 2014 Adopted Budget.

The Agency has adapted to the new economic reality post redevelopment by refocusing the organization's direction and priorities, and fine tuning our resources for doing business. We have streamlined operations over the past several years by strategically reducing operational costs through layoffs, staff attrition, transfers, reduced work schedules, and cuts to services and supplies. To date, these efficiencies have been implemented without a reduction in the number of people we serve.

For 2015 the Agency is proposing authorized full time equivalent positions remain at 225 FTE. We are also recommending that of the 225 authorized FTE positions, 20 positions are to remain unfunded for the remainder of 2015.

POLICY CONSIDERATIONS

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

For the Housing Authorities of the City and County, serving as Housing Successor to the former redevelopment agencies, the 2015 Proposed Budget contains provisions for rental assistance obligations of the former redevelopment agency previously funded from low and moderate tax

increment revenues. These obligations have been reported on the Recognized Obligation Payment Schedule of the County Successor Agency and reviewed by the California Department of Finance without issue. However, obligations reported on the ROPS are subject to challenge every six months. If for any reason, the State later determines that these activities are not enforceable obligations the Housing Authority will have no ability to continue to fund these activities.

ENVIRONMENTAL REVIEW

California Environmental Quality Act (CEQA): The proposed action to adopt the Budget does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b)(4). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301.

All other actions are associated with the adoption of the 2014 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

The proposed actions to adopt the Budget are considered administrative and management activities and are Exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3) and Categorical Excluded pursuant to 24 CFR Sections 58.35(b)(1), (2), (3), and (4). All other actions are associated with the adoption of the 2015 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any choice limiting action(s) being carried out with regard to such projects.

M/WBE AND SECTION 3 CONSIDERATIONS

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

Respectfully submitted,

APPROVED

LA SHELLE DOZIER
Executive Director
Sacramento Housing and Redevelopment Agency

BRADLEY J. HUDSON
County Executive

Attachments:

RES – County BOS Resolution

RES – HACOS Resolution

Exhibit A – Summary of Changes

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

Exhibit B-2 – HUD Resolution Approving the AMP Budgets

RES - SHDC Resolution

ATT I – Background

ATT II – Budget Document

Attachment 1

BACKGROUND

Public Housing:

The Housing Authorities' own and/or manage approximately 3,416 housing units within the City and County of Sacramento. Of these, 2,788 of the units were developed under the federal public housing program administered by the Department of Housing and Urban Development (HUD) and are located throughout the Sacramento region with (1753 units) in the City and (1,035 units) in the County. Approximately 1,000 of these units are designated as elderly and/or disabled only with the remaining units available to families. Program revenues are generated from tenant rent collections and operating subsidies provided by HUD. The amount of rent paid by the tenants is based on 30 percent of gross family income minus certain other adjustments. In 2014, HUD approved the disposition and sale of 76 single family units of public housing under the property recycling program (PRE) to low-income home buyers, with sales to qualified home buyers are expected to begin in 2015. In addition to the public housing units, the Housing Authority manages another 628 units of local non-public housing.

The average occupancy rate in the Public Housing program is 98 percent for public housing properties available to be leased. Rents reflect a slight decline over the last several years due primarily to: 1) long term vacancies associated with major rehabilitation projects, 2) the disposition of three public housing high-rises to the Agency affiliated non-profit the Sacramento Housing Asset Repositioning Program, Inc. (SHARP), 3) the sale of single family public housing units under the HUD 5h/Section 32 program and 4) the reduction in TANF and SSI income to PHA tenants which reduces the tenants share of the rental payments (30% of income).

HUD operating subsidy, the funds provided by HUD to pay the costs of the program not covered by tenant rents, is appropriated annually through the federal budget process. Given the turmoil surrounding the federal budget, annual appropriations have been erratic reaching as high as 103% of funding eligibility in 2010 to as low as 82% in 2013. In 2014 the program is being funded at 89% of funding eligibility, meaning that the program is only receiving 89% of what HUD believes the Agency needs to run the program. This requires the public housing program to cut operating costs wherever possible and utilize its meager operating reserves. The Agency anticipates a similar level of funding for 2015.

Public Housing (Non-Federal):

While the public housing units have shown decreases in both rents and operating subsidy, the Agency's local housing projects, units not regulated by HUD, have shown positive revenue trends. The primary reason for this change is the implementation of the Housing Authority's asset repositioning strategy that has moved three Public Housing high-rise buildings to the Sacramento Housing Authority Asset Repositioning Program, Inc. (SHARP).

Capital Fund Program:

The HUD CFP provides funding specifically intended for the development, financing, modernization, and management improvements for 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 the City and County Housing Authorities. Between 2001 and 2014, HUD funding for the capital improvements and modernization of Public Housing properties decreased 42%, with the sharpest decrease coming in 2011 at 21%. 2015 HUD funding for the CFP is expected to hover at or near the 2014 level. Revenue estimates are based on the current year grant amounts and are adjusted based upon Federal appropriation proposals.

Housing Choice Voucher Program (HCV):

The Housing Choice Voucher (formerly Section 8 Housing Assistance) program is funded by the U.S. Department of Housing and Urban Development (HUD) through Annual Contribution Contracts (ACC). The Agency administers this program on behalf of the Housing Authority of the County of Sacramento. The Housing Choice Voucher program permits the applicant to obtain housing in the private rental market using housing vouchers. The program participants pay a portion (an adjusted 30 percent of gross family income) of the lease rate to the owner and the remaining rent amount is paid by the Housing Authority. Participants can utilize their voucher anywhere in the City or County of Sacramento.

Revenue under the HCV program is received from HUD in the form of Housing Assistance Payments (HAP) and Administrative Fees (AF). The federal appropriations process dictates the amount of funding that will be allocated to the HCV program on a national level. Jurisdictional funding allocations are performance based, with the funding level determined by the number of authorized vouchers leased. Currently, the Housing Authority has 11,890 vouchers authorized for leasing each month and the program has effectively maintained a leasing level between 98% and 100% leasing for all vouchers authorized by HUD since 2008.

The high utilization level of vouchers makes the program eligible for maximum funding from HUD. Despite the fact that the Agency is entitled to maximum funding for the program, HUD has intentionally provided less funding than required to cover HAP costs in an effort to recapture accumulated HAP reserves from public housing authorities across the country. In 2008 and 2009 HUD intentionally recaptured HAP reserves leaving the Housing Authority with approximately two weeks of reserves; therefore, managing leasing levels becomes exceptionally important. During the Sequestration cuts of 2013, HUD provided significantly less funding than was required to cover the scheduled housing assistance payments to landlords. The Agency's 2013 funding eligibility of \$103.7 million was prorated at 95%, a funding cut of \$5.2 million. HUD's current funding level required the Agency to expend the majority of the Agency's existing HAP reserve. Currently, HUD is prorating our eligibility at 99.7% and the Agency projects that this will be sufficient to meet our HAP costs for 2014. The Agency anticipates a similar funding level for 2015 based upon the current proposals moving through Congress.

HCV administrative funding eligibility is based upon the number of units leased within the Housing Authority's authorized voucher allocation, currently 11,890 units per month. Once eligibility is determined, HUD uses a formula to determine administrative fees for the Agency. For 2014, the Agency receives \$82.58 for the first 7200 unit months leased and \$77.07 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. Sequestration triggered a 69% proration of 2013 HCV administrative funding eligibility and represented a 12% reduction compared with 2012. The Agency expects funding in 2014 to increase slightly based upon the slightly higher proration level applied by HUD. However, 2015 is a big unknown given the wide array of funding levels purposed by the administration and Congress.

Community Development Block Grant (CDBG):

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

The annual HUD CDBG entitlement budget is allocated to cities and counties based on a formula comprised of several measures. The Agency receives grants for both the City of Sacramento and the County of Sacramento. Since 2010, CDBG appropriations have been cut by 31%. Revenues are projected to be relative status quo with 2014 levels.

Home Investment Partnership Program (HOME):

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

The annual HUD HOME budget is allocated to states and participating jurisdictions as formula grants. The Agency receives HOME entitlement for both the City of Sacramento and the County of Sacramento. Since 2010, appropriations for HOME have declined by 49%. Funding improved slightly in 2014, but current federal funding proposals for 2015 reflect the possibility of another cut to the program on a national level.

Housing Trust Funds (HTF):

The Agency administers Housing Trust Funds on behalf of 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 the commercial businesses in the surrounding area.

Housing Trust Fund fees have dropped dramatically due to the sharp decline in number of commercial building permits being issued. HTF fees in the City are expected to improve in the near term due to the construction of the new arena in downtown.

RESOLUTION NO. _____

APPROVAL OF 2015 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

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

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

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

WHEREAS, On February 1, 2012, pursuant to Health and Safety Code Section 34173 and resolution no. 2012-0051, the fiscal administration of the former Redevelopment Agency of the County was assumed within the management structure of the County of Sacramento which elected to 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, the Agency's fiscal year is the calendar year from January 1st through December 31st; and

WHEREAS, Pursuant to Health and Safety Code Section 34176 and resolution no. HA-2012-2329 the County of Sacramento designated the Housing Authority of the County of Sacramento (HACOS or Authority), 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 AND ORDERED BY THE BOARD OF SUPERVISORS OF THE COUNTY OF SACRAMENTO:

Section 1. The proposed actions to adopt the 2015 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301, and these these activities do not require review under NEPA pursuant to 24 CFR Section 58.35(b)(1), (2), (3), and (4). All other actions are associated with the adoption of the 2015 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 2. The 2015 Operating Budget totaling \$153,188,147 and the 2015 Project Budget totaling \$30,882,507, all as further described in the 2015 Proposed Agency Budget (hereinafter “2015 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 2015 fiscal year. The 2015 Agency Budget incorporates the budgets of the Redevelopment Agency of the City of Sacramento, the Redevelopment Agency of the County of Sacramento, the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 3. A total of 225 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.

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

Section 5. The Agency is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate legal directives of the

California State Department of Finance and/or the State Controller's Office and the actions taken by the County of Sacramento acting as Successor Agency of the former Redevelopment Agency (CRASA) approved by the CRASA Oversight Board.

Section 6. The Agency is authorized to submit the 2015 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 2015 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 2015 Housing Operating Budget is reasonable in that:

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

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

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

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

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

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

Section 14. The Agency is authorized to submit to HUD the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency 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, Agency is authorized to accept the grant or grants, execute all related documents and amend the Budget accordingly. Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Agency is authorized to amend the Capital Reserve Project in the event that the actual entitlement exceeds, or is less than, that estimated in the Budget.

Section 15. Agency is authorized to administer funds or delegate authority to other appropriate entities approved by the governing boards, to administer ESG and HOPWA programs and expend funds and to execute contracts with the appropriate entities to carry out the

activities contained in the Action Plan utilizing ESG and HOPWA funds, strictly in accordance with the terms of approved Action Plans and funding source requirements.

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

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

- Homeless Prevention and Rapid Re-housing Program (HPRP)
- Neighborhood Stabilization Program
- Family Unification Program
- Family Self Sufficiency
- Veteran's Assistance and Supportive Housing
- United States Environmental Protection the Agency Brownfield Assessment
- United States Environmental Protection the Agency Brownfield Clean Up
- United States Environmental Protection the Agency Brownfield Revolving Loan Fund
- United States Environmental Protection the Agency Brownfield Job Training
- California State Water Resources Control Board – Underground Storage Cleanup
- CAL REUSE Cleanup Grant and Loan Program
- 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, Agency is authorized to expend available balances from the payroll fund for the cost of liabilities such as post retirement medical benefits, sick leave, and vacation accruals.

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

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

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

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

Section 23. The Agency is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

Section 24. The Agency is authorized to transfer project appropriations among fund groups.

Section 25. The Agency is authorized to amend the Budget to reflect all required debt service payments, pass through payments loan repayments, and other existing obligations based on actual revenues.

Section 26. The Agency is authorized to amend the operating budget or capital project budget or transfer funding of approved capital projects or operating budgets within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.

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

Section 28. The Agency is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. Agency is authorized to enter into “loan work outs,” to the extent reasonably necessary to protect Agency assets, and in entering such “work outs,” Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria (including forgiveness of principal as necessary to reflect underwriting the loan at current fair market value of the subject property). Further, the Agency is authorized to renegotiate existing Agency debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide the Agency with more favorable loan terms.

Section 29. All project appropriations in existence as of December 31, 2014 will be carried over and continued in 2015.

Section 30. All multi-year operating grant budgets in existence as of December 31, 2014 shall be continued in 2015.

Section 31. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2014 may remain in effect in 2015. The Agency is authorized to increase the Budget for valid encumbrances as of December 31, 2014, but only to the extent that the applicable division’s 2014 operating budget appropriations exceeded 2014 expenditures.

Section 32. The Agency is authorized to incorporate the changes listed on Exhibit A as part of the 2015 Budget.

Section 33. If any entity requires a separate resolution for any action approved within this resolution other than resolutions for approval or amendment of projects, programs or the Agency Budget, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.

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

Section 35. This resolution shall take effect immediately.

On a motion by Supervisor _____, seconded by
Supervisor _____, the foregoing Resolution was passed and adopted by
the Board of Supervisors of the County of Sacramento, State of California, this 4th day of
November, 2014, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

Chair of the Board of Supervisors
of Sacramento County, California

(SEAL)

ATTEST: _____
Clerk, Board of Supervisors

EXHIBIT A

SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY PROPOSED 2015 BUDGET

Approved 2015 Total Operating Budget	\$ 153,188,147
Revised Approved 2015 Total Operating Budget	\$0
Approved 2015 New Projects	\$ 30,882,507
Revised Approved 2015 New Projects	\$0
TOTAL SHRA BUDGET	\$ 184,070,654

RESOLUTION NO. _____

ADOPTED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO

ON DATE OF

APPROVAL OF 2015 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS, AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

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

WHEREAS, 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. 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, Agency's fiscal year is the calendar year from January 1st through December 31st; 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 to adopt the 2015 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301, and these activities do not require review under NEPA pursuant to 24 CFR Sections 58.35(b)(1), (2), (3), and (4). All other actions are associated with the adoption of the 2014 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 3. The 2015 Operating Budget totaling \$153,188,147 and the 2015 Project Budget totaling \$30,882,507, all as further described in the 2015 Proposed Agency Budget (hereinafter "2015 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 2015 fiscal year. The 2015 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 225 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 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 2015 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 2015 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 2015 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 2015 Budget attached as Exhibit B-1.

Section 10. Form HUD-52574 (08/2005), attached as Exhibit B-2 for signature by the Chair of the Board of the Housing Authority, provides necessary certifications for submission of the Operating Budgets described in Section 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.

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.

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. 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. Agency is authorized to accept such grants, execute contracts to implement homeless activities funded in the Budget and amend the Budget accordingly (provided that the activities are fully funded by the grant or are within the Agency Budget). The Executive Director, or designee, is authorized to execute contracts for homeless activities funded in the Agency Budget as outlined in the Agency public services schedule.

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

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

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

Section 22. HACOS finds and declares that the proposed planning and administrative expenses which may be paid for from the former low and moderate income housing fund, pursuant to an approved recognized payment obligation payment schedule, is necessary for the production, improvement and/or preservation of low and moderate income housing during the 2015 Agency Budget year.

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

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

Section 25. The Executive Director, or designee, authorized to submit grant applications on behalf of the Housing Authority of the County for any and all housing and community development activities within the jurisdiction of Agency. If such grants are awarded, Agency is authorized to accept the grant or grants, execute contracts to implement

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

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

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

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

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

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

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

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

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

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

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

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

Section 36. The Executive Director, or designee, is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. Agency is authorized to enter into "loan work outs," to the extent reasonably necessary to protect Agency assets, and in entering such

“work outs,” Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria (including forgiveness of principal as necessary to reflect underwriting the loan at current fair market value of the subject property). Further, The Executive Director, or designee, is authorized to renegotiate existing Agency debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide the Agency with more favorable loan terms.

Section 37. All project appropriations in existence as of December 31, 2014 will be carried over and continued in 2015.

Section 38. All multi-year operating grant budgets in existence as of December 31, 2014 shall be continued in 2015.

Section 39. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2014 may remain in effect in 2015. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2014, but only to the extent that the applicable division’s 2014 operating budget appropriations exceeded 2014 expenditures.

Section 40. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2015 Budget.

Section 41. 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 42. The Executive Director, or designee, is authorized to delegate the authorities as set out in this resolution.

Section 43. This resolution shall take effect immediately.

On a motion by Member _____, seconded by Member _____, the foregoing Resolution was passed and adopted by the Housing Authority of the County of Sacramento, State of California, this 4th day of November, 2014, by the following vote, to wit:

AYES: Members,

NOES: Members,

ABSTAIN: Members,

ABSENT: Members,

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

SEAL:

ATTEST:

CLERK

EXHIBIT A

SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY PROPOSED 2015 BUDGET

Approved 2015 Total Operating Budget	\$ 153,188,147
Revised Approved 2015 Total Operating Budget	\$0
Approved 2015 New Projects	\$ 30,882,507
Revised Approved 2015 New Projects	\$0
TOTAL SHRA BUDGET	\$ 184,070,654

County Public Housing AMP, Central Office and Central Services Budget

January 1 - December 31, 2015

PHA Code: CA007
County of Sacramento

	County AMP 1	County AMP 2	County AMP 3	County AMP 4	County AMP 5	Total County Public Housing	County COCC Central Office & Central Svc
Beginning fund equity	\$ 204,334	\$ 241,320	\$ 125,685	\$ 19,177	\$ 211,547	\$ 802,063	\$ (41,128)
Revenues:							
HUD Operating Subsidy	642,326	779,450	1,029,961	16,552	926,784	3,395,073	-
Maintenance Charges to Tenants	16,000	5,000	15,700	-	8,000	44,700	-
Washer/Dryer Income	4,000	5,400	9,000	-	2,500	20,900	-
Rental Income - Dwelling	365,000	500,000	655,000	-	400,000	1,920,000	-
Interest Income - Investment	1,000	2,500	5,900	-	950	10,350	1,250
Miscellaneous income	3,500	-	5,274	-	-	8,774	-
Management Fee	-	-	-	-	-	-	675,189
IT/Bookkeeping Fee	-	-	-	-	-	-	205,450
Asset Management Fee	-	-	-	-	-	-	110,622
Admin Fee (CFP) & (HCV)	-	-	-	-	-	-	1,627,089
Central services fees	-	-	-	-	-	-	745,801
Total operating revenue	1,031,826	1,292,350	1,720,835	16,552	1,338,234	5,399,797	3,365,401
CFP operating transfers	-	-	93,900	-	15,000	108,900	-
CFP Mgmt Impr transfers	66,541	74,741	109,923	12,388	49,441	313,034	-
AMP to AMP transfers	-	-	-	-	-	-	-
Total revenues and transfers in	1,098,367	1,367,091	1,924,658	28,940	1,402,675	5,821,731	3,365,401
Expenditures:							
Employee Services:							
- Management/Maintenance	349,429	466,779	510,007	-	425,029	1,751,244	977,434
- Resident Trainees	11,741	11,741	35,223	11,588	11,741	82,034	-
Total Employee Services	361,170	478,520	545,230	11,588	436,770	1,833,278	977,434
Services & Supplies:							
- Management/Maintenance	496,497	510,109	614,989	-	640,878	2,262,473	2,331,350
- Resident Trainees	54,800	63,000	74,700	800	37,700	231,000	-
Total Services & Supplies	551,297	573,109	689,689	800	678,578	2,493,473	2,331,350
Other Charges:							
Financial Transactions	230	505	8,136	2,616	400	11,887	670
Central Service Fees	54,008	47,528	44,022	-	67,555	213,113	-
Miscellaneous (PILOT, Depr.)	25,983	27,221	32,863	-	30,932	116,999	-
Management Fee	150,600	157,762	199,856	-	166,971	675,189	-
IT / Bookkeeping Fee	19,464	20,382	25,806	-	21,576	87,228	-
Asset Management Fee	26,160	26,022	28,920	-	29,520	110,622	-
Total operating expense	1,188,912	1,331,049	1,574,522	15,004	1,432,302	5,541,789	3,309,454
Ending Balance	\$ 113,789	\$ 277,362	\$ 475,821	\$ 33,113	\$ 181,920	\$ 1,082,005	\$ 14,819

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

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

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

Previous editions are obsolete form HUD-52574 (08/2005) Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority- County of Sacramento

PHA Code: CA007

PHA Fiscal Year Beginning: 01/01/15

Board Resolution Number:

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

DATE

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

☐ Operating Budget submitted to HUD, if applicable, on:

☐ Operating Budget revision approved by Board resolution on:

☐ Operating Budget revision submitted to HUD, if applicable, on:

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

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditures are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(e) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.325.

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

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

Print Board Chairman's Name: Jimmie Yee	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. The proposed actions to adopt the 2015 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. There is no federal funding associated with these actions; therefore, NEPA does not apply. All other actions are associated with the adoption of the 2015 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 2. The Budget totaling \$655,947 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 "2015 Proposed Budget", a copy of which is on file with the Agency Clerk, is approved as the Operating Budget for the 2015 fiscal year for the Sacramento Housing Development Corporation (2015 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 2015 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 2015 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 2015 Budget hereby adopted.

Section 7. The Executive Director is authorized to incorporate the changes listed on Exhibit A as part of the 2015 Budget.

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

Section 9. This resolution shall take effect immediately.

On a motion by Director _____, seconded by
Director _____, the foregoing Resolution was passed and adopted
by the Sacramento Housing Development Corporation, State of California, this 4th day of
November, 2014, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

ABSTAIN: Directors,

ABSENT: Directors,

Chair, Board of Directors
Sacramento Housing Development
Corporation

(SEAL)

ATTEST: _____
Clerk