



Sacramento Housing and Redevelopment Agency
Sacramento, California

Comprehensive Annual Financial Report

For the year ended December 31, 2017

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended December 31, 2017

ACKNOWLEDGEMENT

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COMPREHENSIVE ANNUAL FINANCIAL REPORT**

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Introductory Section



June 29, 2018

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

State law requires that the Sacramento Housing and Redevelopment Agency (the Agency) publish a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) applied to governmental entities. The financial statements are to be audited by certified public accountants in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Pursuant to that requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Agency for the year ended December 31, 2017.

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

The Agency's financial statements have been audited by Macias Gini & O'Connell LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Agency as of and for the year ended December 31, 2017, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Agency's financial statements as of and for the year ended December 31, 2017, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report, which can be found on pages 1 to 3.

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

PROFILE OF THE AGENCY

The Agency is located in Sacramento, California. The City of Sacramento (City), established in 1849, serves as the capitol for the State of California and is the center of state government. Sacramento also serves as the seat of Sacramento County government. It is the sixth largest populated city in California and continues to see a migration of people from the San Francisco Bay Area and Southern California. The United States Census Bureau estimates the population on July 1, 2017 at 501,901 for the City and 1,530,615 for the County of Sacramento (County). Sacramento encompasses 99 square miles and is located in the northern section of California's burgeoning Central Valley. Sacramento is a charter city and operates under a Council-Manager form of government.

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

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

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

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

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

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

Blended Component Unit

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

Discretely Presented Component Units

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

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

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

Partner of the following limited partnership:

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

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

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

Budget

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

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

FACTORS AFFECTING ECONOMIC CONDITION

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

Local Economy

According to the Urban Land Institute 2018 Emerging Trends in Real Estate, the Sacramento local economy is still improving, and the real estate market shows potential. The National shift towards urban living and the synergetic growth in downtown Sacramento have created a new market for development. The lack of affordability in the Bay Area has had a significant effect on the Sacramento market, with more Bay Area transplants moving to Sacramento thereby increasing rent and housing costs. The Sacramento Business Review reported that vacancy rates continue to decline, and rental rates are increasing for both commercial and industrial properties. Investing demand remains high, however supply in the region is limited. Overall wage growth in the Sacramento region continues to grow at a slower pace than the rest of the state mainly because 80% of the local labor market is growing at a slower pace than the rest of the state or is entrenched in structurally low growth industries, while only 20% of the job market is growing faster than statewide averages. The Sacramento Business Review's 2017 mid-year update projected that the Sacramento Region's unemployment rate would continue to stabilize in the 5% range during the next six-month period. The Sacramento region employment growth has slowed to just 1.1% compared to a rate of almost 4% for the prior 12 month period.

State Economy

The Center for Business and Policy Research indicates in its fall 2017 quarterly report that the California's economic growth has slowed but is expected to continue to expand steadily at 2.5 to 3.0 percent. The unemployment rate is about 5% and is not projected to drop any further in this fall cycle. California has continued to add jobs at about a 2% pace throughout 2017, but the job growth is expected to recede to about a 1.5% pace over the next two years. The solid job growth is fueling increased demand for housing across California. It is expected that strong demand for housing will drive a significant increase in construction activity in 2018.

Long-term Financial Planning

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

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

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

Relevant Financial Policies

The Agency is committed to increasing the supply of affordable housing and in past years has worked closely with the City and County in the development of inclusionary ordinances, the development of a ten year plan to end chronic homelessness and other policies that will help increase rental housing production and homeownership opportunities. In the spring of 2017, the Agency developed a multi-faceted Homeless Housing Solution Strategy designed to serve homeless individuals and families in Sacramento using Housing Authority resources. This strategy, to be enacted over a three year period, included several options that will serve a total of 1,755 homes families through vouchers and public housing units. As a lender and developer, the Agency strives to efficiently manage its resources in order to address the range of need and reach special populations, the workforce population, and those who are moving out of the rental market and buying their first homes.

2017 Accomplishments

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

Promise Zone

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

- Working in partnership with the PDS Serve Foundation, 27 residents received \$27,849 in free mobile dentistry services.
- The Steven M. Thompson Community Health Clinic, in partnership with Elica Health Centers, opened at the Alder Grove Public Housing community.
- The Community Nurse Corps, created by Samuel Merritt University and Kaiser Permanente, deployed nurses into the Promise Zone and have contributed over 600 hours of public service.
- Established the SEEK Summer Camp in partnership with National Society of Black Engineers, Sac City USD, Twin Rivers USD and SMUD.
- Established the Promise Zone Banker Roundtable Partnership to pool funds to support collective efforts in the Promise Zone.
- Hosted Small Business Success Forums in partnership with the Economic Development Administration and the California Capital Corporation.
- Hosted the Institute of Museum and Library Services.

- Completed the Promise Zone Guidebook in partnership with the UC Davis Center for regional Change.
- Became a member of the U.S. Department of Education California Affinity Group.
- Offered a free HUD Grant Writing Workshop.
- Hosted Education sessions with the National Endowment for the Arts and the Department of Education.

Asset Repositioning

- Began development planning and coordination in support of the Choice Neighborhoods Initiative (CNI) Implementation Grant for Twin Rivers now that the initial phase entitlement application was approved and environmental clearance documents for both the California Environmental Quality Act (CEQA) and the National Environmental Policy Act (NEPA) have been adopted.
- Coordinated the Section 106 Historical Preservation Consultation with HUD and the State Historical Preservation Officer with the City's effort to adopt a new Specific Plan for Upper Land Park in order to define the impacts that would need to be mitigated to eventually implement the redevelopment of the Marina Vista and Alder Grove communities.
- Continued the implementation of the Welcome Home Program (formerly known as the Property Resale Entity). A total of 76 vacant single family public housing units were purchased to renovate and sell. Twenty-five single-family home rehabilitations have been completed through the end of 2017. It is anticipated that the remaining 51 homes will be completed over the next two years.

Sustainable Communities

- Completed the installation of car charging stations and began operation of the Our Community CarShare Program at the Riverview and Marina Vista public housing communities.
- Completed the installation and successfully launched the Equity Electronic CarShare program at Edgewater Apartments and Alder Grove; a first of its kind initiative spotlighted by television crews from Sweden and Germany and in national efforts to initiate similar programs in Atlanta and Los Angeles.

Neighborhood Stabilization Program (NSP)

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

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

- Completed the Jean Harvey Well Project.
- Completed circulation improvements in the unincorporated County to improve mobility of residents in low and moderate-income areas.

- Completed the architectural and engineering for Phase II of the Bing Kong Tong building in Isleton with construction anticipated to begin in the Spring of 2018 to restore it to community gathering place and museum of Chinese and Chinese American culture and history in the Delta.
- Completed the 44th Avenue Phase I Safety and Beautification Project and began the planning of the Phase II improvements on the east side of the pedestrian bridge.
- Completed the Rio Linda Community Center Rehabilitation Project.
- Completed the Valley Hi Park Safety Improvements.
- Completed the Phase I Midtown Streetlight Project and began the implementation of Phase II.
- Continued ongoing infrastructure and public facilities improvements:
 - County projects included the 44th Avenue Pedestrian and Beautification Project Phase II, Rio Linda Community Center, 47th Street Bike and Pedestrian Improvements, , and the Rosemont Area Street Light project, as well as the City of Galt Quiet Zone and Central Corridor improvements.
 - Continued strategic projects in the City such as the North 16th Street Plan, the multi-park water-cross connection project, and the Susan B. Anthony Joint-use Park project.

Public Service Programs

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

- Launched the Bringing Families Home Program leveraging the Emergency Solutions Grant (ESG) Rapid Rehousing and Prevention funds to support family reunifications by addressing housing supports to end homelessness or housing instability.
- Began the implementation of Bringing Families Home initiative in partnership with the County of Sacramento's Child Protective Services and the Sacramento Continuum of Care.

Affordable Housing

- Awarded a new allocation of over \$13.5 million in new Mortgage Credit Certificates.
- Completed construction and sale of 19 new single family homes in Del Paso Nuevo Phase V and Phase VI.
- Provided approximately \$12 million in Multifamily Loan assistance to four projects totaling 434 of affordable units
 - Crossroads Gardens
 - Saint Frances Terrace
 - Village Park
 - Shasta
- Completed renovation and/or construction of five multifamily developments totaling 220 newly affordable or preserved units:
 - Sutter Place
 - Foothill Farms
 - Land Park Woods
- Implemented City Mixed Income and County Affordable Housing Ordinances.
- Updated and began implementing the City of Sacramento revised SRO Ordinance.
- Managed a \$321 million portfolio of 1,200+ loans.
- Worked with stakeholders to update the Multifamily Lending and Mortgage Revenue Bond Policies.
- Certified homebuyers, calculated sales prices, and coordinated recording of regulatory agreements on eight new and four resale single family homes per the City's Mixed Income and County Affordable Housing Ordinances.
- Approved financing for 106 families for Home Buyer and Mortgage Credit Certificate programs; including 25 families participating in the Welcome Home Program
- Managed the disposition, rehabilitation, loans and income certifications necessary to facilitate the rehabilitation and sale of over seven owner-occupied single family homes in the NSP programs.
- Monitored resident services at 95 multifamily properties.

- Inspected over 2,234 resident units and files within the multifamily properties financed by the Agency consisting of over 22,300 units.
- Audited over 2,234 tenant files to ensure compliance with income eligibility and property management procedures.
- Provided calculations and prepared invoices for the Supplemental Annual Administrative Fee for 51 multifamily bond developments.
- Completed the California Debt Limit Allocation Committee certifications on 79 Mortgage Revenue Bond Projects.
- Processed 15 loan subordination requests for existing single family home loans.
- Monitored compliance of over 1,130 single family home loans.
- Provided funding to Boys and Girls Club in North Natomas in order to provide after school and summer programs to 46 children residing in Agency funded developments.
- Provided local rental subsidies to 112 extremely low households in supportive services developments.

Job Creation and Employment Opportunities

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

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

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

Housing Administration

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

Housing Choice Voucher Program

The Agency continues to deliver a successful HCV program. In 2017, the Agency is expected to lease 96% of our HUD vouchers, providing rental assistance to an estimated 12,177 families each month. The focus of the voucher program in 2018 will be to serve families off of our waiting lists as well as house homeless individuals and families.

In 2017, HUD notified the Agency that the HCV program had received “High Performer” designation for receiving maximum Section 8 Management Assessment Plan (SEMAP) points. This is the assessment that HUD conducts to ensure that the program is run efficiently, and meets all 14 standards tested through this evaluation process. Staff is continually assessing quality control standards and implementing the tools and technology needed to ensure that we are able to maintain these high standards.

- Awarded additional vouchers from the Department of Veterans Affairs to provide housing opportunities for homeless veterans and their families; bringing the total VASH vouchers to 512 administered by the Housing Authority.
- Awarded \$4.6 million through the Continuum of Care – (Shelter Plus Care) program to serve 575 homeless, disabled individuals and families.

Public Housing and Local Housing Programs

The Housing Authorities own and/or manage approximately 3,214 housing units within the City and County of Sacramento. Of these, 2,712 of the units were developed under the federal public housing program administered by the Department of Housing and Urban Development (HUD) and are located throughout the Sacramento region with (1,699 units) in the City and (1,013 units) in the County. In addition to the public housing units, the Housing Authority manages another 502 units of local non-public housing.

In 2017, HUD notified the Agency that the City Housing Authority had received “High Performer” status based upon 2016 operating results. Staff is continuing to streamline operations where possible and diligently monitoring operating activities to ensure that the high standards of performance are maintained into the future. In addition, the Housing Authority:

- Increased resident participation in the Jobs Plus Program by assisting residents at Alder Grove and Marina Vista to become employed. One hundred ninety four (194) residents enrolled in the program, 99 residents received the Jobs Plus Earned Income Disallowance, 34 residents obtained full or part time employment, and 15 residents enrolled in a high school diploma class on site.
- Consistently maintained a 98% rent collection rate.
- Established a summer lunch program at Alder grove site that provided meals to an average of 25 children per day.
- Maintained an average 98% occupancy rate.
- Received overall favorable ratings from the residents that responded to the customer service survey; (54%) Excellent & (30%) Good.
- Implemented new technological advancements to improve efficiency and move site management function to paperless activities, i.e.
 - Mobile Work Order process using smart phones for our maintenance staff to open and close work orders while in the field.
 - Mobile Uniform Physical Condition Standards (UPCS) Inspection process using tablets for our site managers and maintenance leads to conduct unit inspections while in the field.

Supportive Services Programs

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

- By midyear 2017, 72 families were enrolled in the City FSS, 63 families were enrolled in the County FSS and 115 families were enrolled in the City ROSS program.
 - Over 57% of the total numbers of participants have accrued an escrow balances.
 - The average increase in earned income was \$7,140.
 - Forty participants received Financial Coaching or Education in a classroom setting.
 - Four residents have successfully completed and graduated from the FSS Program; two additional residents will graduate by the end of 2017.

Effective/Efficient Governance

- Provided internship opportunities through the City of Sacramento Summer at City Hall program for six high school students in our Public Information Office, Public Housing, Housing Choice Voucher, Finance, Community Development and Human Resources Departments.
- Created a new Transparency Web page on the Agency's website.
- Created a new e-newsletter for stakeholder communications.
- Began development of a new website.

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

INITIATIVES

In early 2017, public workshops were held where the Agency's role was to strategize the alignment of federally-funded resources that offer housing assistance through HUD including HCV and Conventional Public Housing (Public Housing) Programs. In order to begin this new initiative, significant changes are required to the Housing Authorities' policy documents including changes to the Annual Plan and Admissions and Continued Occupancy Policy (ACOP). The Agency will continue to partner with the City and County of Sacramento to initiate projects and programs that maximize affordable housing opportunities for low-income, very low-income, and extremely low-income households and revitalize low-income communities.

AWARDS AND ACKNOWLEDGEMENTS

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Agency for its comprehensive annual financial report for the year ended December 31, 2016. This was the twenty-fifth consecutive year that the Agency has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Their dedication to professional excellence is reflected in an improved comprehensive annual financial report. We would also like to commend the Agency's Commission, the City Council, and the County Board of Supervisors for their interest, support of this substantial effort, and shared commitment to assuring the financial viability of the Agency which remains progressively committed to meeting the economic, redevelopment and housing needs of the communities we serve.

Respectfully submitted,



LA SHELLE DOZIER
Executive Director



RUSSELL ROBERTSON
Director of Finance



Government Finance Officers Association

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

Presented to

**Sacramento Housing and
Redevelopment Agency California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

A handwritten signature in black ink that reads "Christopher P. Morrell". The signature is written in a cursive style.

Executive Director/CEO

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
DIRECTORY OF OFFICIALS
December 31, 2017**

COUNTY HOUSING AUTHORITY

Phil Serna
District 1

Susan Peters
District 3

Patrick Kennedy
District 2

Sue Frost
District 4

Don Nottoli – District 5

CITY HOUSING AUTHORITY

Darrell Steinberg
Mayor

Angelique Ashby
District 1

Jay Schenirer
District 5

Allen Warren
District 2

Eric Guerra
District 6

Jeff Harris
District 3

Rick Jennings, II
District 7

Steve Hansen
District 4

Larry Carr
District 8

HOUSING AND REDEVELOPMENT COMMISSION

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

Samuel Starks
Tyffanie Wedding
Staajabu

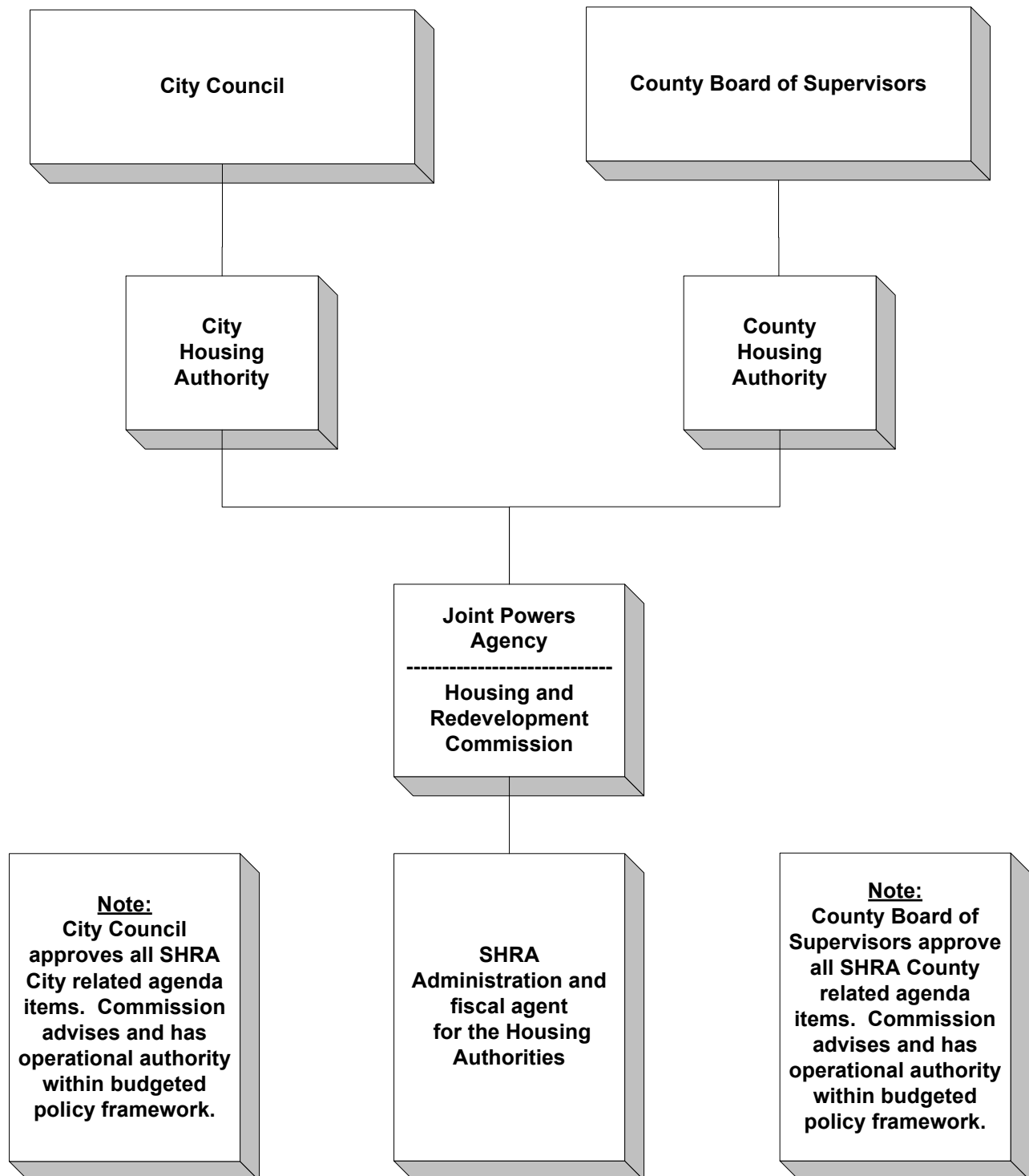
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

EXECUTIVE STAFF

| | |
|--------------------------------------|--------------------------|
| Executive Director (Appointed) | La Shelle Dozier |
| Director of Administration..... | James Shields |
| Director of Finance... .. | Russell Robertson |
| General Counsel | David Levin |
| Director of Development..... | Tyrone Roderick Williams |
| Assistant Director..... | Susan Veazey |
| Assistant Director..... | MaryLiz Paulson |
| Assistant Director..... | Sarah Thompson |
| Public Information Officer..... | Angela Jones |

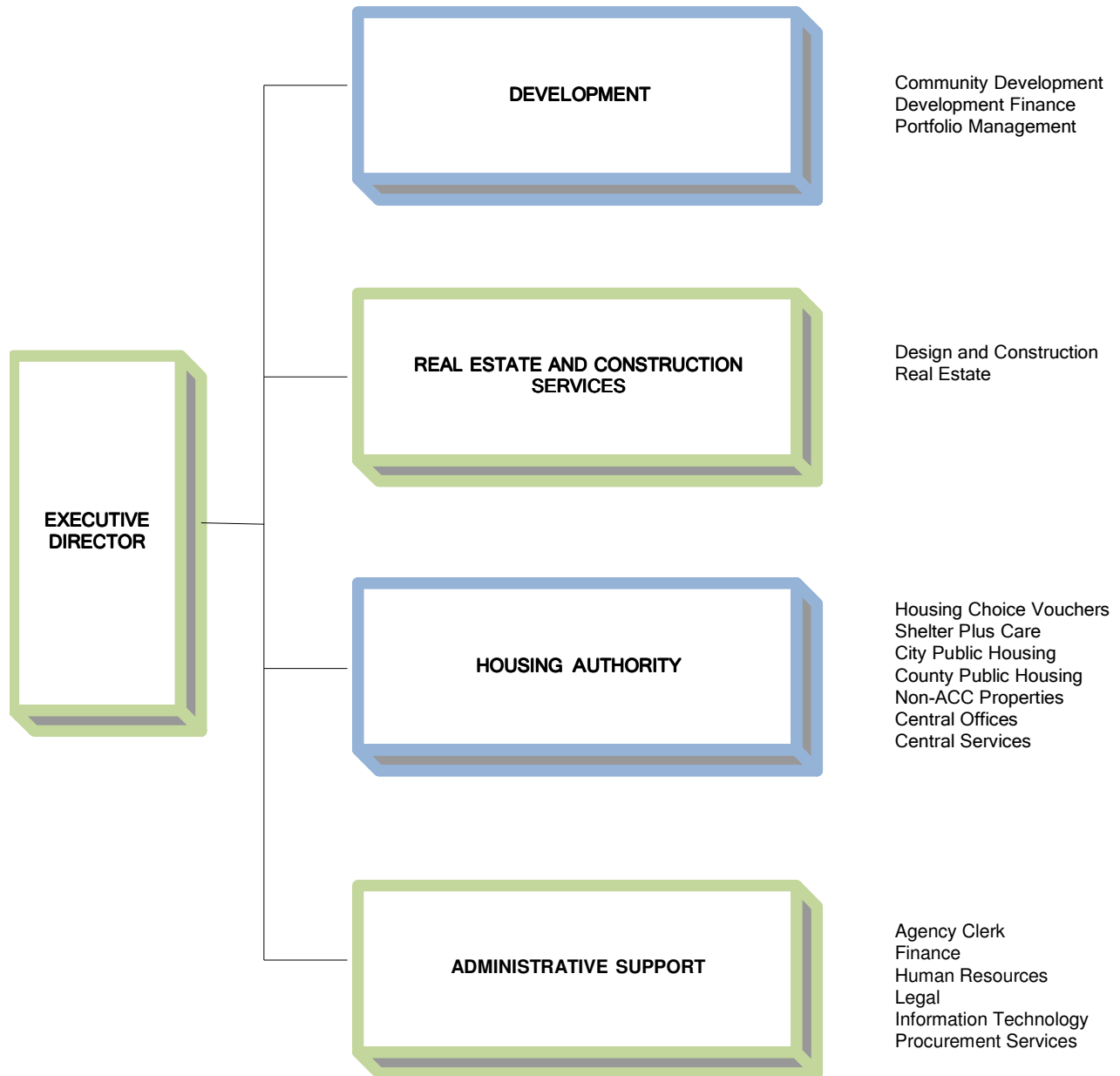
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

GOVERNING BODIES AND ADMINISTRATION ORGANIZATION CHART



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

DEPARTMENT/DIVISION ORGANIZATION CHART



Financial Section



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the Sacramento Housing and Redevelopment Agency (Agency), as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Shasta Hotel Corporation (Hotel) and the Norwood Avenue Housing Corporation (Corporation) discretely presented component units. The Hotel and Corporation represent 29.5 percent, 0.35 percent and 41.0 percent, respectively, of the assets, net position, and revenues of the aggregate discretely presented component units. Those statements were audited by other auditors whose reports have been furnished to us, and our opinion, insofar as it relates to the amounts included for the Hotel and Corporation, is based solely on the reports of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation of the financial statements.

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

Opinions

In our opinion, based on our audit and the reports of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Agency, as of December 31, 2017, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4-28, and the schedule of changes in net pension liability and related ratios, schedule of contributions, and schedule of funding progress – other postemployment benefits, on pages 79-81, respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The Introductory Section, Combining and Individual Fund Statements and Schedules, Schedule of Annual Contribution Contracts for Capital Fund Program (CFP), ROSS Public Housing Self Sufficiency (FSS), ROSS Service Coordinator (SC) Programs, Choice Neighborhoods Initiative (CNI), Choice Neighborhoods Implementation and Jobs Plus Grant, Schedule of Purchase and Resale Entity (PRE) Sales Proceeds and Expenditures, Statistical Section, Actual Modernization Grant Cost Certificate, Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-City, and Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-County are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

of America. In our opinion, the Combining and Individual Fund Statements and Schedules, Schedule of Annual Contribution Contracts for Capital Fund Program (CFP), ROSS Public Housing Self Sufficiency (FSS), ROSS Service Coordinator (SC) Programs, Choice Neighborhoods Initiative (CNI), Choice Neighborhoods Implementation and Jobs Plus Grant, and Schedule of Purchase and Resale Entity (PRE) Sales Proceeds and Expenditures are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2018, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Agency's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Agency's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Sacramento, California

June 29, 2018

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*Management's
Discussion
and
Analysis*

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

This portion of the Sacramento Housing and Redevelopment Agency's (Agency) annual financial report presents a narrative overview and analysis of the Agency's financial activities for the year ended December 31, 2017. Please read this in conjunction with the transmittal letter at the beginning of this report and the Agency's financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

FINANCIAL HIGHLIGHTS

Net Position

| | Governmental Activities | Business-type Activities | Total |
|----------------------------------|----------------------------|-----------------------------|-------------------|
| Net investment in capital assets | \$ 25,008 | \$ 151,897 | \$ 176,905 |
| Restricted | 349,470 | 806 | 350,276 |
| Unrestricted | (15,752) | 56,813 | 41,061 |
| Total net position | <u>\$ 358,726</u> | <u>\$ 209,516</u> | <u>\$ 568,242</u> |

The assets and deferred outflows of resources of the Agency exceeded liabilities and deferred inflows of resources at the end of the 2017 year by \$568,242 (net position). A more detailed explanation of the major categories of the Agency's net position is discussed below:

- \$176,905 is the Agency's net investment in capital assets.
- \$350,276 is restricted to specific purposes (restricted net position). Of this amount \$754 was restricted for Debt Service, \$177,109 for Housing Operations, \$412 for Housing Choice Vouchers, \$169,021 for Community Development and \$2,980 for Community Services.
- The unrestricted net position of \$41,061 is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted components of net position.

The Agency's total government-wide net position, excluding the discretely presented component units, decreased in the current year by \$2,110 primarily as a result of decreased revenues in County Housing Choice Vouchers.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

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

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

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

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

The Agency maintains 63 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the City and County Home Investment Partnership (HOME) funds and the City and County Housing Successor funds as each is considered a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

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

Proprietary funds include two different types of funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Agency uses enterprise funds to account for City and County Public Housing Authorities' operations, locally funded housing projects, units funded by the State of California's California Housing Finance Agency and the Housing Choice Vouchers program. The Agency maintains 27 individual enterprise funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Agency's various functions. The Agency uses internal service funds to account for the internal support services of administrative divisions, payroll, the Agency's administration building and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included with *governmental activities* in the government-wide financial statements.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

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

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

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

Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 41 - 83 of this report.

Required Supplementary Information. In addition to the financial statements and accompanying notes, this report presents certain Required Supplementary Information which includes the schedule of changes in the net pension liability and related ratios, schedule of contributions, notes to schedule of plan contributions, and schedule of funding progress - OPEB.

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

Combining and individual fund statements and schedules can be found on pages 84 -161 of this report.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Condensed Statement of Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---------------------------------------|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Assets: | | | | | | |
| Current and other assets | \$ 363,988 | \$ 353,936 | \$ 82,856 | \$ 90,452 | \$ 446,844 | \$ 444,388 |
| Capital assets | 33,457 | 34,978 | 154,202 | 158,929 | 187,659 | 193,907 |
| Total assets | <u>397,445</u> | <u>388,914</u> | <u>237,058</u> | <u>249,381</u> | <u>634,503</u> | <u>638,295</u> |
| Deferred Outflows of Resources | <u>3,281</u> | <u>3,357</u> | <u>3,995</u> | <u>4,062</u> | <u>7,276</u> | <u>7,419</u> |
| Liabilities: | | | | | | |
| Long-term liabilities | 39,006 | 34,368 | 27,765 | 24,784 | 66,771 | 59,152 |
| Other liabilities | 2,942 | 2,873 | 3,704 | 13,056 | 6,646 | 15,929 |
| Total liabilities | <u>41,948</u> | <u>37,241</u> | <u>31,469</u> | <u>37,840</u> | <u>73,417</u> | <u>75,081</u> |
| Deferred Inflows of Resources | <u>52</u> | <u>128</u> | <u>68</u> | <u>153</u> | <u>120</u> | <u>281</u> |
| Net position: | | | | | | |
| Net investment in capital assets | 25,008 | 25,938 | 151,897 | 156,568 | 176,905 | 182,506 |
| Restricted | 349,470 | 338,927 | 806 | 2,552 | 350,276 | 341,479 |
| Unrestricted | (15,752) | (9,963) | 56,813 | 56,330 | 41,061 | 46,367 |
| Total net position | <u>\$ 358,726</u> | <u>\$ 354,902</u> | <u>\$ 209,516</u> | <u>\$ 215,450</u> | <u>\$ 568,242</u> | <u>\$ 570,352</u> |

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In case of the Agency, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$568,242 at the close of the most recent fiscal year. Combined net position decreased slightly by 0.4% from 2016.

Governmental activities

Current and other assets of governmental activities had a net increase of \$10,052 from 2016. This is mainly due to the following:

- The County Affordable Housing and the City and County Housing Trust funds received developer fees and the majority of these revenues were not expended. City and County Housing Trust funds also received payoffs from loans, mainly Crossroad Gardens, Pensione K and Sac Atrium. Increased revenues resulted in an increase in cash of \$8,210.
- The Agency's financing of affordable housing projects in the City HOME, City Housing Successor, City and County Housing Trust and County CDBG, funds resulted in an increase in notes receivable of \$5,844.

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

- Assets held for resale decreased by net of \$1,955 due to sales of land and buildings.

Capital assets of governmental activities had a net decrease of \$1,521 from 2016 due to the following:

- \$2,045 of construction in progress was added from the City Capital Fund Program and \$916 was added from the County Capital Fund Program.
- Construction in progress amounts from the City Capital Fund Program of \$1,039 and County Capital Fund Program of \$633 were transferred to buildings in the enterprise funds.
- Sales of land and buildings from assets originally funded by the City Housing Successor funds in the amount of \$1,861, County Housing Successor funds in the amount of \$722, County Land Banking in the amount of \$61, and City CDBG NSP 1 in the amount of \$18.
- Depreciation expense of \$336.

Deferred outflows of resources of governmental activities had a net decrease of \$76. This is due to recognition of the pension related items, *difference between projected and actual earnings on pension plan investments* in the amount of \$773, *employer contribution made subsequent to the measurement date* in the amount of \$718 and *changes in assumption* in the amount of \$1,790. Prior year amounts were \$2,708, \$649 and \$0, respectively.

Long-term liabilities of governmental activities had a net increase of \$4,638 compared with 2016 mainly due to the following:

- The net pension liability for Governmental Activities for the current year increased long-term liabilities by \$2,431.
- The overall costs of pollution remediation estimates increased by \$3,156.
- Increased compensated absences of \$244 due to decreased use in vacation, sick leave and management leave taken in in the current year.
- Decreases to long-term liabilities were scheduled debt service principal payments of \$1,193.

Deferred inflows of resources of governmental activities had a net decrease of \$76 from the prior year. This is due to recognition of the pension related item *difference between expected and actual experience* in the amount of \$52, with the prior year amount being \$127.

\$176,905 of the Agency's net position reflects its investment in capital assets (e.g., land,

Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (*Continued*)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

buildings, property, and equipment); less any related debt used to acquire those assets that is still outstanding. The Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although this investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The amount invested in capital assets Agency-wide decreased by \$5,602 in the current year.

The amount invested in capital assets for governmental activities had a net decrease of \$930 in the current year. A detailed listing of the net decrease in the amount of \$1,521 is shown in the prior section. A reduction in debt related to capital assets of \$591 also contributed to increase the net investment in capital assets.

Restricted net position represents amounts that must be used in accordance with external restrictions. Restricted net position in governmental activities increased by a net of \$10,543 mainly due to the following:

- Restricted for Debt Service increased \$1 due to interest on the Del Paso Nuevo restricted cash account in the Internal Support fund.
- Restricted for Housing increased \$5,237. City Housing Successor increased by \$1,374 due to bond proceeds that were returned from the City Redevelopment Successor Agency, proceeds from the sale of property, and loan repayments. City MIHO increased by \$1,109 from housing impact fees as this was the second year of operations, City Housing Trust increased \$2,114 and County Affordable Housing increased \$1,073 due to developer fees received but not spent in the current year.
- City and County Section 32 and Public Housing Homeownership programs had a net decrease of \$887 due to expending funds for the Welcome Home (aka PRE) program.
- Restricted for Community Development increased \$4,686 mainly due to unavailable revenues of \$2,200 from a new loan in the County CDBG fund. Revenues received in the City and County HOME funds for loan repayments and investment earnings were greater than the operating expenses and resulted in a net increase of \$2,261.
- Restricted for Community Services increased \$348. City Supplemental Admin Fees increased \$414 due to higher fee revenues in the current year.

Unrestricted net position in governmental activities decreased by a net of \$5,789 mainly due to the following:

- Internal Support decreased due to spending prior year revenues for projects in the current year \$1,798.
- Self Insurance decreased due to a transfer of \$720 to the Internal Support fund to cover

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the Agency's cost of workers compensation.

- Employee services in 2017 of \$8,112 increased by \$1,520 compared to \$6,592 in 2016. The increase is mainly due to an increase of pension expense \$12,161 in 2017 compared to \$10,640 in 2016.

Business-type activities

Current and other assets of business-type activities had a net decrease of \$7,596 from 2016 mainly due to the following:

- Cash and investments increased by \$1,973. This is mainly due to \$1,168 in City AMP increases and \$1,663 in County AMP increases. Both increases are due to more rent subsidy being paid by HUD than in 2016.
- Restricted cash and investments decreased by \$10,194 mainly in the County Housing Choice Vouchers (HCV) fund due to the January 2017 Housing Assistance Payments (HAP) revenues received in December of 2016. The HCV program also paid off \$1,000 in loans to the Mortgage Revenue Bond Fund.
- Receivables decreased by \$441 mainly due to portable vouchers receipts of \$636 from other housing authorities not received until 2017. Asset repositioning had \$56 in outstanding reimbursements for payroll and other expenses for December. City Mod Rehab had \$29 due from HUD to reimburse expenses. Mortgage Revenue Bond had \$87 in loan repayments due from AmeriNational Community Services, Inc.
- Other long-term assets increased due to accrued interest of \$332 on Phoenix Park loans.
- Advances to component units decreased by \$188 as Phoenix Park was repaid.

Capital assets for business-type activities had a net decrease of \$4,727 in the current year due to the following:

- The following increases in buildings were related to the rehabilitation of the property: \$59 in the City AMP 2 fund, \$60 in the City AMP 3 fund, \$54 in the City AMP 5 funds, \$16 in the City AMP 7 fund, and \$15 in the County AMP 5 fund.
- Transfers in of \$1,672 in added property value from governmental activities.
- Sales of \$110 in land from the City AMPs per the Vacant Lot Disposition Strategy Plan.
- \$6,494 in depreciation expense.

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The net increase of \$2,981 in long-term liabilities of business-type activities was mainly due to the following:

- The Agency implemented GASB Statements No. 68 & 71 in 2015 which required the recording of net pension liability and pension related deferred inflows and outflows. The net pension liability for the current year increased long-term liabilities by \$3,036.
- Debt repayments decreased long-term liabilities by \$56.

The net decrease in other liabilities of \$9,352 in business-type activities was mainly due to the following:

- Unearned revenue decreased \$9,329 due to the County Housing Choice Vouchers administration and housing assistance payments that were received in advance in 2017.

The amount invested in capital assets for business-type activities had a net decrease of \$4,671 in the current year. A detailed listing of the net decrease in capital assets in the amount of \$4,727 is shown in the prior section. A reduction in debt related to capital assets of \$56 increases the investment in capital assets.

Restricted net position for business-type activities decreased by a net of \$1,746. County Housing Choice Vouchers decreased \$1,693 due to receipt of less HAP revenues than what was expensed in vouchers.

Unrestricted net position in Business-type activities increased by a net of \$483 mainly due to the following:

- County Housing Choice Vouchers Administration fees and portable voucher revenues decreased and operating expenses were more than revenues for a net decrease of \$2,294.
- Mortgage Revenue Bond had increased administrative fee revenues and operating expenses were less than revenues for a net increase of \$542.
- Phoenix Park increase \$459 due to the CalHFA loan repayment that was minimal in the current year compared to the prior year.
- City Asset Repositioning increased \$583 due to accrued interest on loans.
- The City and County AMPs had a net increase of \$2,024 mainly due to increased transfers from the capital fund program for operations, GASB 68 pension and capital asset adjustments.
- County Norcade Circle increased \$241 due to unspent revenues.
- City and County COCC decreased \$1,063 due to increased expenses over revenue.

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

Changes in Net Position

| | Governmental Activities | | Business-type Activities | | Total | |
|---|----------------------------|-------------------|-----------------------------|-------------------|-------------------|-------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Revenues: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 2,501 | \$ 1,850 | \$ 11,818 | \$ 11,047 | \$ 14,319 | \$ 12,897 |
| Operating grants and contributions | 27,661 | 35,235 | 118,502 | 125,497 | 146,163 | 160,732 |
| Capital grants and contributions | 6,594 | 6,578 | - | - | 6,594 | 6,578 |
| Investment earnings | 4,595 | 2,248 | 1,312 | 1,353 | 5,907 | 3,601 |
| Miscellaneous | 8,485 | 8,148 | 1,091 | 1,082 | 9,576 | 9,230 |
| Total revenues | <u>49,836</u> | <u>54,059</u> | <u>132,723</u> | <u>138,979</u> | <u>182,559</u> | <u>193,038</u> |
| Expenses: | | | | | | |
| Housing operations | 17,837 | 12,985 | - | - | 17,837 | 12,985 |
| Community development | 18,514 | 17,914 | - | - | 18,514 | 17,914 |
| Community social services | 5,957 | 5,240 | - | - | 5,957 | 5,240 |
| Interest expense | 688 | 741 | - | - | 688 | 741 |
| Local housing | - | - | 6,717 | 4,636 | 6,717 | 4,636 |
| Public housing | - | - | 25,042 | 24,768 | 25,042 | 24,768 |
| Housing choice vouchers | - | - | 109,914 | 110,219 | 109,914 | 110,219 |
| Total expenses | <u>42,996</u> | <u>36,880</u> | <u>141,673</u> | <u>139,623</u> | <u>184,669</u> | <u>176,503</u> |
| Increase (decrease) in net position before transfers | 6,840 | 17,179 | (8,950) | (644) | (2,110) | 16,535 |
| Transfers | <u>(3,016)</u> | <u>(3,122)</u> | <u>3,016</u> | <u>3,122</u> | <u>-</u> | <u>-</u> |
| Increase (decrease) in net position | 3,824 | 14,057 | (5,934) | 2,478 | (2,110) | 16,535 |
| Net position - beginning | 354,902 | 340,845 | 215,450 | 212,972 | 570,352 | 553,817 |
| Net position - ending | <u>\$ 358,726</u> | <u>\$ 354,902</u> | <u>\$ 209,516</u> | <u>\$ 215,450</u> | <u>\$ 568,242</u> | <u>\$ 570,352</u> |

Analysis of the changes in net position:

Total government-wide revenues of the primary government decreased \$10,479, a 5.4% decrease from the prior year, and total expenses increased \$8,166, a 4.6% increase from the prior year. These fluctuations are discussed in more detail below.

Governmental Activities

Total revenues for governmental activities decreased \$4,223, a 7.8% decrease from the prior year. Total expenses increased \$6,116, a 16.6% increase from the prior year, and net transfers out decreased \$106 from the prior year. These fluctuations are discussed in more detail below.

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Revenues

- Charges for services increased by \$651 mainly due to increased fees received in City Mixed Income Housing Ordinance (MIHO). This is the second year of operating this program.
- Operating grants and contributions had a net decrease of \$7,574 mainly due to decreased expenditures and less loan repayment revenue in the City CDBG entitlement funds. BEGIN State Prop 46 and City CalHOME did not receive grant funds in the current year while County CalHOME received a minimal amount compared to last year.
- Investment earnings increased by \$2,347 mainly due to interest received from major loan payoffs in the City HOME, County HOME and City Housing Trust funds.

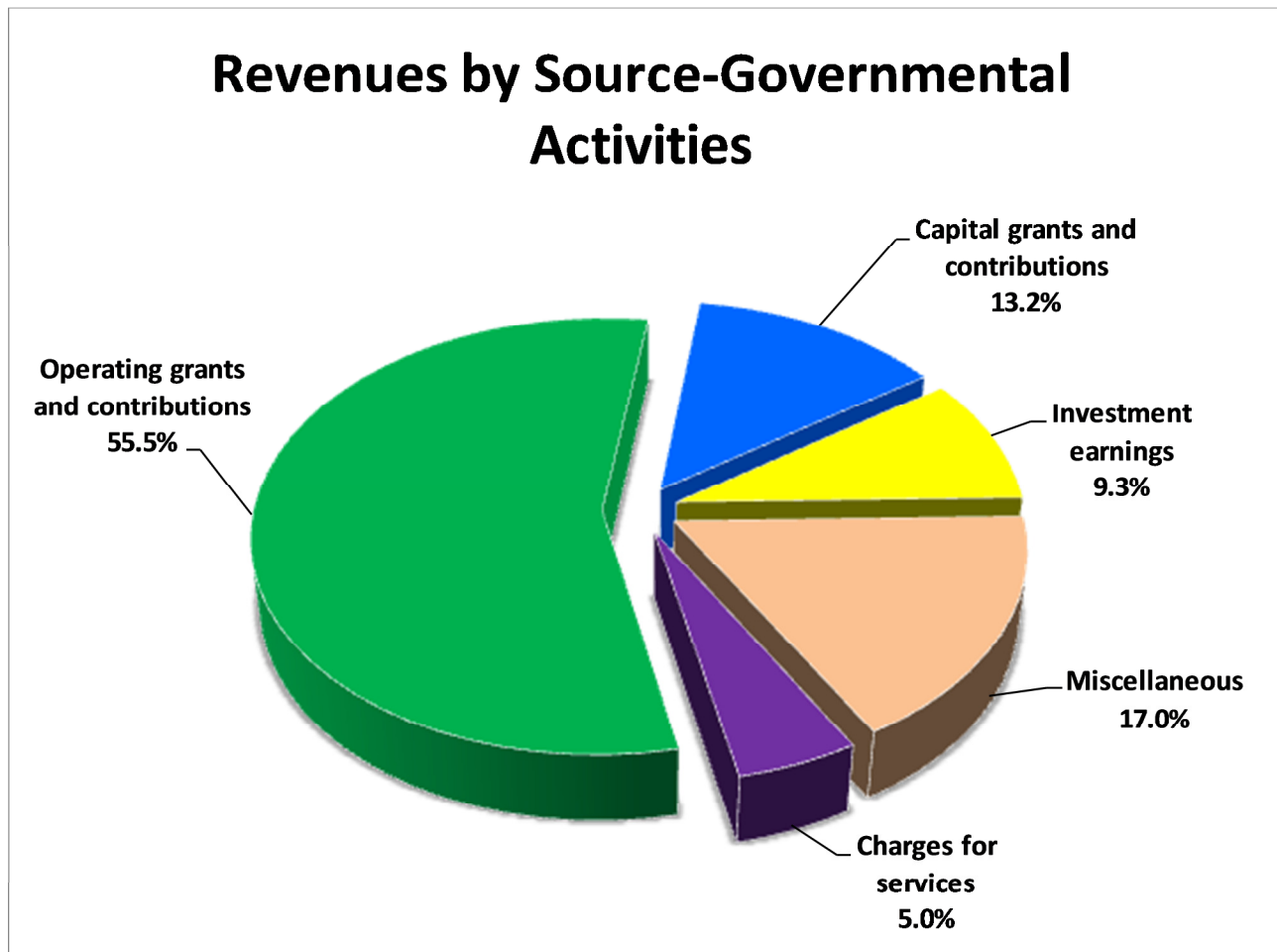
Expenses

- Housing operations increased by \$4,852 mainly due to expenditures for the Welcome Home (aka PRE) program in City and County Section 32 funds. City Jobs Plus Grant, City and County Housing Trust funds, County Affordable Housing and County Shelter Plus Care funds had increases in employee services, overhead, and services and supplies.
- Community development operations increased by a net of \$600 mainly due to City and County HOME projects finalizing completion in the current year; Anton Arcade Apartments, Curtis Park Court Apartments, Land Park Wood Apartments, and near completion of Pensione K Street Apartments.
- Community social services increased by a net of \$717 mainly due to an increase in expenses for rapid re-housing activities through the 2016 ESG State Grant fund. The grant was awarded in 2017 so expenses were not charged previous to the current year.
- Interest expense decreased by \$53 mainly due a reduction in amortized interest in the internal service and debt service funds.

The net transfers of \$3,016 are mainly due to transfers of construction in progress from governmental activities to buildings in business-type activities for costs incurred in the City Capital Fund Program of \$1,039 and County Capital Fund Program of \$633. Other transfers were to cover operating deficits in various funds, including a transfer of \$720 to the Internal Support fund to cover the Agency's cost of workers compensation.

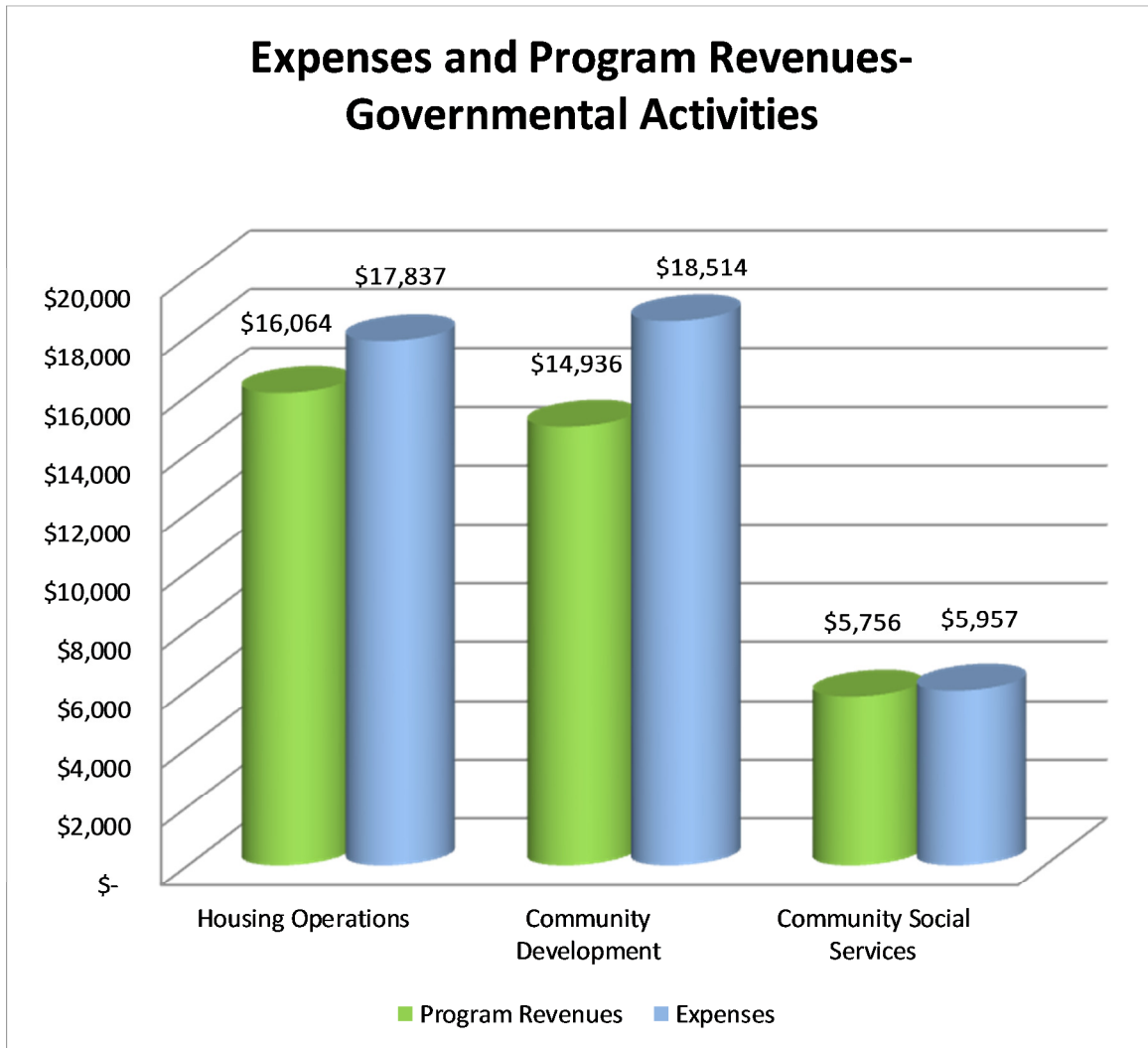
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The following graph shows the breakdown of revenue by source.



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



The variance in Housing operations between revenues and expense is mainly due to decreased developer fees in City and County Housing Trust funds, increased program costs in City Jobs Plus Grant funds, and decreased collection of service fees in County Affordable Housing funds.

The variance in Community development between revenues and expense is mainly due to the City CDBG expenditures towards the PRE Block 9 modernization and lower loan payoffs/repayments while County CDBG saw an increase in loan forgiveness.

The variance in Community Social Services between revenues and expense is mainly due to the City and County Supplemental Admin Fee programs that had increased expenses in their contracted programs.

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Business-type Activities

Total revenues for business-type activities decreased \$6,256, a 4.5% decrease from the prior year. Total expenses increased \$2,050, a 1.5% increase, and net transfers to business-type activities decreased \$106. These fluctuations are discussed in more detail below.

Revenues

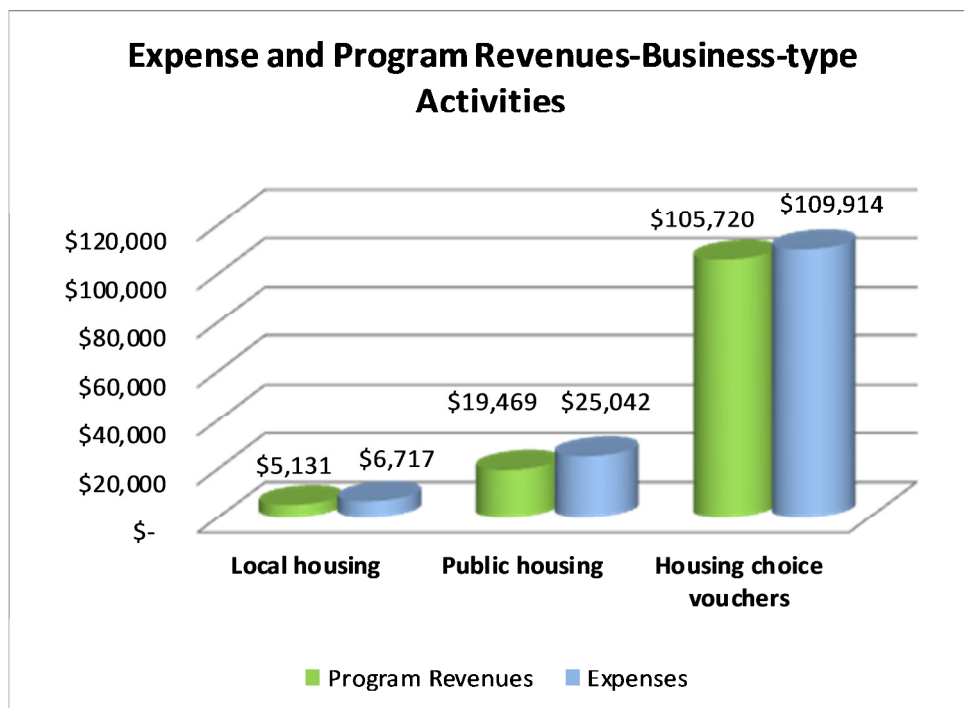
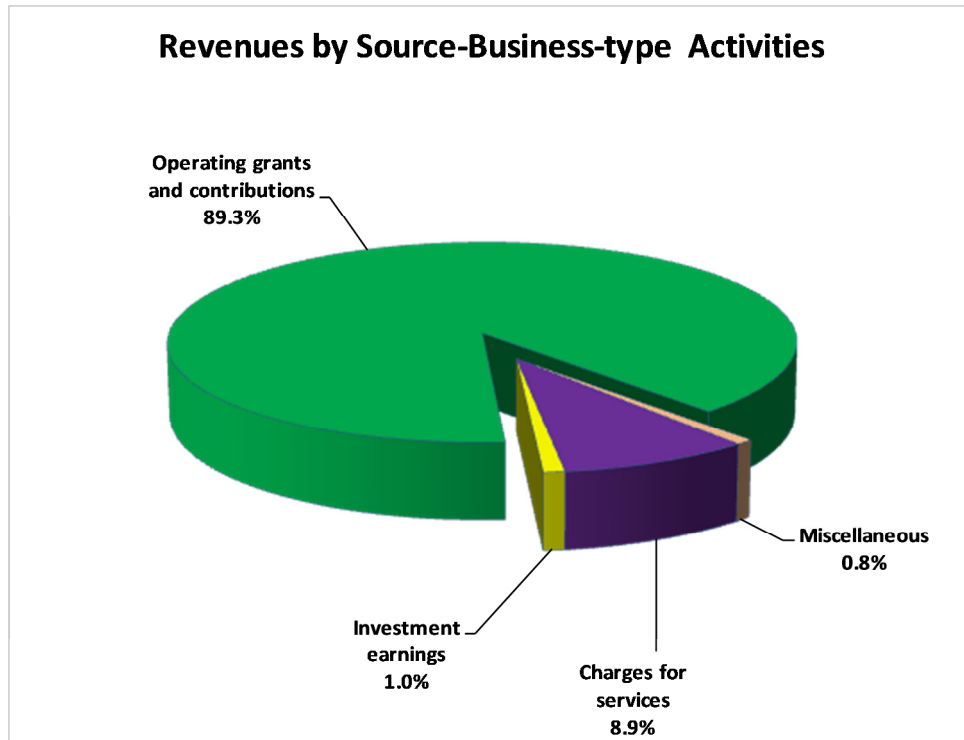
- Charges for services increased by \$771 mainly due to increases in management and bookkeeping fees in the County COCC fund.
- Operating grants and contributions decreased by \$6,995 mainly due to HUD proration decreases for HAP revenues in County Housing Choice Vouchers and decreased voucher revenue collection in current year compared to previous year.
- Investment earnings decreased by \$41 mainly due to accrued interest in Asset Repositioning.

Expenses

- Local housing expenses increased by \$2,081 due mainly to increased overhead charges in City and County COCC to pay for administrative staff.
- Public housing expenses increased by \$274 due mainly to cost of living increases, increased utility costs, and additional housing assistance payments.
- Housing choice vouchers expenses decreased by \$305 mainly due to lower housing assistance payments made in the current year compared to previous year.
- The net transfers of \$3,016 are mainly due to construction in progress from governmental activities to buildings for costs incurred by City Capital Fund Program of \$1,039 and County Capital Fund Program of \$633. Other transfers were to cover operating deficits in various funds.

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



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

The variance in Public Housing is due to the Public Housing AMPs using prior year resources to cover operating costs in the current year as well as decreased capital contributions and transfers in for management improvement and operating costs from the Capital Fund Program.

The variance in Housing Choice Vouchers is mainly due to higher absorption of portable vouchers and lowered HUD proration of HAP revenues.

FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS

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

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

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

The Agency's governmental funds reported combined ending fund balances of \$198,337. There was a net increase of \$9,146 in comparison with the prior year. The major funds listed below are responsible for an increase of \$5,482 in the combined fund balances and the nonmajor funds are responsible for a \$3,664 increase.

The City HOME fund has a total fund balance of \$2,871, which is restricted for community development. The net increase in fund balance during the current year was \$2,261. This increase is mainly due to a reduction in expenditures due to completion of projects.

The County HOME fund has a total fund balance of \$3,657, which is restricted for community development. The net increase in fund balance during the current year was \$1,775. This increase is mainly due to a reduction in expenditures due to completion of projects.

The City Housing Successor fund has a total fund balance of \$75,876, which is restricted for housing activities. The net increase in fund balance during the current year was \$1,374. This increase is mainly due to investment earnings, seller carryback loans made and proceeds from property sales.

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The County Housing Successor fund has a total fund balance of \$16,653, which is restricted for housing activities. The net increase in fund balance during the current year was \$72. This increase is mainly due to unspent investment earnings.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets. The Agency's investment in capital assets for its governmental and business-type activities as of December 31, 2017, amounted to \$187,659 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, property and equipment, and construction in progress.

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

| | Capital Assets (net of depreciation) | | | | | | Increase/ (Decrease) Percent of Change |
|---------------------------|---|-----------|-----------------------------|------------|------------|------------|---|
| | Governmental Activities | | Business-type Activities | | Total | | |
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 | |
| | | | | | | | |
| Land | \$ 16,522 | \$ 19,183 | \$ 15,606 | \$ 15,716 | \$ 32,128 | \$ 34,899 | -7.94% |
| Building and improvements | 9,422 | 9,600 | 138,451 | 143,024 | 147,873 | 152,624 | -3.11% |
| Property and equipment | 181 | 152 | 145 | 189 | 326 | 341 | -4.40% |
| Construction in progress | 7,332 | 6,043 | - | - | 7,332 | 6,043 | 21.33% |
| Total | \$ 33,457 | \$ 34,978 | \$ 154,202 | \$ 158,929 | \$ 187,659 | \$ 193,907 | -3.22% |

In addition to the decreases to capital assets mentioned previously, the items below also contributed to the decrease in investment in capital assets under governmental activities of \$1,521:

- The decrease in land in the governmental activities was due to sales of land that occurred in the City Housing Successor, County Housing Successor, and County CDBG NSP 3 funds.
- The decrease in buildings and improvements was due to depreciation.
- The increase in property and equipment was due to purchases of equipment and machinery for 801 12th Street.
- Construction in progress increased in both the City Capital Fund program and the County Capital Fund Program. The construction in progress will be transferred to buildings in the Public Housing AMPs when the grants close.

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In addition to the decrease to capital assets mentioned previously, the items below also contributed to the decrease in investment in capital assets under business-type activities of \$4,727:

- The decrease in land and buildings and improvements was due to depreciation expense and the sale of properties in City AMP 4 and City AMP 7. Increases to property values were added from governmental activities construction in progress transfers.
- Property and equipment increased due to depreciation expense.
- Construction in progress decreased by adding the value to buildings.

Long-term Debt. At the end of December 31, 2017, the Agency had long-term debt outstanding of \$19,419. This is a net increase of \$1,908 from the prior year total of \$17,511.

Outstanding Debt

| | Governmental Activities | | Business-type Activities | | Total | |
|-----------------------|----------------------------|------------------|-----------------------------|-----------------|------------------|------------------|
| | 2017 | 2016 | 2017 | 2016 | 2017 | 2016 |
| Notes payable | \$ 13,137 | \$ 14,330 | \$ 2,306 | \$ 2,361 | \$ 15,443 | \$ 16,691 |
| Pollution remediation | 3,976 | 820 | - | - | 3,976 | 820 |
| Total | <u>\$ 17,113</u> | <u>\$ 15,150</u> | <u>\$ 2,306</u> | <u>\$ 2,361</u> | <u>\$ 19,419</u> | <u>\$ 17,511</u> |

Governmental activities notes payable decreased by \$1,193 due to scheduled debt service principal payments which reduced the year-end balances.

Pollution remediation obligations increased by \$3,156 mainly due to an increase in estimated costs.

Business-type activities notes payable decreased \$55 due to scheduled debt service principal payments which reduced the year-end balances. There were no notes issued in 2017.

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

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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

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BUDGET SUMMARY

The 2018 Proposed Budget recommends total expenses of \$190.7 million and is comprised of the Housing Assistance Payments (HAP) Budget of \$100.7 million; the Operating Budget of \$42.3 million; the Capital Projects Budget of \$35.5 million; the Public Services Budget of \$6.7 million; and the Debt Service and Financial Transactions Budget of \$5.5 million.

The 2018 Proposed Budget of \$190.7 million represents a \$.2 million or .1 percent increase in net appropriations compared with the prior year. This change in annual budget appropriations is primarily the result of an increase in capital projects related to the preservation and development of affordable housing.

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

As with previous year's budgets, the 2018 budget centers on conveying the Mission, Vision & Goals of the Organization, by

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

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

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

Federal Funding Trends

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

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program participants including families, seniors, and persons with disabilities, households displaced by disasters, homeless veterans and children aging out of the foster care system. Both the size of the program and the diverse populations that the program serves make it critical that Congress highly prioritize the HCV program when making funding decisions.

The Housing Authority currently has 12,177 vouchers authorized for leasing each month and the program strives to maintain a leasing level between 98-100% utilization of all vouchers authorized by HUD. The Agency also administers an additional 575 certificates for the Shelter Plus Care (SPC) program serving disabled, homeless individuals and families. The Agency was recently awarded additional Veterans Affairs Supportive Housing (VASH) vouchers to assist homeless veterans bringing the current total to 512 administered by the Housing Authority.

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

In 2017, the Agency's HAP eligibility was at 96.4% and staff anticipates a slight decrease in 2018. In addition, HUD intentionally provides less funding than required to cover HAP costs in an effort to recapture accumulated HAP reserves from public housing authorities across the country. In 2017 HUD intentionally recaptured HAP reserves leaving the Housing Authority with approximately two weeks of reserves; therefore, managing leasing levels effectively became exceptionally critical.

Federal funding for the HCV program is appropriated through two accounts. In addition to the HAP payments that Public Housing Agencies (PHAs) send to landlords on behalf of program participants, Congress also funds the administrative fees to support the operations of the programs. The **HCV Administrative Funding** eligibility is based upon the number of units leased within the Housing Authority's authorized voucher allocation. Once eligibility is determined, HUD uses a formula to determine administrative fees for the Agency. For 2017, the Agency receives \$89.25 per unit for the first 7,200 unit months leased and \$83.30 per unit on all remaining unit months leased. HUD then applies a proration to the formula to reduce fees paid so that the administrative fees paid to the housing authorities match the appropriations provided by Congress. In 2016, the proration was 84% of administrative funding eligibility. This proration was decreased to 77.5% of administrative funding eligibility in 2017. The Agency expects funding in 2018 to remain the same given the wide array of levels proposed the administration and Congress.

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

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addition the low funding levels have consequences for the low-income families that are being served including a reduction in the level of services provided.

Public Housing Agencies own and operate over 1.1 million units of federally subsidized public housing, providing affordable housing to families, the elderly, disabled persons, and veterans on a national level. Although the public housing inventory is an integral component of our nation's infrastructure, chronic underfunding of the Public Housing Capital and Operating Funds, coupled with burdensome over-regulation, has placed the inventory at risk. The public housing inventory faces a mounting capital needs backlog, but Capital Fund appropriations continue to lag dangerously behind accruing modernization needs. At the same time, funding for operations has endured deep cuts, forcing PHAs to forego critical maintenance functions and further jeopardizing the long term sustainability of many properties. Each year PHAs receive enough funding to address only about half of their newly occurring physical needs.

HUD provides an annual **Operating Subsidy** to pay the cost of the Public Housing Program not covered by tenant rents which is appropriated annually through the federal budget process and in recent years has been very erratic. In 2017, the program was funded at 93% of funding eligibility, meaning that the program received only 93% of what HUD believes the Agency needs to run the program. This requires that the Public Housing Program cut operating costs whenever possible and utilize operating reserves. The slight revenue decline reflected in the 2018 budget is based upon federal budget projections.

Between 2003 and 2015, HUD funding for SHRA's **Capital Fund Program (CFP)** decreased 36%, with the sharpest decrease in 2011 of 21%. 2018 HUD funding for the CFP is expected to decrease slightly from the 2017 level.

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

On a local level, the decrease in appropriations of Federal programs such as Community Development Block Grant (CDBG) and Home Investment Partnership (HOME) since the 2013 sequestration have impacted the number of housing projects, public services and infrastructure improvements the Agency can fund. For 2018, it is anticipated that Agency programs will be funded at levels similar to 2017.

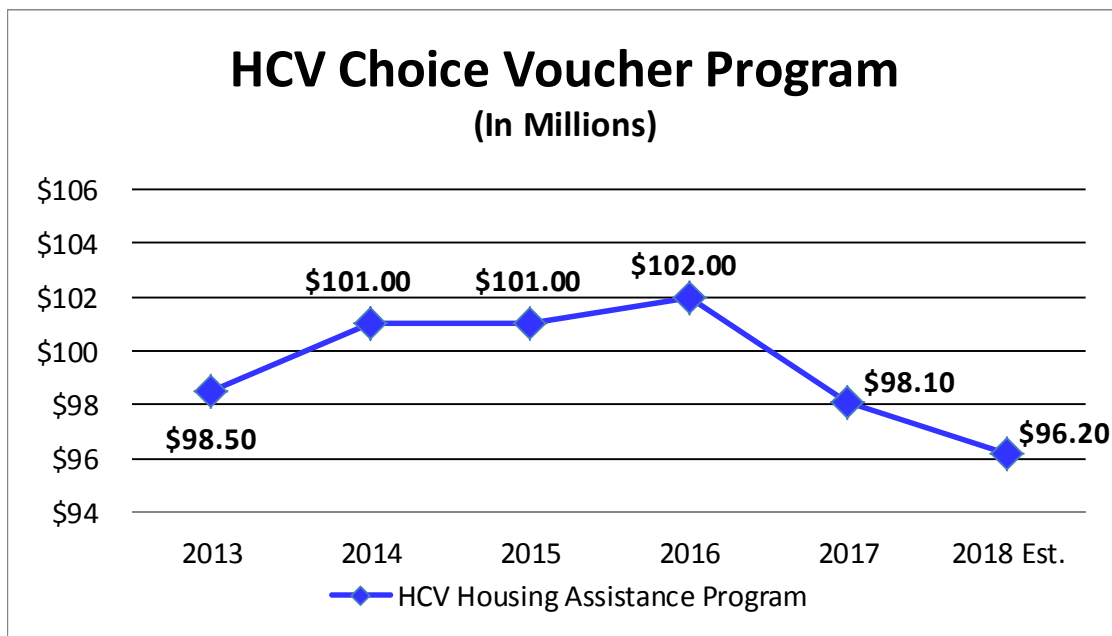
For over 20 years HOME funds have been used by states and localities to design and implement affordable housing based on locally determined need as the funds can be used for new construction, rehab of existing housing, down payment assistance, and tenant-based rental assistance. The annual HUD HOME budget is allocated to states and participating jurisdictions as formula grants. The Agency receives **HOME** entitlement for both the City of Sacramento and the County of Sacramento. As with CDBG funding, appropriations for HOME funds have declined significantly since 2010. Funding improved slightly in 2016 and the 2018 levels are projected to be relatively status quo with 2017 levels.

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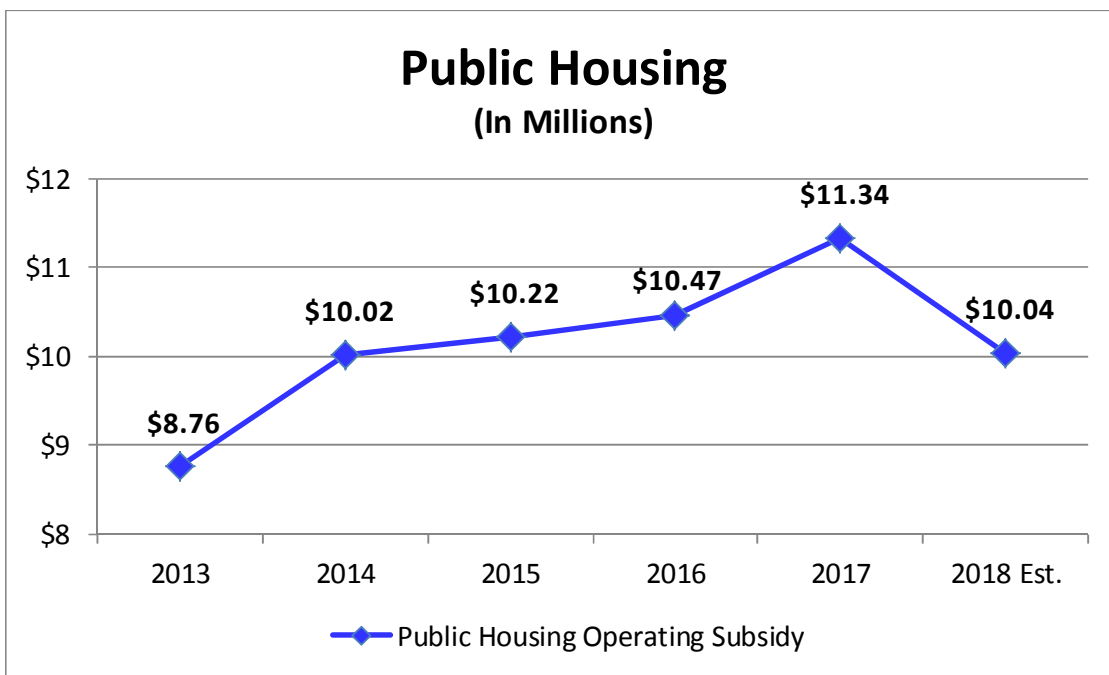
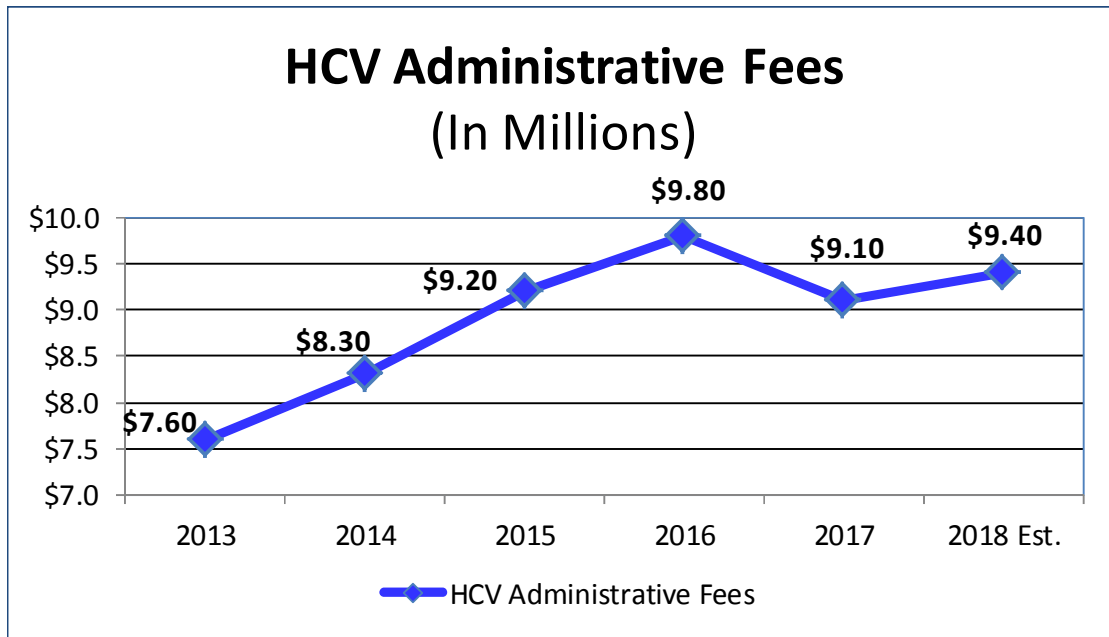
In conclusion, in 2014, the opening of the HCV waitlist resulted in over 46,000 applications in a two week period. Currently the Agency has over 33,000+ families on five different wait lists for tenant and project based vouchers and 46,000+ families on six different wait lists for public housing. Housing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

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

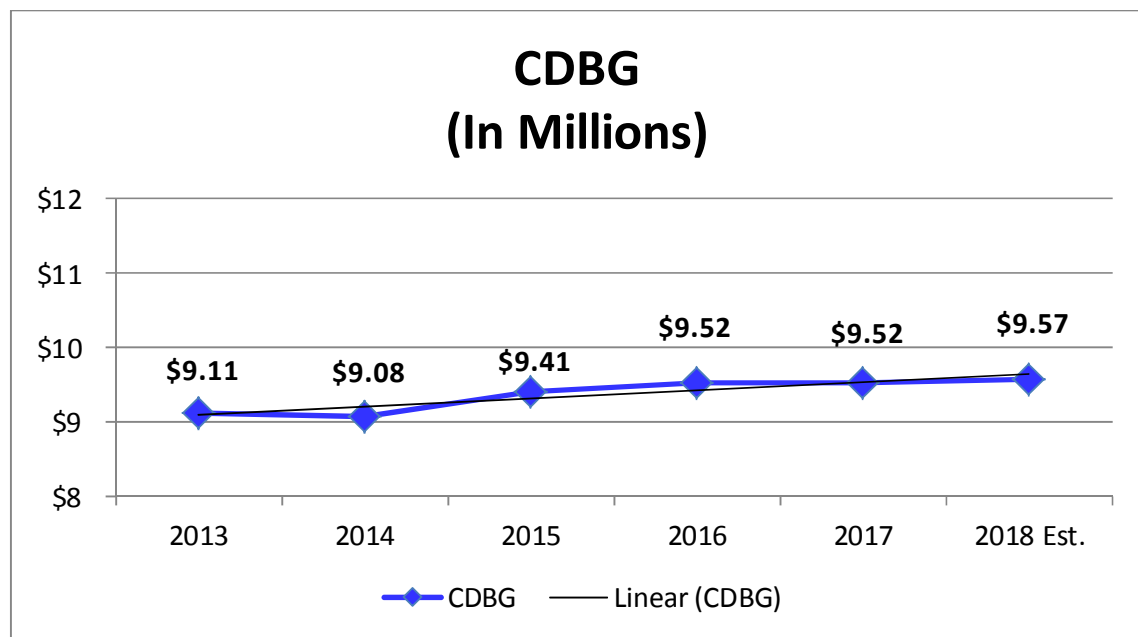
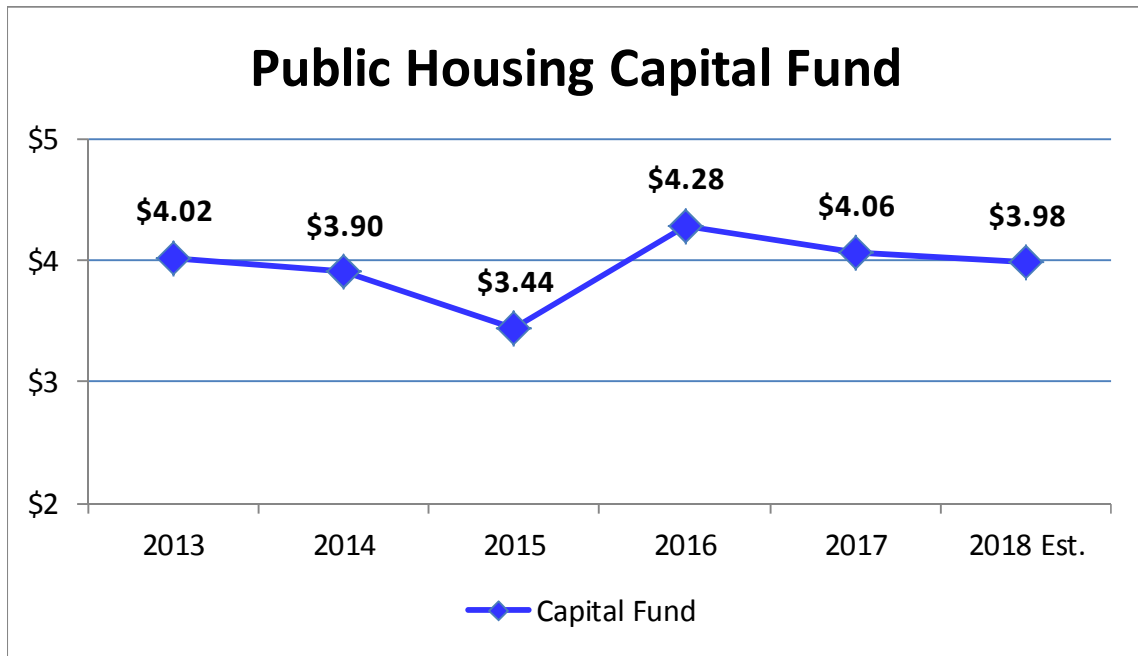
The charts on the following pages provide a visual representation of the trends of the major federal funding administered by the Agency over the past several years and as notated above.



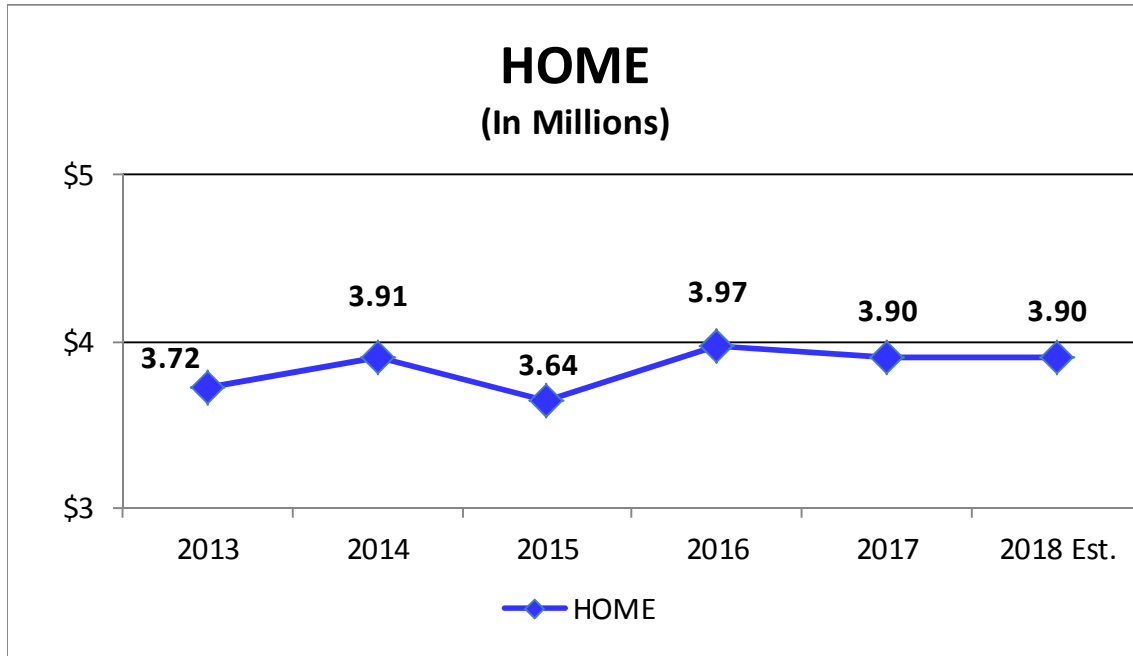
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For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)**



**Sacramento Housing and Redevelopment Agency
Management's Discussion and Analysis (Continued)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)**



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

REQUESTS FOR INFORMATION

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

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*Basic
Financial
Statements*

Sacramento Housing and Redevelopment Agency
Statement of Net Position
December 31, 2017
(amounts expressed in thousands)

| | Primary Government | | | |
|---|----------------------------|-----------------------------|------------|--------------------|
| | Governmental Activities | Business-type Activities | Total | Component Units |
| ASSETS | | | | |
| Cash and investments | \$ 64,251 | \$ 29,993 | \$ 94,244 | \$ 3,764 |
| Receivables (net) | 6,451 | 776 | 7,227 | 145 |
| Internal balances | (10,479) | 10,479 | - | - |
| Prepaid items | 159 | 2 | 161 | 32 |
| Restricted cash and investments | 631 | 3,759 | 4,390 | 280 |
| Assets held for resale | 4,940 | - | 4,940 | - |
| Other long-term assets | - | 5,396 | 5,396 | 2,108 |
| Notes receivable (net) | 289,744 | 30,279 | 320,023 | 1,317 |
| Advances to component units | - | 2,172 | 2,172 | - |
| Advances to primary government | - | - | - | 1,000 |
| OPEB asset | 8,291 | - | 8,291 | - |
| Capital assets: | | | | |
| Land and construction in progress | 23,854 | 15,606 | 39,460 | 2,552 |
| Depreciable buildings and improvements, and property and equipment, net | 9,603 | 138,596 | 148,199 | 8,561 |
| Total assets | 397,445 | 237,058 | 634,503 | 19,759 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | |
| Employer contribution made subsequent to the measurement date | 718 | 983 | 1,701 | 13 |
| Difference between projected and actual earnings on pension plan investments | 773 | 777 | 1,550 | 8 |
| Change in assumptions on pension plan | 1,790 | 2,235 | 4,025 | 36 |
| Total deferred outflows of resources | 3,281 | 3,995 | 7,276 | 57 |
| LIABILITIES | | | | |
| Accounts payable and accrued liabilities | 1,766 | 616 | 2,382 | 68 |
| Interest payable | 99 | - | 99 | - |
| Unearned revenue | - | 134 | 134 | 10 |
| Deposit and trust liability | 77 | 2,954 | 3,031 | 186 |
| Advances from component units | 1,000 | - | 1,000 | - |
| Advances from primary government | - | - | - | 2,172 |
| Long-term liabilities: | | | | |
| Due within one year | 3,821 | 61 | 3,882 | - |
| Due in more than one year | 16,283 | 2,245 | 18,528 | 5,188 |
| Net pension liability | 18,902 | 25,459 | 44,361 | 346 |
| Total liabilities | 41,948 | 31,469 | 73,417 | 7,970 |
| DEFERRED INFLOWS OF RESOURCES | | | | |
| Difference between expected and actual experience | 52 | 68 | 120 | 1 |
| NET POSITION | | | | |
| Net investment in capital assets | 25,008 | 151,897 | 176,905 | 8,180 |
| Restricted for: | | | | |
| Debt service | 554 | 200 | 754 | - |
| Housing | 176,915 | 194 | 177,109 | 200 |
| Housing choice vouchers | - | 412 | 412 | - |
| Community development | 169,021 | - | 169,021 | - |
| Community services | 2,980 | - | 2,980 | - |
| Unrestricted | (15,752) | 56,813 | 41,061 | 3,465 |
| Total net position | \$ 358,726 | \$ 209,516 | \$ 568,242 | \$ 11,845 |

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

Sacramento Housing and Redevelopment Agency
Statement of Activities
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue |
|--------------------------------|-------------------|-------------------------|--|--|--------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| Housing operations | \$ 17,837 | \$ 1,287 | \$ 8,183 | \$ 6,594 | \$ (1,773) |
| Community development | 18,514 | 2 | 14,934 | - | (3,578) |
| Community social services | 5,957 | 1,212 | 4,544 | - | (201) |
| Interest expense | 688 | - | - | - | (688) |
| Total governmental activities | <u>42,996</u> | <u>2,501</u> | <u>27,661</u> | <u>6,594</u> | <u>(6,240)</u> |
| Business-type activities: | | | | | |
| Local housing | 6,717 | 3,966 | 1,165 | - | (1,586) |
| Public housing | 25,042 | 7,852 | 11,617 | - | (5,573) |
| Housing choice vouchers | 109,914 | - | 105,720 | - | (4,194) |
| Total business-type activities | <u>141,673</u> | <u>11,818</u> | <u>118,502</u> | <u>-</u> | <u>(11,353)</u> |
| Total primary government | <u>\$ 184,669</u> | <u>\$ 14,319</u> | <u>\$ 146,163</u> | <u>\$ 6,594</u> | <u>\$ (17,593)</u> |
| Component units: | | | | | |
| Local housing | <u>\$ 2,604</u> | <u>\$ 1,196</u> | <u>\$ 166</u> | <u>\$ -</u> | <u>\$ (1,242)</u> |

| | Primary Government | | | Component Units |
|--------------------------------------|----------------------------|-----------------------------|--------------------|--------------------|
| | Governmental Activities | Business-type Activities | Total | |
| Net revenue (expense) | <u>\$ (6,240)</u> | <u>\$ (11,353)</u> | <u>\$ (17,593)</u> | <u>\$ (1,242)</u> |
| General revenues: | | | | |
| Investment earnings | 4,595 | 1,312 | 5,907 | 76 |
| Miscellaneous | 8,485 | 1,091 | 9,576 | 310 |
| Transfers, net | <u>(3,016)</u> | <u>3,016</u> | <u>-</u> | <u>-</u> |
| Total general revenues and transfers | <u>10,064</u> | <u>5,419</u> | <u>15,483</u> | <u>386</u> |
| Change in net position | 3,824 | (5,934) | (2,110) | (856) |
| Net position - beginning | 354,902 | 215,450 | 570,352 | 12,701 |
| Net position - ending | <u>\$ 358,726</u> | <u>\$ 209,516</u> | <u>\$ 568,242</u> | <u>\$ 11,845</u> |

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

Sacramento Housing and Redevelopment Agency
Balance Sheet
Governmental Funds
December 31, 2017
(amounts expressed in thousands)

| | City HOME | County HOME | City Housing Successor | County Housing Successor | Other Governmental Funds | Total Governmental Funds |
|---|------------------|------------------|------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Assets | | | | | | |
| Cash and investments | \$ 2,602 | \$ 3,396 | \$ 15,654 | \$ 785 | \$ 34,887 | \$ 57,324 |
| Accounts receivable (net) | 83 | 61 | 85 | - | 504 | 733 |
| Due from other funds | - | - | - | - | 867 | 867 |
| Due from other governments | 187 | 202 | - | - | 5,329 | 5,718 |
| Notes receivable (net) | 51,998 | 60,006 | 60,023 | 15,868 | 101,771 | 289,666 |
| Advances to other funds | - | - | 170 | - | 1,854 | 2,024 |
| Restricted cash and investments | - | - | 33 | - | 47 | 80 |
| Assets held for resale | - | - | - | - | 4,940 | 4,940 |
| Total assets | <u>\$ 54,870</u> | <u>\$ 63,665</u> | <u>\$ 75,965</u> | <u>\$ 16,653</u> | <u>\$ 150,199</u> | <u>\$ 361,352</u> |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ 1 | \$ 56 | \$ - | \$ 782 | \$ 839 |
| Accrued liabilities | 1 | 1 | - | - | 8 | 10 |
| Contracts payable | - | - | - | - | 136 | 136 |
| Due to other funds | - | - | - | - | 3,094 | 3,094 |
| Due to other governments | - | - | - | - | 162 | 162 |
| Deposit and trust liability | - | - | 33 | - | 44 | 77 |
| Advances from other funds | - | - | - | - | 10,336 | 10,336 |
| Total liabilities | <u>1</u> | <u>2</u> | <u>89</u> | <u>-</u> | <u>14,562</u> | <u>14,654</u> |
| Deferred Inflows of Resources | | | | | | |
| Unavailable revenue | <u>51,998</u> | <u>60,006</u> | <u>-</u> | <u>-</u> | <u>36,357</u> | <u>148,361</u> |
| Fund Balances (Deficits) | | | | | | |
| Restricted for: | | | | | | |
| Debt service | - | - | - | - | 3 | 3 |
| Housing | - | - | 75,876 | 16,653 | 84,386 | 176,915 |
| Community development | 2,871 | 3,657 | - | - | 14,132 | 20,660 |
| Community services | - | - | - | - | 2,980 | 2,980 |
| Unassigned | - | - | - | - | (2,221) | (2,221) |
| Total fund balances | <u>2,871</u> | <u>3,657</u> | <u>75,876</u> | <u>16,653</u> | <u>99,280</u> | <u>198,337</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 54,870</u> | <u>\$ 63,665</u> | <u>\$ 75,965</u> | <u>\$ 16,653</u> | <u>\$ 150,199</u> | <u>\$ 361,352</u> |

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

Sacramento Housing and Redevelopment Agency
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2017
(amounts expressed in thousands)

| | | |
|---|--------------|--------------------------|
| Total fund balances of governmental funds (page 31) | | \$ 198,337 |
| Amounts reported for governmental activities in the statement of net position are different because: | | |
| Long-term assets that are not available to be received within the current financial resources period and therefore, are considered deferred inflows of resources in governmental funds. | | 148,361 |
| OPEB assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: | | 8,291 |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds: | | |
| Governmental capital assets | \$ 22,632 | |
| Less: accumulated depreciation | <u>(361)</u> | |
| | | 22,271 |
| Internal service funds are used by management to charge the costs of administration to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. | | (4,251) |
| Certain liabilities are not due and payable in the current period and, therefore, are not reported in the funds: | | |
| Interest payable | | (99) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds: | | |
| Notes payable | \$ (13,137) | |
| Net pension liability | (18,902) | |
| Deferred outflows of resources | 3,281 | |
| Deferred inflows of resources | (52) | |
| Pollution remediation payable | (3,976) | |
| Compensated absences | (2,991) | |
| Less internal service funds: | | |
| Notes payable | 8,449 | |
| Net pension liability | 12,161 | |
| Deferred outflows of resources | (2,042) | |
| Deferred inflows of resources | 34 | |
| Compensated absences | <u>2,991</u> | |
| | | <u>(14,184)</u> |
| Net position of governmental activities (page 29) | | <u><u>\$ 358,726</u></u> |

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

Sacramento Housing and Redevelopment Agency
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>City HOME</u> | <u>County HOME</u> | <u>City Housing Successor</u> | <u>County Housing Successor</u> | <u>Other Governmental Funds</u> | <u>Total Governmental Funds</u> |
|---|----------------------|------------------------|---------------------------------------|---|---|---|
| Revenues: | | | | | | |
| Intergovernmental | \$ 2,054 | \$ 569 | \$ 1,351 | \$ 296 | \$ 28,559 | \$ 32,829 |
| Charges for services | - | - | - | 150 | 2,351 | 2,501 |
| Investment earnings | 828 | 1,040 | 781 | 40 | 1,898 | 4,587 |
| Miscellaneous | 1,469 | 1,840 | 98 | - | 5,035 | 8,442 |
| Total revenues | <u>4,351</u> | <u>3,449</u> | <u>2,230</u> | <u>486</u> | <u>37,843</u> | <u>48,359</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Housing operations | - | - | 1,077 | 461 | 9,952 | 11,490 |
| Community development | 2,090 | 1,674 | - | - | 12,950 | 16,714 |
| Community social services | - | - | - | - | 5,942 | 5,942 |
| Capital outlay | - | - | - | - | 2,961 | 2,961 |
| Debt service: | | | | | | |
| Principal retirement | - | - | 267 | - | 335 | 602 |
| Interest | - | - | 199 | - | 41 | 240 |
| Total expenditures | <u>2,090</u> | <u>1,674</u> | <u>1,543</u> | <u>461</u> | <u>32,181</u> | <u>37,949</u> |
| Excess of revenues over expenditures | <u>2,261</u> | <u>1,775</u> | <u>687</u> | <u>25</u> | <u>5,662</u> | <u>10,410</u> |
| Other financing sources (uses): | | | | | | |
| Proceeds from sale of capital assets | - | - | 687 | 47 | 117 | 851 |
| Transfers in | - | - | - | - | 376 | 376 |
| Transfers out | - | - | - | - | (2,491) | (2,491) |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>687</u> | <u>47</u> | <u>(1,998)</u> | <u>(1,264)</u> |
| Net change in fund balances | 2,261 | 1,775 | 1,374 | 72 | 3,664 | 9,146 |
| Fund balances, beginning | 610 | 1,882 | 74,502 | 16,581 | 95,616 | 189,191 |
| Fund balances, ending | <u>\$ 2,871</u> | <u>\$ 3,657</u> | <u>\$ 75,876</u> | <u>\$ 16,653</u> | <u>\$ 99,280</u> | <u>\$ 198,337</u> |

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

**Sacramento Housing and Redevelopment Agency
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended December 31, 2017
(amounts expressed in thousands)**

| | |
|--|----------|
| Net change in fund balances - total governmental funds (page 33) | \$ 9,146 |
|--|----------|

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

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

| | | |
|----------------------|-------------|-------|
| Capital outlay | \$ 2,961 | |
| Depreciation expense | <u>(44)</u> | |
| | | 2,917 |

| | |
|---|---------|
| In the statement of activities, only the loss on the sale of capital assets is reported. However, in the governmental funds, the proceeds received from the sale of capital assets increase financial resources. Thus, the change in net position differs from the change in fund balances by the book value of the capital assets disposed of or sold. | (2,661) |
|---|---------|

| | |
|--|---------|
| Capital assets transferred from governmental activities to business-type activities are reported as transfers in the statement of activities. The transfers are not reported in the governmental funds because there has been no use of current financial resources. | (1,672) |
|--|---------|

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

| | |
|--|-----|
| Principal repayments on long-term debt - notes payable | 602 |
|--|-----|

| | |
|---|---------|
| The Agency has recorded an obligation and corresponding expense for pollution remediation activities which does not require the use of current financial resources, and therefore, is not reported as an expenditure in governmental funds. | (3,156) |
|---|---------|

| | |
|---|---|
| A reduction in interest payable reported in the statement of activities does not provide or use current financial resources, and therefore, is not reported as a reduction in expenditures in governmental funds. | 6 |
|---|---|

| | |
|---|-----|
| OPEB contributions made in excess of the annual required contribution are reported as expenditures in the governmental funds, however, in the statement of activities the excess contributions does not have any effect on net position, rather the OPEB asset increases. | 100 |
|---|-----|

| | |
|---|-------|
| Unavailable revenues not available to liquidate liabilities of the current period in governmental funds, but were recognized as revenue in the statement of activities. | 1,426 |
|---|-------|

| | |
|--|---------|
| Internal service funds are used by management to charge the costs of certain activities, such as administration to individual funds. The net expense of the internal service funds is reported with the governmental activities. | (1,973) |
|--|---------|

| | |
|----------------------|-------|
| Net pension activity | (911) |
|----------------------|-------|

| | |
|---|------------------------|
| Change in net position of governmental activities (page 30) | <u><u>\$ 3,824</u></u> |
|---|------------------------|

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

Sacramento Housing and Redevelopment Agency
Statement of Net Position
Proprietary Funds
December 31, 2017
(amounts expressed in thousands)

| | Business-type Activities-Enterprise Funds | | | Governmental Activities-Internal Service Funds |
|--|--|-------------------------------|--------------|---|
| | County Housing Choice Vouchers | Other Enterprise Funds | Total | |
| Assets | | | | |
| Current assets: | | | | |
| Cash and investments | \$ 4,249 | \$ 25,744 | \$ 29,993 | \$ 6,927 |
| Restricted cash and investments | 416 | 2,746 | 3,162 | - |
| Accounts receivable (net) | 311 | 436 | 747 | - |
| Due from other funds | - | 2,530 | 2,530 | 60 |
| Due from other governments | - | 29 | 29 | - |
| Prepaid items | - | 2 | 2 | 159 |
| Total current assets | 4,976 | 31,487 | 36,463 | 7,146 |
| Noncurrent assets: | | | | |
| Restricted cash and investments | 203 | 394 | 597 | 551 |
| Other long-term assets | - | 5,396 | 5,396 | - |
| Notes receivable (net) | - | 30,279 | 30,279 | 78 |
| Advances to other funds | - | 10,166 | 10,166 | - |
| Advances to component units | - | 2,172 | 2,172 | - |
| | 203 | 48,407 | 48,610 | 629 |
| Capital assets: | | | | |
| Land | - | 15,606 | 15,606 | 2,040 |
| Buildings and improvements | - | 259,015 | 259,015 | 11,636 |
| Property and equipment | 48 | 1,256 | 1,304 | 725 |
| Less accumulated depreciation | (48) | (121,675) | (121,723) | (3,215) |
| Total capital assets (net of accumulated depreciation) | - | 154,202 | 154,202 | 11,186 |
| Total noncurrent assets | 203 | 202,609 | 202,812 | 11,815 |
| Total assets | 5,179 | 234,096 | 239,275 | 18,961 |
| Deferred Outflows of Resources | | | | |
| Employer contribution made subsequent to the measurement date | 366 | 617 | 983 | 464 |
| Difference between projected and actual earnings on pension plan investments | 169 | 608 | 777 | 459 |
| Change in assumptions on pension plan | 935 | 1,300 | 2,235 | 1,119 |
| Total deferred outflows of resources | 1,470 | 2,525 | 3,995 | 2,042 |
| Liabilities | | | | |
| Current liabilities: | | | | |
| Accounts payable | 55 | 517 | 572 | 216 |
| Accrued liabilities | 1 | 43 | 44 | 403 |
| Due to other funds | - | 363 | 363 | - |
| Compensated absences | - | - | - | 1,874 |
| Unearned revenue | 33 | 101 | 134 | - |
| Current portion of long-term debt | - | 61 | 61 | 622 |
| Current liabilities payable from restricted assets: | | | | |
| Deposit and trust liability | 207 | 2,747 | 2,954 | - |
| Total current liabilities | 296 | 3,832 | 4,128 | 3,115 |
| Noncurrent liabilities: | | | | |
| Compensated absences | - | - | - | 1,117 |
| Mortgage notes payable | - | 2,245 | 2,245 | 7,827 |
| Advances from other funds | - | 1,854 | 1,854 | - |
| Advances from primary government | - | - | - | 1,000 |
| Net pension liability | 9,517 | 15,942 | 25,459 | 12,161 |
| Total noncurrent liabilities | 9,517 | 20,041 | 29,558 | 22,105 |
| Total liabilities | 9,813 | 23,873 | 33,686 | 25,220 |
| Deferred Inflows of Resources | | | | |
| Difference between expected and actual experience | 29 | 39 | 68 | 34 |
| Net Position | | | | |
| Net investment in capital assets | - | 151,897 | 151,897 | 2,736 |
| Restricted for debt service | - | 200 | 200 | 551 |
| Restricted for housing operations | - | 194 | 194 | - |
| Restricted for housing choice vouchers | 412 | - | 412 | - |
| Unrestricted | (3,605) | 60,418 | 56,813 | (7,538) |
| Total net position | \$ (3,193) | \$ 212,709 | \$ 209,516 | \$ (4,251) |

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

Sacramento Housing and Redevelopment Agency
Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Business-type Activities-Enterprise Funds | | | | Governmental Activities-Internal Service Funds |
|--|--|-------------------------------|---------------------|-------------------|---|
| | County Housing Choice Vouchers | Other Enterprise Funds | Eliminations | Total | |
| Operating revenues: | | | | | |
| Charges for services | \$ - | \$ 18,512 | \$ (6,694) | \$ 11,818 | \$ 9,117 |
| Miscellaneous | 3 | 1,088 | - | 1,091 | 43 |
| Total operating revenues | <u>3</u> | <u>19,600</u> | <u>(6,694)</u> | <u>12,909</u> | <u>9,160</u> |
| Operating expenses: | | | | | |
| Employee services | 6,210 | 9,317 | - | 15,527 | 8,112 |
| Administrative services | 2,798 | 9,151 | (6,694) | 5,255 | - |
| Services and supplies | 2,326 | 10,058 | - | 12,384 | 2,930 |
| Utilities | - | 3,585 | - | 3,585 | 124 |
| Claims and judgments | - | 6 | - | 6 | - |
| Depreciation | - | 6,494 | - | 6,494 | 292 |
| Housing assistance payments | 98,580 | 225 | - | 98,805 | - |
| Total operating expenses | <u>109,914</u> | <u>38,836</u> | <u>(6,694)</u> | <u>142,056</u> | <u>11,458</u> |
| Operating loss | <u>(109,911)</u> | <u>(19,236)</u> | <u>-</u> | <u>(129,147)</u> | <u>(2,298)</u> |
| Nonoperating revenues (expenses): | | | | | |
| Intergovernmental | 105,720 | 12,782 | - | 118,502 | - |
| Investment earnings | 67 | 1,245 | - | 1,312 | 8 |
| Interest expense | - | (21) | - | (21) | (454) |
| Gain on disposal of capital assets | - | 404 | - | 404 | - |
| Total nonoperating revenues (expenses) | <u>105,787</u> | <u>14,410</u> | <u>-</u> | <u>120,197</u> | <u>(446)</u> |
| Loss before capital contributions, and transfers | <u>(4,124)</u> | <u>(4,826)</u> | <u>-</u> | <u>(8,950)</u> | <u>(2,744)</u> |
| Capital contributions | - | 1,672 | - | 1,672 | - |
| Transfers in | 32 | 1,800 | - | 1,832 | 1,491 |
| Transfers out | - | (488) | - | (488) | (720) |
| Change in net position | <u>(4,092)</u> | <u>(1,842)</u> | <u>-</u> | <u>(5,934)</u> | <u>(1,973)</u> |
| Net position, beginning | <u>899</u> | <u>214,551</u> | <u>-</u> | <u>215,450</u> | <u>(2,278)</u> |
| Net position, ending | <u>\$ (3,193)</u> | <u>\$ 212,709</u> | <u>\$ -</u> | <u>\$ 209,516</u> | <u>\$ (4,251)</u> |

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

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Business-type Activities-Enterprise Funds | | | Governmental Activities-Internal Service Funds |
|---|--|-------------------------------|------------------|---|
| | County Housing Choice Vouchers | Other Enterprise Funds | Total | |
| Cash flows from operating activities: | | | | |
| Cash receipts from tenants | \$ 412 | \$ 20,847 | \$ 21,259 | \$ - |
| Cash receipts from interfund services provided | - | - | - | 9,078 |
| Cash paid to tenants | (18) | (52) | (70) | - |
| Cash paid to suppliers for goods and services | (2,354) | (13,843) | (16,197) | (3,018) |
| Cash paid to employees for services | (4,967) | (7,586) | (12,553) | (6,272) |
| Cash paid for administrative expense | (2,798) | (9,151) | (11,949) | - |
| Cash paid for housing assistance payment | (98,580) | (271) | (98,851) | - |
| Cash paid for claims and judgment | - | (6) | (6) | - |
| Net cash used in operating activities | <u>(108,305)</u> | <u>(10,062)</u> | <u>(118,367)</u> | <u>(212)</u> |
| Cash flows from noncapital financing activities: | | | | |
| Transfers in | 32 | 1,800 | 1,832 | 1,491 |
| Transfers out | - | (488) | (488) | (720) |
| Intergovernmental revenue received | 96,391 | 12,956 | 109,347 | - |
| Net cash provided by noncapital financing activities | <u>96,423</u> | <u>14,268</u> | <u>110,691</u> | <u>771</u> |
| Cash flows from capital and related financing activities: | | | | |
| Purchase of capital assets | - | (205) | (205) | (187) |
| Payments on long-term liabilities | - | (55) | (55) | (591) |
| Interest paid | - | (21) | (21) | (454) |
| Repayment of advances to other funds | (1,000) | - | (1,000) | - |
| Net cash used in capital and related financing activities | <u>(1,000)</u> | <u>(281)</u> | <u>(1,281)</u> | <u>(1,232)</u> |
| Cash flows from investing activities: | | | | |
| Payments received on notes receivable | - | 298 | 298 | 26 |
| Interest received | 67 | 371 | 438 | 8 |
| Net cash provided by investing activities | <u>67</u> | <u>669</u> | <u>736</u> | <u>34</u> |
| Net increase (decrease) in cash and cash equivalents | (12,815) | 4,594 | (8,221) | (639) |
| Cash and cash equivalents, beginning | <u>17,683</u> | <u>24,290</u> | <u>41,973</u> | <u>8,117</u> |
| Cash and cash equivalents, ending | <u>\$ 4,868</u> | <u>\$ 28,884</u> | <u>\$ 33,752</u> | <u>\$ 7,478</u> |
| Reconciliation of cash and cash equivalents to the statement of net position: | | | | |
| Cash and investments | \$ 4,249 | \$ 25,744 | \$ 29,993 | \$ 6,927 |
| Restricted cash and investments | <u>619</u> | <u>3,140</u> | <u>3,759</u> | <u>551</u> |
| Total | <u>\$ 4,868</u> | <u>\$ 28,884</u> | <u>\$ 33,752</u> | <u>\$ 7,478</u> |

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

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Business-type Activities-Enterprise Funds | | | Governmental Activities- Internal Service Funds |
|--|---|---------------------------------------|---------------------|--|
| | County Housing Choice Vouchers | Other Enterprise Funds | Total | |
| Reconciliation of operating loss to net cash used in operating activities: | | | | |
| Operating loss | \$ (109,911) | \$ (19,236) | \$ (129,147) | \$ (2,298) |
| Adjustments to reconcile operating loss to net cash used in operating activities: | | | | |
| Depreciation | - | 6,494 | 6,494 | 292 |
| Change in assets and liabilities: | | | | |
| Accounts receivable | 409 | 32 | 441 | - |
| Due from other funds | - | 834 | 834 | (60) |
| Prepaid items | - | (1) | (1) | (18) |
| Deferred outflows | 6 | 62 | 68 | 45 |
| Accounts payable | (28) | 22 | (6) | 32 |
| Accrued liabilities | (6) | (62) | (68) | 76 |
| Due to other funds | - | 43 | 43 | - |
| Due to other governments | - | (18) | (18) | - |
| Unearned revenue | - | (30) | (30) | - |
| Deposit and trust liability | (18) | 90 | 72 | - |
| Compensated absences | - | - | - | 244 |
| Net pension liability | 1,270 | 1,766 | 3,036 | 1,521 |
| Deferred inflows | (27) | (58) | (85) | (46) |
| Total adjustments | <u>1,606</u> | <u>9,174</u> | <u>10,780</u> | <u>2,086</u> |
| Net cash used in operating activities | <u>\$ (108,305)</u> | <u>\$ (10,062)</u> | <u>\$ (118,367)</u> | <u>\$ (212)</u> |
| Noncash Investing, Capital and Financing Activities: | | | | |
| Accrued interest on Note receivable | \$ - | \$ 874 | \$ 874 | \$ - |

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

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Component Units
December 31, 2017
(amounts expressed in thousands)

| | Sacramento Housing Development Corporation | Shasta Hotel Corporation | Norwood Avenue Housing Corporation | Sacramento Housing Authority Repositioning Program, Inc. | Total Component Units |
|---|---|---|---|---|--------------------------------------|
| Assets | | | | | |
| Cash and investments | \$ 157 | \$ 47 | \$ 482 | \$ 3,078 | \$ 3,764 |
| Receivables (net) | 8 | 13 | - | 124 | 145 |
| Prepaid items | - | 32 | - | - | 32 |
| Restricted cash and investments | 259 | 21 | - | - | 280 |
| Other long-term assets | - | - | 1,854 | 254 | 2,108 |
| Notes receivable (net) | - | - | - | 1,317 | 1,317 |
| Advances to primary government | 1,000 | - | - | - | 1,000 |
| Capital assets: | | | | | |
| Land and construction in progress | - | - | 2,552 | - | 2,552 |
| Depreciable buildings and improvements, and property and equipment, net | 7,728 | 738 | 95 | - | 8,561 |
| Total assets | <u>9,152</u> | <u>851</u> | <u>4,983</u> | <u>4,773</u> | <u>19,759</u> |
| Deferred Outflows of Resources | | | | | |
| Employer contribution made subsequent to the measurement date | 13 | - | - | - | 13 |
| Difference between projected and actual earnings on pension plan investments | 8 | - | - | - | 8 |
| Change in assumptions on pension plan | 36 | - | - | - | 36 |
| Total deferred outflows of resources | <u>57</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>57</u> |
| Liabilities | | | | | |
| Accounts payable and accrued liabilities | 19 | 46 | - | 3 | 68 |
| Unearned revenue | 7 | 3 | - | - | 10 |
| Deposit and trust liability | 59 | 127 | - | - | 186 |
| Advances from primary government | - | - | 2,172 | - | 2,172 |
| Long-term liabilities: | | | | | |
| Due in more than one year | 1,744 | 3,444 | - | - | 5,188 |
| Net pension liability | 346 | - | - | - | 346 |
| Total liabilities | <u>2,175</u> | <u>3,620</u> | <u>2,172</u> | <u>3</u> | <u>7,970</u> |
| Deferred Inflows of Resources | | | | | |
| Difference between expected and actual experience | <u>1</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1</u> |
| Net Position | | | | | |
| Net investment in capital assets | 6,795 | (1,262) | 2,647 | - | 8,180 |
| Restricted for: | | | | | |
| Housing | 200 | - | - | - | 200 |
| Unrestricted (deficit) | 38 | (1,507) | 164 | 4,770 | 3,465 |
| Total net position (deficit) | <u>7,033</u> | <u>\$ (2,769)</u> | <u>\$ 2,811</u> | <u>\$ 4,770</u> | <u>\$ 11,845</u> |

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

Sacramento Housing and Redevelopment Agency
Combining Statement of Activities
Component Units
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue |
|---|-----------------|-----------------------------|---|---|------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | |
| Business-type activities: | | | | | |
| Sacramento Housing Development Corporation Local Housing | \$ 1,331 | \$ 637 | \$ 116 | \$ - | \$ (578) |
| Shasta Hotel Corporation Local Housing | 911 | 494 | 50 | - | (367) |
| Norwood Avenue Housing Corporation Local Housing | 124 | - | - | - | (124) |
| Sacramento Housing Authority Repositioning Program, Inc. Local Housing | 238 | 65 | - | - | (173) |
| Total component units | <u>\$ 2,604</u> | <u>\$ 1,196</u> | <u>\$ 166</u> | <u>\$ -</u> | <u>\$ (1,242)</u> |

| | Sacramento Housing Development Corporation | Shasta Hotel Corporation | Norwood Avenue Housing Corporation | Sacramento Housing Authority Repositioning Program, Inc. | Total Component Units |
|-------------------------------------|---|---------------------------------|---|---|------------------------------|
| Change in net position: | | | | | |
| Net expense (revenue) | \$ (578) | \$ (367) | \$ (124) | \$ (173) | \$ (1,242) |
| General revenues: | | | | | |
| Investment earnings | 3 | - | - | 73 | 76 |
| Miscellaneous | 2 | - | 173 | 135 | 310 |
| Total general revenues | <u>5</u> | <u>-</u> | <u>173</u> | <u>208</u> | <u>386</u> |
| Change in net position | (573) | (367) | 49 | 35 | (856) |
| Net position (deficits) - beginning | 7,606 | (2,402) | 2,762 | 4,735 | 12,701 |
| Net position (deficits) - ending | <u>\$ 7,033</u> | <u>\$ (2,769)</u> | <u>\$ 2,811</u> | <u>\$ 4,770</u> | <u>\$ 11,845</u> |

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

***Notes to the Basic
Financial Statements***

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

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

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

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

Blended Component Unit

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

Discretely Presented Component Units

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

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

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

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

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

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

Since the Agency (1) appoints the entire voting members of the Corporation's board of directors; (2) can impose its will on the Corporation by significantly influencing its programs, activities, and levels of service provided by the

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

Corporation; (3) does not have substantively the same governing body; and (4) the Corporation does not entirely or exclusively provide services to the Agency, nor entirely benefitting the Agency, the Corporation is considered a discrete component unit of the Agency.

B. New Pronouncement

For the year ended December 31, 2017, the Agency adopted the provisions of GASB Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. For financial reporting purposes, this statement amends the blending requirements for the presentation of component units of all state and local governments. There was no impact on the Agency's financial statements from the implementation of GASB Statement No. 80.

C. Future Implementation of GASB Pronouncements

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

In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement addresses reporting by governments that provide other postemployment benefits (OPEB) to their employees and for governments that finance OPEB for employees of other governments. The requirements of this statement are effective for the Agency's year ending December 31, 2018.

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

In March 2017, GASB issued Statement No. 85, *Omnibus*. This statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits). The requirements of this statement are effective for the Agency's year ending December 31, 2018.

In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. This statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets are placed in an irrevocable trust for the sole purpose of extinguishing debt. The requirements of this statement are effective for the Agency's year ending December 31, 2018.

In June 2017, GASB issued Statement No. 87, *Leases*. This statement is to recognize in the financial statements certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The requirements of this statement are effective for the Agency's year ending December 31, 2020.

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

D. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

information on all activities of the Agency and its component units. Governmental activities, which normally are supported by intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

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

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The Agency reports the following major governmental funds:

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

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

The Agency reports the following major enterprise fund:

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

Additionally, the Agency reports the following fund type:

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

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

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

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

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

F. Assets, Liabilities and Net Position or Fund Balance

1. Cash and Investments

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

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

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

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

2. Receivables and Payables

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

Notes receivable amounts primarily represent loans made for redevelopment, economic development and property rehabilitation. The Agency has created an allowance for loan losses for receivables that the Agency has identified as potentially uncollectible. If the amounts become uncollectible, they will be written-off and charged against the allowance when the determination is made. The allowance for loan losses as of December 31, 2017 was \$954 for governmental activities.

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

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

allowance for accounts receivable as of December 31, 2017 was \$179.

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

3. Prepaid Items

Prepaid items represent costs for goods and/or services, which will benefit periods beyond December 31, 2017.

4. Restricted Cash and Investments

Certain proceeds of debt issuances, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net position and balance sheet because their use is limited by applicable debt covenants. In addition, certain cash and investments are restricted by grantors for replacement, tenant security deposits and insurance impounds. The total restricted assets on the government-wide statement of net position equals \$4,670 of which \$754 represents cash and investments restricted by debt covenants, \$412 is restricted for the Housing Choice Voucher program, \$393 is for replacement and operating reserves, \$1,570 is for deposit and trust liabilities, \$516 is for the Family Self Sufficiency program (FSS), \$1,022 is for tenant security deposits and \$3 is for insurance impounds.

5. Capital Assets

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

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

6. Assets Held for Resale

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

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

In the current year, fourteen homes were sold in the city and seven in the county. As of December 31, 2017, City has the remaining of 31 homes and County has 15 homes. See below for adjustments to assets held for resale amounts:

| | 1/1/2017 Balance | Purchases | Sales | 12/31/2017 Balance |
|--------|---------------------|---------------|-----------------|-----------------------|
| City | \$ 4,344 | \$ 340 | \$ 1,497 | \$ 3,187 |
| County | 2,551 | - | 798 | 1,753 |
| Total | <u>\$ 6,895</u> | <u>\$ 340</u> | <u>\$ 2,295</u> | <u>\$ 4,940</u> |

7. Deferred Outflows and Inflows of Resources

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

Deferred outflows of resources for pension contributions represent the deferral of the Agency's 2017 contributions to the pension plan. Using the measurement date of June 30, 2017 per the June 30, 2016 actuarial report produced by the California Public Employee's Retirement System (CalPERS), one half of the contributions were not factored in to the calculation of the Net Pension Liability. The deferred outflows of resources for unamortized actuarial losses represent the impact of investment losses and are recognized over a period of five years. The deferred inflows and outflows of resources for unamortized actuarial gains represent the impact of investment gains, changes in actuarial assumption, and differences between actual and expected actuarial experience. The deferred inflows of resources for unamortized actuarial gains are recognized over a period of five years, and for unamortized changes in actuarial assumption and differences between actual and expected actuarial experience are recognized over a period of two years.

8. Compensated Absences

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

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

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

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

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9. Unavailable and Unearned Revenue

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

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

10. Long-Term Obligations

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

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

11. Pensions

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

12. Net Position/Fund Balance

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

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

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

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

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

- **Nonspendable fund balance**-amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.
- **Restricted fund balance**-amounts with constraints placed on their use that are either (a) externally

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imposed by creditors, grantors, contributors or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

- **Committed fund balance**-amounts that can only be used for specific purposes determined by formal action of the Agency's highest level of decision making authorities; (1) the Commission has authority to approve housing related projects, programs and budgets, and is limited to what is delegated to them by the governing boards of the Agency members; (2) The City Council serves as the City Housing Authority and the City Redevelopment Agency Successor Agency governing boards and has retained the power to approve City housing related projects, programs and budgets; (3) The County Board of Supervisors serves as the County Housing Authority and the County Redevelopment Agency Successor Agency governing boards and has retained power to approve County related housing agenda items. These actions result in a formal resolution that remains binding unless removed in the same manner. The underlying action that imposed the limitation must occur prior to the close of the reporting period; however, the amount which will be subject to the constraint may be determined in a subsequent period. The Commission, City Council or County Board of Supervisors establishes, modifies or rescinds fund balance commitments by passage of a resolution.
- **Assigned fund balance**-amounts that are constrained by the Agency's intent to be used for specific purposes. The intent can be established at either the highest level of decision making or by a body or an official designated for that purpose. The City Council and County Board of Supervisors have given the Executive Director authorization to assign fund balances that meet the purposes of the respective funds. Agency management can assign fund balance to be used for specific purposes in accordance with the Agency's fund balance policy.
- **Unassigned fund balance**-the residual classification for the general fund. However, the Agency does not have a general fund so it may only use this classification if expenditures incurred for specific purposes exceeded the amounts restricted, committed or assigned to those purposes, and it is necessary to report a negative unassigned fund balance.

The Agency considers restricted amounts to have been spent when expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available. Committed and assigned amounts are considered to have been spent when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used. At December 31, 2017, there were no fund balances considered nonspendable, committed, or assigned.

13. Statement of Cash Flows

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

14. Estimates

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

II. Stewardship, Compliance, and Accountability

A. Budgets and Budgetary Accounting

The annual budget of the Agency is adopted on a calendar year basis. Prior to December 31, the Executive Director submits a proposed operating budget to the governing bodies for review and approval. The budget is legally enacted through passage of a resolution prior to January 1. The budget adoption resolution specifies that the Agency budget is controlled at the fund level and that no expenditure will exceed the approved budget. Budgeted

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expenditures represent original appropriations adjusted by supplemental budgetary appropriation amendments. Management has the authority to over expend appropriations at the function or department level without additional approval of the governing bodies as long as the total appropriations for the fund are not exceeded.

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

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

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

B. Deficit Fund Balances/Net Position

The following funds have deficit fund balances/net position:

| | |
|--------------------------------|--------|
| Special Revenue: | |
| County CNI Grant | \$ 263 |
| City Misc Development Grants | 153 |
| County Misc Development Grants | 1,484 |
| City Jobs Plus Grant | 52 |
| City ESG | 44 |
| County ESG | 41 |
| County CDBG - NSP 1 | 27 |
| City FHA | 6 |
| County 12th Street Triangle | 1 |
| Enterprise: | |
| County Housing Choice Vouchers | 3,193 |
| City COCC | 1,225 |
| County COCC | 472 |
| City San Jose/Broadway | 110 |
| Internal Service: | |
| Internal Support | 6,581 |

The deficit fund balance of the County Misc. Development Grants special revenue fund was due to a debt payment that occurred in 2011 for the Auburn/Garfield project. This fund received an advance of cash to cover the payment which will be repaid by sales proceeds from the Auburn/Garfield property. The deficit fund balance in the County CNI Grant fund was due to problems with the HUD application and budget so the revenues were not able to be drawn down. The deficit fund balances of the City Misc. Development Grant, City Jobs Plus Grant, City and County ESG, and County CDBG-NSP1 funds were the result of expenditures charged and not yet drawn down. The deficits will be eliminated once the revenues are drawn down from HUD. The deficit fund balances in the 12th Street Triangle and City FHA funds were the result of lower revenues than estimated and the deficits will be paid with future revenues. The deficit net position of the County Housing Choice Vouchers was due to expenses exceeding revenues in particular the effects of the pension related expenses. Part of the deficit will be resolved once

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draw-downs are completed. The deficit in the San Jose/Broadway enterprise fund was due to repairs that will be reimbursed by the reserve account when complete. The deficit in the City and County COCC enterprise fund and the Internal Support internal service fund was due to the implementation of GASB Statement No. 68. The net pension liability of these funds is now included in the statement of net position and will cause these funds to have a deficit net position.

III. Detailed Notes on All Funds

A. Cash and Investments

At December 31, 2017, total Agency cash and investments at fair value were as follows:

| | Primary Government | Component Units | Total |
|---------------------------------|-------------------------|------------------------|--------------------------|
| Cash and investments | \$ 94,244 | \$ 3,764 | \$ 98,008 |
| Restricted cash and investments | <u>4,390</u> | <u>280</u> | <u>4,670</u> |
| Total cash and investments | <u><u>\$ 98,634</u></u> | <u><u>\$ 4,044</u></u> | <u><u>\$ 102,678</u></u> |

At December 31, 2017, the Agency's pooled cash and investments consist of the following:

| | |
|--|--------------------------|
| Cash in bank-Primary Government | \$ 14,411 |
| Investments-Primary Government | <u>84,223</u> |
| Subtotal Cash and investments-Primary Government | 98,634 |
| Cash in bank-Component Units | <u>4,044</u> |
| Total cash and investments | <u><u>\$ 102,678</u></u> |

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

| Authorized Investment Type | Maximum Maturity | Percentage of Portfolio | Investment in One Issuer | Minimum Rating |
|--|------------------|-------------------------|--------------------------|----------------|
| Local Agency Bonds | 5 years | No limit | No limit | None |
| U.S. Treasury Obligations | 5 years | No limit | No limit | None |
| U.S. Agency Securities | 5 years | No limit | No limit | None |
| Bankers Acceptance | 180 days | 40% | 30% | None |
| Commercial Paper | 270 days | 25% | 10% | A1/P1 |
| Negotiable Certificates of Deposit | 5 years | 30% | 30% | None |
| Repurchase Agreements | 1 year | No limit | No limit | None |
| Reverse Repurchase Agreements | 92 days | 20% | No limit | None |
| Medium Term Notes (Corporate & Depository debt securities) | 5 years | 30% | No limit | A |
| Mutual Funds (that invest in allowable securities) | N/A | 20% | 10% | AAA |
| Money Market Mutual Funds | N/A | 20% | 10% | AAA |
| Collateralized Bank Deposits | 5 years | No limit | No limit | None |
| Mortgage Pass-through Securities | 5 years | 20% | No limit | AA |
| Time Deposits | 5 years | No limit | No limit | None |
| County Pooled Investment | N/A | No limit | No limit | None |
| Joint Powers Authority Pool | N/A | No limit | No limit | None |
| Local Agency Investment Fund (LAIF) | N/A | No limit | No limit | None |

Interest Rate Risk

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

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

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public

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agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio. At December 31, 2017, the carrying amount of the Agency's deposits is \$14,411 and the bank balance is \$17,005. Of the bank balance, \$500 is covered by federal depository insurance, and \$16,372 is collateralized with securities held by the pledging financial institution, in accordance with the State of California Government Code, and \$133 is uninsured and uncollateralized. At December 31, 2017, the carrying amount of the Agency's discretely presented component units deposits is \$4,044 and the bank balance is \$4,058. Of the bank balance, \$332 is covered by federal depository insurance, \$3,494 is collateralized with securities held by the pledging financial institution, and \$232 is uninsured and uncollateralized. Those amounts which are uninsured and uncollateralized are held with state and federal agencies.

Concentration of Credit Risk

9.01%, or \$8,888, of the Agency's investment portfolio at year-end are in U.S. Agency Securities. There is no limitation on amounts invested in U.S. Agency Securities. Of the \$39,675, or 40.22 %, of the Agency's investment portfolio invested in corporate bonds and municipal bonds, no investment in a single issuer exceeded 5%. There were no investments in any one issuer (other than CalTrust, an external investment pool) that represents 5% or more of the Agency's total investments.

Credit Risk

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

Participation in External Investment Pools

The Agency is also a voluntary participant in the Investment Trust of California (CalTrust) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTrust, and selects and supervises the activities of the Investment Manager and other agents. As of December 31, 2017, the Agency's investment in CalTrust is \$30,002, of which \$3,006 was invested in the Money Market Fund and \$26,996 in the Short-Term pool. The fair value of the position in the pool is the same as the value of the pooled shares.

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As of December 31, 2017, the Agency's pooled investments and credit ratings are as follows:

| | Credit Rating (S&P/Moody's) | Under 1 | 1-5 | Fair Value |
|--|--------------------------------|------------------|------------------|------------------|
| Cash in banks | | \$ - | \$ - | \$ 17,005 |
| Less Outstanding Checks | | - | - | (2,594) |
| | | <u>-</u> | <u>-</u> | <u>14,411</u> |
| Certificates of Deposits | Not Rated | - | 2,005 | 2,005 |
| CalTrust | Not Rated | 30,002 | - | 30,002 |
| Money Market Mutual Funds | Not Rated | 3,653 | - | 3,653 |
| US Agency Securities - Federal Home Loan Bank | AA+/AAA | - | 1,987 | 1,987 |
| US Agency Securities - Federal National Mortgage Assn. | AA+/Aaa | - | 874 | 874 |
| US Agency Securities - Federal Farm Credit Bank | AA+/Aaa | - | 2,971 | 2,971 |
| US Agency Securities - Other Governmental Agency Bonds | AA+/Aaa | 3,056 | - | 3,056 |
| Municipal Bonds | AA-/Aa3 | - | 1,961 | 1,961 |
| Municipal Bonds | Not Rated | 45 | - | 45 |
| Municipal Bonds | AA/Aa2 | 401 | 3,480 | 3,881 |
| Municipal Bonds | AA-/Aa2 | 499 | - | 499 |
| Municipal Bonds | AA/Aa1 | 191 | - | 191 |
| Municipal Bonds | A3 | - | 1,922 | 1,922 |
| Municipal Bonds | AA- | - | 904 | 904 |
| Municipal Bonds | A+ | - | 406 | 406 |
| Municipal Bonds | A+/A1 | - | 996 | 996 |
| Municipal Bonds | AA/A1 | - | 699 | 699 |
| Municipal Bonds | AA | - | 599 | 599 |
| Corporate Bonds | A/A1 | - | 2,405 | 2,405 |
| Corporate Bonds | AA-/Aa3 | - | 995 | 995 |
| Corporate Bonds | AA-/A1 | - | 1,980 | 1,980 |
| Corporate Bonds | A+/A1 | - | 6,532 | 6,532 |
| Corporate Bonds | AA/A1 | - | 1,978 | 1,978 |
| Corporate Bonds | AAA/Aaa | - | 2,025 | 2,025 |
| Corporate Bonds | A+/A2 | - | 1,982 | 1,982 |
| Corporate Bonds | AA-/A1 | - | 1,482 | 1,482 |
| Corporate Bonds (Variable Rate Securities) | AA-/Aa3 | - | 3,492 | 3,492 |
| Corporate Bonds (Variable Rate Securities) | AA+/Aaa | - | 2,737 | 2,737 |
| Corporate Bonds (Variable Rate Securities) | A-/A3 | - | 1,464 | 1,464 |
| Corporate Bonds (Variable Rate Securities) | A+/A1 | - | 500 | 500 |
| Total Cash & Investments-primary government | | <u>\$ 37,847</u> | <u>\$ 46,376</u> | <u>\$ 98,634</u> |

As of December 31, 2017, the cash and investments of the discretely presented component units of the Agency are as follows:

| | <u>Fair Value</u> |
|---------------|-------------------|
| Cash in banks | <u>\$ 4,044</u> |

Fair Value Measurement and Application

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

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

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Level 2 – Inputs to the valuation methodology include:

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

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

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

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

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

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

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

There have been no changes in the methods and assumptions used at December 31, 2017. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

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The Agency has the following recurring fair value measurements as of December 31, 2017:

| Investments by Fair Value Level | Balance at December 31, 2017 | Fair Value Measurement on a Recurring Basis Using | | |
|---|---------------------------------|---|---|---|
| | | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Certificates of Deposit | \$ 2,005 | \$ - | \$ 2,005 | \$ - |
| Corporate bonds/notes | 27,572 | - | 27,572 | - |
| Municipal bonds | 12,103 | - | 12,103 | - |
| U.S. agency securities | 8,888 | - | 8,888 | - |
| Total Investments by Fair Value Level | <u>\$ 50,568</u> | <u>\$ -</u> | <u>\$ 50,568</u> | <u>\$ -</u> |
| Investments Measured at Net Asset Value | | | | |
| Mutual Funds | <u>3,653</u> | | | |
| Investments Not Categorized | | | | |
| Investment Trust of California (CaITrust) | <u>30,002</u> | | | |
| Total Agency Pooled Investments | <u>\$ 84,223</u> | | | |

B. Receivables

Receivables as of December 31, 2017 for the Agency's governmental activities are as follows:

| | Accounts receivable | Due from other governments | Total receivables | Gross notes receivable | Allowance for loan losses | Net notes receivable |
|--------------------------|------------------------|----------------------------------|----------------------|------------------------------|---------------------------------|-------------------------|
| City HOME | \$ 83 | \$ 187 | \$ 270 | \$ 52,370 | \$ (372) | \$ 51,998 |
| County HOME | 61 | 202 | 263 | 60,378 | (372) | 60,006 |
| City Housing Successor | 85 | - | 85 | 60,023 | - | 60,023 |
| County Housing Successor | - | - | - | 15,868 | - | 15,868 |
| Other Governmental Funds | 504 | 5,329 | 5,833 | 101,981 | (210) | 101,771 |
| Internal Service | - | - | - | 78 | - | 78 |
| Total | <u>\$ 733</u> | <u>\$ 5,718</u> | <u>\$ 6,451</u> | <u>\$ 290,698</u> | <u>\$ (954)</u> | <u>\$ 289,744</u> |

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

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Receivables as of December 31, 2017 for the Agency's business-type activities are as follows:

| | <u>Accounts receivable</u> | <u>Due from other governments</u> | <u>Allowance for uncollectibles</u> | <u>Total receivables</u> | <u>Gross notes receivable</u> | <u>Allowance for loan losses</u> | <u>Net notes receivable</u> |
|-----------------------------------|--------------------------------|---|---|------------------------------|---------------------------------------|--|---------------------------------|
| County Housing Choice Vouchers | \$ 460 | \$ - | \$ (149) | \$ 311 | \$ - | \$ - | \$ - |
| Other Enterprise Funds | <u>466</u> | <u>29</u> | <u>(30)</u> | <u>465</u> | <u>30,279</u> | <u>-</u> | <u>30,279</u> |
| Total | <u>\$ 926</u> | <u>\$ 29</u> | <u>\$ (179)</u> | <u>\$ 776</u> | <u>\$ 30,279</u> | <u>\$ -</u> | <u>\$ 30,279</u> |

The notes receivable in the business-type activities are from 1) notes received for the sale of property in the San Carlos Shelter Plus Care (\$295); 2) notes for the Washington Plaza, Sutterview and Sierra Vista housing projects (\$21,090); 3) notes for construction projects in the Mortgage Revenue Bond Program (\$425); 4) notes for Phoenix Park I, L.P. (\$2,671) and 5) notes for Phoenix Park II, L.P. (\$5,798). Repayment of principal and interest are not expected to be made in full until the years 2058-2061.

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Notes to the Basic Financial Statements (Continued)
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(dollar amounts expressed in thousands)

C. Capital Assets

Capital asset activity for the year ended December 31, 2017, was as follows:

| | January 1, 2017 | Increases | Decreases | Transfers In/Out | December 31, 2017 |
|--|--------------------|-------------------|-------------------|---------------------|----------------------|
| <u>Governmental activities:</u> | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 19,183 | | \$ (2,661) | \$ - | \$ 16,522 |
| Construction in progress | 6,043 | 2,961 | - | (1,672) | 7,332 |
| Total capital assets, not being depreciated | <u>25,226</u> | <u>2,961</u> | <u>(2,661)</u> | <u>(1,672)</u> | <u>23,854</u> |
| Capital assets, being depreciated: | | | | | |
| Buildings and improvements | 12,140 | 126 | - | - | 12,266 |
| Property and equipment | 852 | 61 | - | - | 913 |
| Total capital assets being depreciated | <u>12,992</u> | <u>187</u> | <u>-</u> | <u>-</u> | <u>13,179</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | (2,540) | (304) | - | - | (2,844) |
| Property and equipment | (700) | (32) | - | - | (732) |
| Total accumulated depreciation | <u>(3,240)</u> | <u>(336)</u> | <u>-</u> | <u>-</u> | <u>(3,576)</u> |
| Total capital assets, being depreciated, net | <u>9,752</u> | <u>(149)</u> | <u>-</u> | <u>-</u> | <u>9,603</u> |
| Governmental activities capital assets, net | <u>\$ 34,978</u> | <u>\$ 2,812</u> | <u>\$ (2,661)</u> | <u>\$ (1,672)</u> | <u>\$ 33,457</u> |
| <u>Business-type activities:</u> | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 15,716 | \$ - | \$ (110) | \$ - | \$ 15,606 |
| Capital assets, being depreciated: | | | | | |
| Buildings and improvements | 257,138 | 205 | - | 1,672 | 259,015 |
| Property and equipment | 1,304 | - | - | - | 1,304 |
| Total capital assets, being depreciated | <u>258,442</u> | <u>205</u> | <u>-</u> | <u>1,672</u> | <u>260,319</u> |
| Less accumulated depreciation for: | | | | | |
| Buildings and improvements | (114,114) | (6,450) | - | - | (120,564) |
| Property and equipment | (1,115) | (44) | - | - | (1,159) |
| Total accumulated depreciation | <u>(115,229)</u> | <u>(6,494)</u> | <u>-</u> | <u>-</u> | <u>(121,723)</u> |
| Total capital assets, being depreciated, net | <u>143,213</u> | <u>(6,289)</u> | <u>-</u> | <u>1,672</u> | <u>138,596</u> |
| Business-type activities capital assets, net | <u>\$ 158,929</u> | <u>\$ (6,289)</u> | <u>\$ (110)</u> | <u>\$ 1,672</u> | <u>\$ 154,202</u> |

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

| | |
|--|---------------|
| Housing Operations | \$ 36 |
| Community Development | 8 |
| Internal Service - capital assets held by the Agency's internal service funds are charged to the various functions based on their usage of the assets. | 292 |
| Total depreciation expense - governmental activities | <u>\$ 336</u> |

Business-type activities:

| | |
|---|-----------------|
| Local Housing | \$ 558 |
| Public Housing | 5,936 |
| Total depreciation expense - business-type activities | <u>\$ 6,494</u> |

Component unit capital asset activity for the year ended December 31, 2017, was as follows:

| <u>Component unit activities:</u> | January 1, 2017 | Increases | Decreases | December 31, 2017 |
|---|--------------------|-----------------|-------------|----------------------|
| Capital assets, not being depreciated: | | | | |
| Land | \$ 2,552 | \$ - | \$ - | \$ 2,552 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 23,329 | - | - | 23,329 |
| Property and equipment | 34 | - | - | 34 |
| Total capital assets, being depreciated | <u>23,363</u> | <u>-</u> | <u>-</u> | <u>23,363</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (14,120) | (650) | - | (14,770) |
| Property and equipment | (30) | (2) | - | (32) |
| Total accumulated depreciation | <u>(14,150)</u> | <u>(652)</u> | <u>-</u> | <u>(14,802)</u> |
| Total capital assets, being depreciated, net | <u>9,213</u> | <u>(652)</u> | <u>-</u> | <u>8,561</u> |
| Component unit activities capital assets, net | <u>\$ 11,765</u> | <u>\$ (652)</u> | <u>\$ -</u> | <u>\$ 11,113</u> |

Depreciation expense was charged to functions/programs as follows:

Component unit activities:

| | |
|---------------|--------|
| Local Housing | \$ 652 |
|---------------|--------|

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

Payables as of December 31, 2017 for the Agency's governmental activities are summarized as follows:

| | Accounts payable | Accrued liabilities | Contracts payable | Due to other governments | Net total payables |
|--------------------------|------------------|---------------------|-------------------|--------------------------|--------------------|
| City HOME | \$ - | \$ 1 | \$ - | \$ - | \$ 1 |
| County HOME | 1 | 1 | - | - | 2 |
| City Housing Successor | 56 | - | - | - | 56 |
| Other Governmental Funds | 782 | 8 | 136 | 162 | 1,088 |
| Internal Service | 216 | 403 | - | - | 619 |
| Total | <u>\$ 1,055</u> | <u>\$ 413</u> | <u>\$ 136</u> | <u>\$ 162</u> | <u>\$ 1,766</u> |

Payables as of December 31, 2017 for the Agency's business-type activities are summarized as follows:

| | Accounts payable | Accrued liabilities | Net total payables |
|--------------------------------|------------------|---------------------|--------------------|
| County Housing Choice Vouchers | \$ 55 | \$ 1 | \$ 56 |
| Other Enterprise Funds | 517 | 43 | 560 |
| Total | <u>\$ 572</u> | <u>\$ 44</u> | <u>\$ 616</u> |

E. Interfund Transactions

The composition of interfund balances as of December 31, 2017, is as follows:

Due to/from other funds:

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|---------------------|-----------------|
| Other Governmental | Other Governmental | \$ 867 |
| Other Enterprise | Other Governmental | 2,167 |
| | Other Enterprise | 363 |
| | | <u>2,530</u> |
| Internal Service | Other Governmental | 60 |
| Total | | <u>\$ 3,457</u> |

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

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

| <u>Receivable Fund</u> | <u>Payable Fund</u> | <u>Amount</u> |
|------------------------|---------------------|------------------|
| City Housing Successor | Other Governmental | \$ 170 |
| Other Governmental | Other Enterprise | 1,854 |
| Other Enterprise | Other Governmental | 10,166 |
| Total | | <u>\$ 12,190</u> |

Advances from/to other funds:

Amount

\$170 advance from the former City Low/Mod Merged Downtown capital projects fund which now resides with the City Housing Successor special revenue fund to the Local Housing Revenue special revenue fund, authorized and issued in August 2006, with no annual payments due until January 2017, with interest accruing at 4%, due in annual installments of \$5 thru December 2036. Repayment will occur only if the project can receive Housing Choice Vouchers. If no project-based contract is obtained, the advance will be forgiven at the end of 30 years.

\$170

\$320 advance from the City CDBG special revenue fund to the Phoenix Park enterprise fund, authorized and issued in April 2005, with monthly payments beginning October 2006, with 4% interest, due in monthly installments of \$1 thru April 2026, to be repaid with rents, for the rehabilitation of 16 units at Phoenix Park.

188

\$390 advance from the City Housing Trust special revenue fund to the City Locally Funded Projects enterprise fund, authorized and issued in 2005. The note was restructured in 2006, adding \$20 to the principal amount, with no interest, payments deferred for 50 years, for the purpose of acquiring and rehabilitating 31-37 Coral Gables Court.

410

\$2,034 advance from the Mortgage Revenue Bond enterprise fund to the County Miscellaneous Development Grant special revenue fund, authorized and issued June 2011, with no annual installments, to be repaid by sales proceeds from the Auburn Garfield development.

2,034

\$2,094 advance from the County CDBG NSP 3 and County CDBG Revolving Loan special revenue funds to the City Norcade Circle enterprise fund, authorized and issued September 2011, with 0% interest and no annual payments. Loan shall be forgiven in equal installments annually over a 10 year term beginning October 2014.

1,256

\$5,581 advance from City AMP 4 (\$3,170), City AMP 5 (\$1,158) and City AMP 7 (\$913) enterprise funds to the City Purchase and Resale Entity (PRE) Capital Projects fund, authorized and issued September 1, 2015, and an additional advance from City AMP 4 (\$340) authorized in August 2016, all advances to have 1% interest and no annual payments. Total unpaid principal and accrued interest shall be payable in lump sum on the maturity date of September 1, 2020 from sales proceeds.

5,581

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

| | |
|---|-----------------|
| \$2,551 advance from County AMP 2 (\$732) and County AMP 3 (\$1,819) enterprise funds to the County Purchase and Resale Entity (PRE) Capital Projects fund, authorized and issued September 1, 2015, with 1% interest and no annual payments. Total unpaid principal and accrued interest shall be payable in lump sum on the maturity date of September 1, 2020 from sales proceeds. | <u>\$ 2,551</u> |
| Total Advances from/to other funds | <u>\$12,190</u> |

Advances to/from primary government and component units:

| <u>Receivable Entity</u> | <u>Payable Entity</u> | <u>Amount</u> |
|---|------------------------|-----------------|
| Primary Government-Other Enterprise Funds | Component Unit-NAHC | \$ 2,172 |
| Component Unit-SHDC | Internal Service Funds | <u>1,000</u> |
| Total | | <u>\$ 3,172</u> |

Advances to/from primary government and component units:

| | <u>Amount</u> |
|---|----------------|
| \$1,430 advance from the Phoenix Park enterprise fund to the Norwood Avenue Housing Corporation component unit fund at 0% interest. Payments shall be made annually in an amount equal to the annual aggregate Phoenix Park I, L.P. ground lease payments, if any, that are received by the borrower payable on or before March 1 of each year from residual receipts. The unpaid balance of the note is due and payable in 2059, including without limitation all unpaid principal, interest, fees and charges. The note is secured by a deed of trust. | \$1,430 |
| \$1,122 advance from the Phoenix Park enterprise fund to the Norwood Avenue Housing Corporation component unit fund at 0% interest. Payments shall be made on or before the sixtieth (60th) day following borrower's receipt of each of the Phoenix Park II, L.P. ground lease payments in an amount equal to the Phoenix Park II, L.P. ground lease payments that are received by borrower from residual receipts. The unpaid balance of the note is due and payable in 2059, including without limitation all unpaid principal, interest, fees and charges. The note is secured by a deed of trust. | 742 |
| \$1,000 advance from the SHDC component unit fund to the Internal Support internal service fund at 0% interest, for the purpose of providing equity to the general partner of Riverview Plaza Associates for start-up capital. The amount is to be 10% of the amount of total contributions and shall be outstanding throughout the term of the partnership. The partnership may replace the demand note at any time with other acceptable assets equivalent to 10% of the capital contributions, so long as assets comply with State and Federal laws concerning net worth requirements of limited partnerships. | <u>1,000</u> |
| Total Advances to/from primary government and component units | <u>\$3,172</u> |

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

Transfers report the nonreciprocal contribution of resources from one fund to another. They represent funding for capital projects, debt service payments and subsidies of various Agency operations. The following is a summary of transfers for the year ended December 31, 2017:

| <u>Transfers in:</u> | <u>Transfers out:</u> | <u>Amount</u> |
|---|--------------------------|-----------------|
| Other Governmental Funds | Other Governmental Funds | \$ 376 |
| County Housing Choice Vouchers Enterprise Fund | Other Enterprise Funds | 32 |
| Other Enterprise Funds | Other Governmental Funds | 1,344 |
| | Other Enterprise Funds | 456 |
| | | <u>1,800</u> |
| Internal Service Funds | Other Governmental Funds | 771 |
| | Internal Service Funds | 720 |
| | | <u>1,491</u> |
| Total Transfers | | <u>\$ 3,699</u> |

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
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F. Long-Term Debt

Long-term debt payable at December 31, 2017 for the Agency and component units is comprised of the following individual issues:

| | <u>Interest Rates</u> | <u>Balance Dec. 31, 2017</u> |
|--|-----------------------|----------------------------------|
| <u>Governmental activities – Notes Payable:</u> | | |
| City B-97-MC-06-0003 | 5.28% - 5.46% | \$ 155 |
| City B-97-MC-06-0003 | 5.70% - 6.67% | 1,090 |
| City B-05-MC-06-0003 | 4.96% - 5.77% | 3,293 |
| *801 12 th Street Bank of America | 5.17% | 8,449 |
| County of Sacramento | 3.25% | 150 |
| Total Governmental activities notes payable | | <u>13,137</u> |
| <u>Business-type activities – Mortgage Notes Payable:</u> | | |
| County Public Housing (AMP 3) – City of Citrus Heights (HCD) | 1.00% | 1,000 |
| County Public Housing (AMP 3) – City of Citrus Heights (HTF) | 0.00% | 1,173 |
| San Jose/Broadway | 8.38% | 133 |
| Total Business-type activities | | <u>2,306</u> |
| <u>Component unit activities – Bonds and Notes Payable:</u> | | |
| SHDC - Riverview Plaza Associates | 3.00% | 933 |
| Shasta Hotel Corporation (HCD) | 3.00% | 2,000 |
| Total component unit activities bonds and notes payable | | <u>2,933</u> |
| <u>Other Debt:</u> | | |
| Component unit activities - Accrued interest due in future years | | <u>2,255</u> |
| Total long-term debt | | <u>\$20,631</u> |

* Capital-related debts

GOVERNMENTAL ACTIVITIES:

| <u>Notes Payable:</u> | <u>Amount</u> |
|---|---------------|
| \$2,320 Community Development Block Grant Note Payable authorized and issued September 3, 1998, due in installments of \$80 to \$155 from August 1999 through August 2018 with interest payable semiannually at 5.28% to 5.46% for the purpose of financing the Del Paso Nuevo project. This note is collateralized by and payable from future CDBG entitlements. | \$155 |
| \$3,125 Community Development Block Grant Note Payable authorized and issued August 9, 2001, due in installments of \$85 to \$300 from February 2002 through August 2021 with interest payable semiannually at 5.70% to 6.67% for the purpose of financing the Del Paso Nuevo project. This note is collateralized by and payable from future CDBG entitlements. | 1,090 |
| \$5,500 Community Development Block Grant Note Payable authorized and issued September 14, 2006, due in installments of \$146 to \$461 from February 2007 through August 2026 with interest payable semiannually at 4.96% to 5.77% for the purpose of financing the Globe Mills project. This note is collateralized by and payable from the City Redevelopment Successor Agency. | 3,293 |

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
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| <u>Notes Payable (continued):</u> | <u>Amount</u> |
|---|----------------------|
| \$13,000 Bank of America Note Payable authorized and issued June 2008, due in installments of \$87 from July 2008 through June 2028 with interest payable monthly at 5.17% for the purpose of financing the Agency's administration building at 801 12th street. | \$8,449 |
| \$150 County of Sacramento Note Payable authorized and issued April 2016. The entire outstanding principal balance together with all accrued but unpaid interest, 3.25% annually, shall be due and payable in full no later than June 30, 2017, for the purpose of providing a loan to Mercy Housing California for predevelopment costs on 3425 Orange Grove Avenue. | <u>150</u> |
| Total notes payable | 13,137 |
| Less current portion | <u>(1,401)</u> |
| Total notes payable, long-term | <u>\$11,736</u> |

BUSINESS-TYPE ACTIVITIES:

| <u>Mortgage Notes Payable:</u> | <u>Amount</u> |
|--|----------------------|
| \$1 million County Public Housing (AMP 3) Note Payable to the City of Citrus Heights (California Housing and Community Development Housing Trust Fund (HCD)). Loan Payments on the HCD Loan shall equal 75% of project residual receipts, but only to the extent that the project has excess cash flow. One percent (1.00%) simple interest shall accrue on the HCD Loan. The HCD Loan shall be for a term of thirty (30) years. There is no amortization requirement on the HCD loan other than the repayment of residual receipts as noted above. Any remaining balance shall be forgiven on the thirtieth (30th) anniversary from the Effective Date of September 2009. This loan is to significantly rehabilitate and provide security improvements to two county public housing developments. | \$1,000 |
| \$1.2 million County Public Housing (AMP 3) Note Payable to the City of Citrus Heights (Housing Trust Fund). The loan shall be for a term of fifty-five (55) years with no interest. Provided that the loan is not in default, no repayment is due to the lender. The remaining balance shall be forgiven on the fifty-fifth (55 th) anniversary of the Effective Date of September 2009. This loan is to significantly rehabilitate and provide security improvements to two county public housing developments. | 1,173 |
| \$787 San Jose/Broadway Mortgage Note Payable authorized and issued May 1984, due in monthly installments of \$6 through February 2020 with interest payable monthly at 8.38%. This note is collateralized by land and building. | <u>133</u> |
| Total mortgage notes payable | 2,306 |
| Less current portion | <u>(61)</u> |
| Mortgage notes payable, long-term | <u>\$2,245</u> |

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
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COMPONENT UNITS:

| <u>Bonds and Notes Payable:</u> | <u>Amount</u> |
|--|----------------------|
| \$933 SHDC Riverview Plaza Associates Mortgage Note Payable authorized and issued October 1988, principal and interest due in full December 2019 with interest payable at 3.00%, for the purpose of financing the construction of multiple unit housing. This note is collateralized by land and building. The note was restructured to extend the due date to 2019. | \$933 |
| \$2,000 Shasta Hotel Corporation Note Payable to the Department of Housing and Community Development principal and interest due in full March 2043 with interest payable at 3.00%, for the purpose of financing the construction of a multiple single room occupancy unit. This note is collateralized by land and building. | <u>2,000</u> |
| Total bonds and notes payable | 2,933 |
| Less current portion | <u>(-)</u> |
| Total bonds and notes payable, long-term | <u>\$2,933</u> |

Other Long-Term Obligations:

| | |
|---|-----------------|
| Accrued interest on \$933 SHDC Riverview Plaza Associates mortgage notes payable from available surplus cash. Due in full in December 2019. | \$811 |
| Accrued interest on \$2,000 Shasta Hotel Corporation mortgage notes payable from available surplus cash. Due in full in January 2043. | <u>1,444</u> |
| Total other long-term obligations | <u>\$ 2,255</u> |

The following is a summary of changes in long-term liabilities for the fiscal year ended December 31, 2017:

| | January 1, 2017 | Additions | Retirements | December 31, 2017 | Amounts Due Within One Year |
|---------------------------------|--------------------|-----------------|-------------------|----------------------|-----------------------------------|
| Governmental activities: | | | | | |
| Notes payable | \$ 14,330 | \$ - | \$ (1,193) | \$ 13,137 | \$ 1,401 |
| Pollution remediation | 820 | 3,210 | (54) | 3,976 | 546 |
| Compensated absences | 2,747 | 1,816 | (1,572) | 2,991 | 1,874 |
| Total governmental activities | | | | | |
| -long-term liabilities | <u>\$ 17,897</u> | <u>\$ 5,026</u> | <u>\$ (2,819)</u> | <u>\$ 20,104</u> | <u>\$ 3,821</u> |

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
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| | January 1, 2017 | Additions | Retirements | December 31, 2017 | Amounts Due Within One Year |
|-----------------------------------|--------------------|-----------|-------------|----------------------|-----------------------------------|
| Business-type activities: | | | | | |
| Notes payable | \$ 2,361 | \$ - | \$ (55) | \$ 2,306 | \$ 61 |
| Component unit activities: | | | | | |
| Bonds and notes payable | \$ 2,933 | \$ - | \$ - | \$ 2,933 | \$ - |
| Other long-term obligations | 2,167 | 88 | - | 2,255 | - |
| Total component unit activities | | | | | |
| -long-term liabilities | \$ 5,100 | \$ 88 | \$ - | \$ 5,188 | \$ - |

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

| <u>Year ending December 31</u> | <u>Notes Payable</u> | |
|--------------------------------|----------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2018 | \$ 1,401 | \$ 658 |
| 2019 | 1,256 | 581 |
| 2020 | 1,310 | 523 |
| 2021 | 1,366 | 462 |
| 2022 | 1,126 | 396 |
| 2023 - 2027 | 6,164 | 996 |
| 2028 | 514 | 8 |
| Totals | \$ 13,137 | \$ 3,624 |

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

| <u>Year ending December 31</u> | <u>Mortgage Notes Payable</u> | |
|--------------------------------|-------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> |
| 2018 | \$ 61 | \$ 8 |
| 2019 | 66 | 4 |
| 2020 | 6 | - |
| 2021 | - | - |
| 2022 | - | - |
| 2023 - 2027 | - | - |
| 2028 - 2032 | - | - |
| 2033 - 2037 | - | - |
| 2038 - 2042 | 1,000 | - |
| 2043 - 2047 | - | - |
| 2048 - 2052 | - | - |
| 2053 - 2057 | - | - |
| 2058 - 2062 | - | - |
| 2063 - 2065 | 1,173 | - |
| Totals | <u>\$ 2,306</u> | <u>\$ 12</u> |

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

| <u>Year ending December 31</u> | <u>Bonds and Notes Payable</u> | | <u>Other Long-term Obligations</u> | |
|--------------------------------|--------------------------------|-----------------|------------------------------------|-----------------|
| | <u>Principal</u> | <u>Interest</u> | <u>Principal</u> | <u>Interest</u> |
| 2018 | \$ - | \$ - | \$ - | \$ - |
| 2019 | 933 | - | - | 811 |
| 2020 | - | - | - | - |
| 2021 | - | - | - | - |
| 2022 | - | - | - | - |
| 2023 - 2027 | - | - | - | - |
| 2028 - 2032 | - | - | - | - |
| 2033 - 2037 | - | - | - | - |
| 2038 - 2042 | - | - | - | - |
| 2043 | <u>2,000</u> | <u>-</u> | <u>-</u> | <u>1,444</u> |
| Total | <u>\$ 2,933</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 2,255</u> |

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

The Agency has obligated itself to commence environmental assessment and remediation activities on four projects. The nature and source of pollutants on these projects are petroleum and metals including arsenic, cadmium and lead. The total estimated costs of \$4,776 for remediation of these projects were derived by environmental remediation consultants. These estimates may change resulting from the Sacramento County Environmental Management Department (SCEMD) input and also from price increases or reductions, technology, or changes in applicable laws or regulations. Estimated recoveries of \$800 will reduce the cost of remediation. The source of these estimated recoveries will be from an EPA Grant, Mortgage Revenue Bond and CDBG funding. The estimated costs are recorded as long-term liabilities on the governmental activities statement of net position.

Pledged Revenues

The Agency pledged a portion of future Community Development Block Grant (CDBG) entitlement and program income revenues to repay all Section 108 notes payable (City B-97-MC-06-0003 and City B-05-MC-06-0003). The Section 108 notes are payable from CDBG and Redevelopment Agency Successor Agency (RASA) fund revenues through August 2026. The RASA is reimbursing the Agency for the Globe Mills loan as this was located in the old redevelopment areas. CDBG entitlement funds will still back these loan payments in the event the RASA ends the reimbursement. As of December 31, 2017, the total remaining principal and interest on the notes was \$5,623. For the current year, principal and interest paid from CDBG entitlement funds was \$376, and the RASA contributed \$466. CDBG revenue was \$5,010. Detailed information on the Section 108 notes begins on page 64.

IV. Other Information

A. Risk Management

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

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

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

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

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

Sacramento Housing and Redevelopment Agency
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(dollar amounts expressed in thousands)

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

Claim estimates were made in accordance with the requirements of Governmental Accounting Standards Board Statement Nos.10 and 30, and include claims incurred but not reported and allocated loss adjustment expenses as of December 31. Changes in the Self Insurance fund claims liability during the years ended December 31, 2017 and 2016 were as follows:

| | Claims Liability January 1 | Claims and Changes in Estimates | Current Year Claims Payments | Claims Liability December 31 |
|------|-------------------------------|------------------------------------|---------------------------------|---------------------------------|
| 2016 | \$ 301 | \$ 5 | \$ (5) | \$ 301 |
| 2017 | 301 | 3 | (3) | 301 |

B. Pension Plan

1. General Information about the Pension Plan

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

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

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

All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. Copies of the CalPERS’ annual financial report may be obtained from the CalPERS

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Executive Office – 400 P Street – Sacramento, CA 95814. A separate report for the Agency’s plan is not available.

The Plans’ provisions and benefits in effect at December 31, 2017, are summarized as follows:

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

Employees Covered – At measurement date June 30, 2017, the following employees were covered by the benefit terms for each Plan:

| | Miscellaneous |
|--|----------------------|
| Inactive employees or beneficiaries currently receiving benefits | 475 |
| Inactive employees entitled to but not yet receiving benefits | 262 |
| Active employees | 191 |
| Total | 928 |

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

2. Net Pension Liability

The Agency’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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Actuarial Assumptions – The June 30, 2016 valuation was rolled forward to determine the June 30, 2017 total pension liabilities based on the following actuarial methods and assumptions:

| | Miscellaneous |
|---------------------------|-----------------------------------|
| Valuation Date | June 30, 2016 |
| Measurement Date | June 30, 2017 |
| Actuarial Cost Method | Entry-Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% (4) |
| Inflation | 2.75% |
| Payroll Growth | 3.0% |
| Projected Salary Increase | 3.2% - 12.2% (1) |
| Investment Rate of Return | 7.5% (2) |
| Mortality | 2014 CalPERS Experience Study (3) |

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

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

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

(4) In 2017, the accounting discount rate reduced from 7.65 to 7.15 percent.

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

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

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

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

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

| Asset Class | Current Target Allocation | Real Return Years 1-10(a) | Real Return Years 11+(b) |
|-------------------------------|---------------------------|---------------------------|--------------------------|
| Global Equity | 47.0% | 4.90% | 5.38% |
| Global Fixed Income | 19.0% | 0.80% | 2.27% |
| Inflation Sensitive | 6.0% | 0.60% | 1.39% |
| Private Equity | 12.0% | 6.60% | 6.63% |
| Real Estate | 11.0% | 2.80% | 5.21% |
| Infrastructure and Forestland | 3.0% | 3.90% | 5.36% |
| Liquidity | 2.0% | (0.40%) | (0.90%) |
| Total | 100% | | |

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

3. Changes in the Net Pension Liability

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

Miscellaneous Plan:

| | Increase (Decrease) | | |
|---|-------------------------|-----------------------------|-------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at June 30, 2016 | \$148,881 | \$109,691 | \$39,190 |
| Changes in the year: | | | |
| Service cost | 2,013 | - | 2,013 |
| Interest on the total pension liability | 11,010 | - | 11,010 |
| Changes in assumptions | 8,574 | - | 8,574 |
| Differences between actual and expected experience | (261) | - | (261) |
| Contribution - employer | - | 2,936 | (2,936) |
| Contribution - employee | - | 910 | (910) |
| Net investment income | - | 12,134 | (12,134) |
| Administrative expenses | - | (161) | 161 |
| Benefit payments, including refunds of employee contributions | (8,418) | (8,418) | - |
| Net changes | 12,918 | 7,401 | 5,517 |
| Balance at June 30, 2017 | \$161,799 | \$117,092 | \$44,707 |

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
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Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Agency for each Plan, calculated using the discount rate for each Plan, as well as what the Agency’s net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

| | <u>Miscellaneous</u> |
|-----------------------|----------------------|
| 1% Decrease | 6.15% |
| Net Pension Liability | \$65,035 |
| Current Discount Rate | 7.15% |
| Net Pension Liability | \$44,707 |
| 1% Increase | 8.15% |
| Net Pension Liability | \$27,817 |

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

4. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

For the year ended December 31, 2017, the Agency recognized pension expense of \$8,598. At December 31, 2017, the Agency reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|---|---|--|
| Pension contributions subsequent to measurement date | \$ 1,714 | \$ - |
| Differences between actual and expected experience | - | (121) |
| Changes in assumptions | 4,061 | - |
| Net differences between projected and actual earnings on plan investments | <u>1,558</u> | <u>-</u> |
| Total | <u>\$ 7,333</u> | <u>\$ (121)</u> |

\$1,714 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| <u>Year Ended June 30</u> | <u>Amount</u> |
|-----------------------------------|---------------|
| 2018 | \$3,817 |
| 2019 | 1,895 |
| 2020 | 682 |
| 2021 | (896) |
| 2022 | - |
| Thereafter | - |

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
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C. Postemployment Health Benefits

1. Plan Description

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

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

The maximum allowances are shown in the following table:

| Unit | Maximum Premium |
|-------|-------------------------------|
| | Coverage: Current Retirees |
| 1 & 2 | \$605/month |
| 3 & 4 | \$585/month |
| 5 | \$430/month |
| 6 | \$360/month |

Coverage level for current retirees is set and assumed not to increase. Coverage continues at the participant's level for the spouse and any eligible dependents after the participant's death.

2. Funding Policy

The obligation of the Agency to contribute to the plan is established and may be amended by the City Council and County Board of Supervisors.

Employees are not required to contribute to the plan. The Agency is required to contribute the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. In order to provide adequate funding for postemployment medical benefits, the Agency consistently contributes the full ARC to the CERBT fund and has periodically paid additional amounts into the CERBT when available. Further, the Agency has not yet elected to use the CERBT to pay current retiree benefits but instead pays current retiree costs directly. The Agency may elect to change this process in future years. The current ARC rate is 7.9% of annual covered payroll.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
For the Year Ended December 31, 2017
(dollar amounts expressed in thousands)

3. Annual OPEB Cost and Net OPEB Asset

For the year ended December 31, 2017, the Agency's annual OPEB cost (expense) was \$1,079. The Agency's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB asset for the last three years were as follows:

| Year Ended | Annual OPEB Cost | OPEB Cost Contributed | Net OPEB Asset |
|---------------|---------------------|--------------------------|-------------------|
| 12/31/2015 | \$ 653 | 182% | \$ 7,532 |
| 12/31/2016 | 547 | 221% | 8,191 |
| 12/31/2017 | 1,079 | 109% | 8,291 |

The following table shows the components of the Agency's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Agency's net OPEB asset for the Retiree Health Plan:

| | |
|--|--------------------------|
| Annual required contribution | \$ 996 |
| Interest on net OPEB asset | (595) |
| Adjustment to annual required contribution | 678 |
| Annual OPEB cost (expense) | <u>1,079</u> |
| Contributions made | <u>(1,179)</u> |
| Increase in net OPEB asset | (100) |
| Net OPEB asset-beginning of year | <u>(8,191)</u> |
| Net OPEB asset-end of year | <u><u>\$ (8,291)</u></u> |

4. Funded Status and Funding Progress

The funded status of the plan as of the most recent valuation date, July 1, 2017, was as follows:

| | |
|---|------------------------|
| Actuarial accrued liability (AAL) | \$ 18,349 |
| Actuarial value of plan assets | <u>12,458</u> |
| Unfunded actuarial accrued liability (UAAL) | <u><u>\$ 5,891</u></u> |
| Funded ratio (actuarial value of plan assets/AAL) | 67.89% |
| Covered payroll (active plan members) | \$ 11,674 |
| UAAL as a percentage of covered payroll | 50.46% |

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (*Continued*)
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(dollar amounts expressed in thousands)

plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

5. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The July 1, 2015 actuarial valuation was used to calculate annual OPEB cost and net OPEB asset for the year ended December 31, 2017. In the July 1, 2015 actuarial valuation, the entry age normal cost, level percent of pay method was used. The actuarial assumptions utilized a 3.00% inflation rate, a 7.25% investment rate of return, (net of administrative expenses) and an annual blended healthcare cost trend rate of 7.50% beginning in 2017, reduced by decrements to an ultimate rate of 4.50% for years 2023 and later.

The July 1, 2017 actuarial valuation was used to calculate funded ratio and funding progress for the year ended December 31, 2017. In the July 1, 2017 actuarial valuation, the entry age normal cost, level percent of pay method was used. The actuarial assumptions utilized a 3.00% inflation rate, a 7.25% investment rate of return, (net of administrative expenses) and an annual blended healthcare cost trend rate of 8.00% beginning in 2018, reduced by decrements to an ultimate rate of 5.00% for years 2024 and later.

The minimum required contribution and dental premiums are each assumed to increase annually by 4.5%. The UAAL is being amortized as a level percentage of payroll each year over the employees career. The Entry Age Normal (EAN) cost method spreads plan costs for each participant from entry date to the expected retirement date. Under the EAN cost method the plan's normal cost is developed as a level amount over the participants' working lifetime. The AAL is the cumulative value, on the valuation date, of prior service costs. For retirees, the AAL is the present value of all projected benefits. The ARC under this method equals the normal cost plus the amortization of the unfunded AAL over a thirty (30) year period. The Plan costs are derived by making certain specific assumptions as to the rates of interest, mortality, turnover, and the like, which are assumed to hold for many years into the future. Actual experience may differ somewhat from the assumptions and the effect of such differences is spread over all periods. Due to these differences, the costs determined by the valuation must be regarded as estimates of the true Plan costs.

D. Commitments and Contingencies

1. Mortgage Insured Bonds

The City and the County of Sacramento, between 1980 and 2017, issued multifamily mortgage bonds totaling \$938,764. The bonds were issued to provide funds for the purchase of home mortgages in the Sacramento County area. The Agency was appointed by the City and the County of Sacramento to administer the mortgage revenue bond program. As a public entity, the Agency can issue tax-exempt bonds, the proceeds of which can provide acquisition, construction, and permanent financing for multi-family housing projects. Interest paid on the bonds is exempt from federal and state income tax, so bondholders will accept a below-market yield from the bonds. These savings are, in turn, passed on to the project owner in the form of a below-market rate loan, with interest rates approximately one to two percent below prevailing market rates. As a conduit issuer, the bonds do not constitute a liability of the Agency, but are instead secured solely by the project financed with the bonds.

Sacramento Housing and Redevelopment Agency
Notes to the Basic Financial Statements (Continued)
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2. Litigation

The Agency is a defendant in various matters of litigations. Of these matters, management and the Agency's legal counsel do not anticipate any material effect to the December 31, 2017 financial statements if there was an unfavorable outcome against the Agency as a result of these litigations.

3. Contractual Obligations

At December 31, 2017, the outstanding contractual obligations for the Agency's governmental and business-type activities are as follows:

| | <u>Encumbrances</u> |
|--------------------------------|-------------------------|
| City HOME | \$ 449 |
| County HOME | 2,039 |
| Other Governmental Funds | 17,041 |
| County Housing Choice Vouchers | 845 |
| Other Enterprise Funds | <u>1,429</u> |
| Total | <u><u>\$ 21,803</u></u> |

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

4. Contingent Liabilities

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

E. Subsequent Event

On May 17, 2017, the California Department of Finance (DOF) denied the Agency's request for reimbursement through the Recognized Obligation Payment Schedule (ROPS), for both the City and County Redevelopment Agency Successor Agencies, for the cost of pension and OPEB for former redevelopment agency employees. The Agency filed a petition for a writ of mandate appealing DOF administrative denial. The matter was heard in court on May 18, 2018 and on May 21, 2018 the court granted SHRA's (and City and County Redevelopment Agency Successor Agencies') petition. This favorable ruling means that the Auditor Controller of the County of Sacramento can begin to reimburse the Agency for its pension and OPEB contributions for 2017 and going forward. Once the final order is entered, DOF will have sixty days in which to file an appeal. Should DOF appeal, the court order would likely be stayed pending the outcome of the appeal. This outcome cannot be predicted at this time.

Sacramento Housing and Redevelopment Agency
Required Supplementary Information
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Schedule of Changes in the Net Pension Liability and Related Ratios

As of June 30, 2017

Last 10 Years*

| Measurement Period | 2014 | 2015 | 2016 | 2017 |
|---|-------------------|-------------------|-------------------|-------------------|
| TOTAL PENSION LIABILITY: | | | | |
| Service Cost | \$ 2,014 | \$ 1,786 | \$ 1,767 | \$ 2,013 |
| Interest on Total Pension Liability | 10,259 | 10,507 | 10,801 | 11,010 |
| Changes of Assumptions | - | (2,432) | - | 8,574 |
| Difference between Expected and Actual Experience | - | (1,856) | (641) | (261) |
| Benefit Payments, Including Refunds of Employee Contributions | (7,010) | (7,603) | (7,996) | (8,418) |
| Net Change in Total Pension Liability | 5,263 | 402 | 3,931 | 12,918 |
| Total Pension Liability – Beginning | 139,282 | 144,545 | 144,947 | 148,881 |
| Total Pension Liability – Ending (a) | \$ 144,545 | \$ 144,947 | \$ 148,878 | \$ 161,799 |
| PLAN FIDUCIARY NET POSITION | | | | |
| Contributions – Employer | \$ 1,698 | \$ 1,976 | \$ 2,358 | \$ 2,936 |
| Contributions – Employee | 1,259 | 814 | 922 | 910 |
| Net Investment Income | 17,601 | 2,611 | 608 | 12,134 |
| Benefit Payments, Including Refunds of Employee Contributions | (7,010) | (7,603) | (7,996) | (8,418) |
| Administrative Expense | - | (128) | (69) | (161) |
| Net Change in Fiduciary Net Position | 13,548 | (2,330) | (4,177) | 7,401 |
| Plan Fiduciary Net Position – Beginning | 102,651 | 116,199 | 113,869 | 109,691 |
| Plan Fiduciary Net Position – Ending (b) | \$ 116,199 | \$ 113,869 | \$ 109,692 | \$ 117,092 |
| Plan Net Pension Liability/(Asset) – (a)-(b) | \$ 28,346 | \$ 31,078 | \$ 39,186 | \$ 44,707 |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 80.39% | 78.56% | 73.68% | 72.37% |
| Covered-Employee Payroll | \$ 12,819 | \$ 11,897 | \$ 11,807 | \$ 12,168 |
| Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll | 221.13% | 261.22% | 331.89% | 367.42% |

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

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

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credits (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 to 7.15 percent. In 2016 there were no changes. In 2015, amounts reported reflect adjustment of the discount rate from 7.50 percent (net of administrative expenses) to 7.65 percent without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.50 percent discount rate.

Sacramento Housing and Redevelopment Agency
Required Supplementary Information
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Schedule of Contributions

As of June 30, 2017
Last 10 Years*

| | 2014 | 2015 | 2016 | 2017 |
|--|------------|------------|------------|------------|
| Actuarially determined contribution ¹ | \$1,698 | \$1,976 | \$2,358 | \$2,937 |
| Contributions in relation to the actuarially determined contributions ¹ | (1,698) | (1,976) | (2,358) | (2,937) |
| Contribution deficiency (excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| Covered - employee payroll | \$12,819 | \$11,558 | \$12,610 | \$13,196 |
| Contributions as a percentage of covered employee payroll | 13.25% | 17.10% | 18.70% | 22.26% |

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

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

Notes to Schedule of Plan Contributions:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2016-17 were derived from the June 30, 2014 funding valuation report, applicable to all years presented above.

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

Sacramento Housing and Redevelopment Agency
Required Supplementary Information
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Schedule of Funding Progress - Other Postemployment Benefits

| | A | B | C | D | E | F |
|--------------------------------|---------------------------------|--|-----------------------------------|----------------------------|--------------------|--|
| Actuarial Valuation Date | Actuarial Value of Assets | Actuarial Accrued Liability (AAL) Entry Age | Unfunded AAL (UAAL) [B - A] | Funded Ratio [A / B] | Covered Payroll | UAAL as Percentage of Covered Payroll [(B - A) / E] |
| 7/1/2013 | \$ 8,727 | \$ 15,687 | \$ 6,960 | 55.63% | \$ 12,255 | 56.79% |
| 7/1/2015 | 11,166 | 19,275 | 8,109 | 57.93% | 11,836 | 68.51% |
| 7/1/2017 | 12,458 | 18,349 | 5,891 | 67.89% | 11,674 | 50.46% |

**Sacramento Housing and Redevelopment Agency
Other Supplementary Information
For the Year Ended December 31, 2017**

**Sacramento Housing and Redevelopment Agency
Supplementary Information
For the Year Ended December 31, 2017**

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

| | | Funds Expended | | | | | | | | | Total Funds Expended | Balance of Funds Approved |
|---|----------------|----------------|------------|------------|--------------|--------------|--------------|--------------|--------------|---------------|----------------------|---------------------------|
| Project Number | Funds Approved | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | | | |
| City CFP: | | | | | | | | | | | | |
| CA30P00550112 | \$ 2,559,332 | \$ - | \$ - | \$ 7,001 | \$ 1,371,888 | \$ 1,001,237 | \$ 179,206 | \$ - | \$ - | \$ 2,559,332 | \$ - | |
| CA30P00550113 | 2,636,416 | - | - | - | 9,705 | 798,979 | 1,395,112 | 382,983 | 49,637 | 2,636,416 | - | |
| CA30P00550114 | 2,534,660 | - | - | - | - | 22,550 | 787,360 | 1,412,280 | 290,625 | 2,512,815 | 21,845 | |
| CA30P00550115 | 2,500,996 | - | - | - | - | - | 18,957 | 684,645 | 1,746,990 | 2,450,592 | 50,404 | |
| CA30P00550116 | 2,742,697 | - | - | - | - | - | - | 158,667 | 1,124,477 | 1,283,144 | 1,459,553 | |
| CA30P00550117 | 2,663,885 | - | - | - | - | - | - | - | 227,821 | 227,821 | 2,436,064 | |
| Total City CFP | \$ 15,637,986 | \$ - | \$ - | \$ 7,001 | \$ 1,381,593 | \$ 1,822,766 | \$ 2,380,635 | \$ 2,638,575 | \$ 3,439,550 | \$ 11,670,120 | \$ 3,967,866 | |
| City ROSS Public Housing Family Self Sufficiency (FSS) | | | | | | | | | | | | |
| CA005RFS116A011 | \$ 69,000 | \$ - | \$ - | \$ 21,781 | \$ 46,869 | \$ 350 | \$ - | \$ - | \$ - | \$ 69,000 | \$ - | |
| CA005RFS159A012 | 69,000 | - | - | - | - | 56,698 | 12,302 | - | - | 69,000 | - | |
| CA005RFS033A013 | 58,054 | - | - | - | - | - | 58,006 | 48 | - | 58,054 | - | |
| CA005FSH693A015 | 69,000 | - | - | - | - | - | - | 68,734 | - | 68,734 | 266 | |
| CA005FSH047A016 | 69,000 | - | - | - | - | - | - | - | 67,406 | 67,406 | 1,594 | |
| Total City ROSS | \$ 334,054 | \$ - | \$ - | \$ 21,781 | \$ 46,869 | \$ 57,048 | \$ 70,308 | \$ 68,782 | \$ 67,406 | \$ 332,194 | \$ 1,860 | |
| City ROSS Service Coordinator (SC) | | | | | | | | | | | | |
| CA005RPS273A011 | \$ 479,270 | \$ - | \$ 34,341 | \$ 215,075 | \$ 136,152 | \$ 93,702 | \$ - | \$ - | \$ - | \$ 479,270 | \$ - | |
| CA005RPS081A014 | 492,000 | - | - | - | - | 67,086 | 100,978 | 208,481 | - | 376,545 | 115,455 | |
| Total City SC | \$ 971,270 | \$ - | \$ 34,341 | \$ 215,075 | \$ 136,152 | \$ 93,702 | \$ 67,086 | \$ 100,978 | \$ 208,481 | \$ 855,815 | \$ 115,455 | |
| County CFP: | | | | | | | | | | | | |
| CA30P00750110 | \$ 1,882,271 | \$ 193,659 | \$ 851,322 | \$ 568,432 | \$ 268,858 | \$ - | \$ - | \$ - | \$ - | \$ 1,882,271 | \$ - | |
| CA30P00750112 | 1,438,555 | - | - | 55,080 | 1,079,519 | 297,124 | - | 6,832 | 6,832 | 1,438,555 | - | |
| CA30P00750113 | 1,382,203 | - | - | - | 71,510 | 797,111 | 227,182 | 164,644 | 121,756 | 1,382,203 | - | |
| CA30P00750114 | 1,420,898 | - | - | - | - | 89,957 | 645,815 | 593,662 | 56,063 | 1,385,497 | 35,401 | |
| CA30P00750115 | 1,405,011 | - | - | - | - | - | 73,422 | 638,941 | 664,621 | 1,376,984 | 28,027 | |
| CA30P00750116 | 1,540,822 | - | - | - | - | - | - | 155,828 | 616,977 | 772,805 | 768,017 | |
| CA30P00750117 | 1,400,071 | - | - | - | - | - | - | - | 142,141 | 142,141 | 1,257,930 | |
| Total County CFP | \$ 10,469,831 | \$ 193,659 | \$ 851,322 | \$ 623,512 | \$ 1,419,887 | \$ 1,184,192 | \$ 946,419 | \$ 1,559,907 | \$ 1,608,390 | \$ 8,380,456 | \$ 2,089,375 | |
| County ROSS Public Housing Family Self Sufficiency (FSS) | | | | | | | | | | | | |
| CA007RFS174A011 | \$ 69,000 | \$ - | \$ - | \$ 5,602 | \$ 49,018 | \$ 14,380 | \$ - | \$ - | \$ - | \$ 69,000 | \$ - | |
| CA007RFS169A012 | 57,360 | - | - | - | - | 57,360 | - | - | - | 57,360 | - | |
| CA007FSH072A014 | 117,951 | - | - | - | - | 407 | 117,544 | - | - | 117,951 | - | |
| CA007FSH694A015 | 138,000 | - | - | - | - | - | - | 116,142 | - | 116,142 | 21,858 | |
| CA007FSH048A016 | 131,615 | - | - | - | - | - | - | - | 124,050 | 124,050 | 7,565 | |
| Total County FSS | \$ 513,926 | \$ - | \$ - | \$ 5,602 | \$ 49,018 | \$ 72,147 | \$ 117,544 | \$ 116,142 | \$ 124,050 | \$ 484,503 | \$ 29,423 | |
| City Choice Neighborhood Initiative (CNI) | | | | | | | | | | | | |
| CA9G005CNP113 | \$ 500,000 | \$ - | \$ - | \$ - | \$ - | \$ 120,109 | \$ 301,253 | \$ 17,793 | \$ - | \$ 439,155 | \$ 60,845 | |
| County Choice Neighborhood Implementation (CNI) | | | | | | | | | | | | |
| CA9G007CNG114 | \$ 30,000,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 554,481 | \$ 601,896 | \$ 1,156,377 | \$ 28,843,623 | |
| Jobs Plus | | | | | | | | | | | | |
| CA005FJP000415 | \$ 2,700,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 107,031 | \$ 402,649 | \$ 509,680 | \$ 2,190,320 | |
| * The following grants had accrued retention for CAFR presentation that is included in the amounts above. | | | | | | | | | | | | |
| CA30P00550115 | \$ 47,977 | | | | | | | | | | | |
| CA30P00550116 | \$ 13,394 | | | | | | | | | | | |
| CA30P00750114 | \$ 2,366 | | | | | | | | | | | |
| CA30P00750115 | \$ 17,974 | | | | | | | | | | | |
| CA30P00750116 | \$ 915 | | | | | | | | | | | |

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

**Sacramento Housing and Redevelopment Agency
Other Supplementary Information
For the Year Ended December 31, 2017**

Below is the Schedule of Purchase and Resale Entity (PRE) Sales proceeds and Expenditures.

| <u>Program</u> | <u>Sales Proceeds</u> | <u>Expenditures Budgeted</u> | <u>2016 Expended*</u> | <u>2017 Expended*</u> | <u>Total Expended</u> | <u>Balance of Funds Budgeted</u> |
|---|---------------------------|----------------------------------|---------------------------|---------------------------|---------------------------|--|
| City Public Housing Homeownership | \$ - | \$ 1,008,266 | \$ 848,128 | \$ - | \$ 1,008,266 | \$ - |
| County Public Housing Homeownership | - | 674,248 | 501,881 | 125,279 | 671,770 | 2,478 |
| City Section 32 | - | 1,151,388 | 1,061,093 | 90,295 | 1,151,388 | - |
| County Section 32 | - | 465,078 | 181,733 | 283,346 | 465,079 | (1) |
| City Purchase and Resale Entity (PRE) | 2,898,032 | 2,235,882 | 106,126 | 1,629,928 | 1,736,054 | 499,828 |
| County Purchase and Resale Entity (PRE) | 1,479,072 | 1,188,000 | - | 377,477 | 377,477 | 810,523 |
| Totals | <u>\$ 4,377,104</u> | <u>\$ 6,722,862</u> | <u>\$ 2,698,961</u> | <u>\$ 2,506,325</u> | <u>\$ 5,410,034</u> | <u>\$ 1,312,828</u> |

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

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*Nonmajor
Governmental
Funds*

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2017
(amounts expressed in thousands)

| | Special Revenue | Debt Service | Capital Projects | Total Nonmajor Governmental Funds |
|---|--------------------|-----------------|---------------------|--|
| Assets | | | | |
| Cash and investments | \$ 29,098 | \$ - | \$ 5,789 | \$ 34,887 |
| Accounts receivable (net) | 504 | - | - | 504 |
| Due from other funds | 867 | - | - | 867 |
| Due from other governments | 3,818 | - | 1,511 | 5,329 |
| Notes receivable (net) | 97,782 | - | 3,989 | 101,771 |
| Advances to other funds | 1,854 | - | - | 1,854 |
| Restricted cash and investments | 47 | - | - | 47 |
| Assets held for resale | - | - | 4,940 | 4,940 |
| Total assets | <u>\$ 133,970</u> | <u>\$ -</u> | <u>\$ 16,229</u> | <u>\$ 150,199</u> |
| Liabilities | | | | |
| Accounts payable | \$ 673 | \$ - | \$ 109 | \$ 782 |
| Accrued liabilities | 4 | - | 4 | 8 |
| Contracts payable | - | - | 136 | 136 |
| Due to other funds | 1,747 | - | 1,347 | 3,094 |
| Due to other governments | 162 | - | - | 162 |
| Deposit and trust liability | 44 | - | - | 44 |
| Advances from other funds | 2,204 | - | 8,132 | 10,336 |
| Total liabilities | <u>4,834</u> | <u>-</u> | <u>9,728</u> | <u>14,562</u> |
| Deferred Inflows of Resources | | | | |
| Unavailable revenue | <u>36,357</u> | <u>-</u> | <u>-</u> | <u>36,357</u> |
| Fund Balances (Deficits) | | | | |
| Restricted for: | | | | |
| Debt service | 3 | - | - | 3 |
| Housing | 77,885 | - | 6,501 | 84,386 |
| Community development | 14,132 | - | - | 14,132 |
| Community services | 2,980 | - | - | 2,980 |
| Unassigned | (2,221) | - | - | (2,221) |
| Total fund balances | <u>92,779</u> | <u>-</u> | <u>6,501</u> | <u>99,280</u> |
| Total liabilities, deferred inflows of resources and fund balances | <u>\$ 133,970</u> | <u>\$ -</u> | <u>\$ 16,229</u> | <u>\$ 150,199</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Special Revenue | Debt Service | Capital Projects | Total Nonmajor Governmental Funds |
|---|--------------------|-----------------|---------------------|--|
| Revenues: | | | | |
| Intergovernmental | \$ 23,612 | \$ - | \$ 4,947 | \$ 28,559 |
| Charges for services | 2,351 | - | - | 2,351 |
| Investment earnings | 1,824 | - | 74 | 1,898 |
| Miscellaneous | 2,901 | - | 2,134 | 5,035 |
| Total revenues | <u>30,688</u> | <u>-</u> | <u>7,155</u> | <u>37,843</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | 6,228 | - | 3,724 | 9,952 |
| Community development | 12,950 | - | - | 12,950 |
| Community social services | 5,942 | - | - | 5,942 |
| Capital outlay | - | - | 2,961 | 2,961 |
| Debt service: | | | | |
| Principal retirement | - | 335 | - | 335 |
| Interest | - | 41 | - | 41 |
| Total expenditures | <u>25,120</u> | <u>-</u> | <u>6,685</u> | <u>32,181</u> |
| Excess of revenues over expenditures | <u>5,568</u> | <u>-</u> | <u>470</u> | <u>5,662</u> |
| Other financing sources (uses): | | | | |
| Proceeds from sale of capital assets | 117 | - | - | 117 |
| Transfers in | - | 376 | - | 376 |
| Transfers out | (1,147) | - | (1,344) | (2,491) |
| Total other financing sources (uses) | <u>(1,030)</u> | <u>-</u> | <u>(1,344)</u> | <u>(1,998)</u> |
| Net change in fund balances | 4,538 | - | (874) | 3,664 |
| Fund balances, beginning | 88,241 | - | 7,375 | 95,616 |
| Fund balances, ending | <u>\$ 92,779</u> | <u>\$ -</u> | <u>\$ 6,501</u> | <u>\$ 99,280</u> |

Nonmajor Special Revenue Funds

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

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

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2017
(amounts expressed in thousands)

| | Housing | Community Development | Community Services | Local Tax | Total |
|--|------------------|----------------------------------|-------------------------------|----------------------|-------------------|
| Assets | | | | | |
| Cash and investments | \$ 19,647 | \$ 6,411 | \$ 605 | \$ 2,435 | \$ 29,098 |
| Accounts receivable (net) | 131 | 177 | 30 | 166 | 504 |
| Due from other funds | 867 | - | - | - | 867 |
| Due from other governments | 1,807 | 1,356 | 655 | - | 3,818 |
| Notes receivable (net) | 56,141 | 41,641 | - | - | 97,782 |
| Advances to other funds | 410 | 1,444 | - | - | 1,854 |
| Restricted cash and investments | - | 47 | - | - | 47 |
| Total assets | \$ 79,003 | \$ 51,076 | \$ 1,290 | \$ 2,601 | \$ 133,970 |
| Liabilities | | | | | |
| Accounts payable | \$ 5 | \$ 211 | \$ 346 | \$ 111 | \$ 673 |
| Accrued liabilities | 3 | 1 | - | - | 4 |
| Due to other funds | 819 | 607 | 321 | - | 1,747 |
| Due to other governments | - | 29 | 133 | - | 162 |
| Deposit and trust liability | - | 44 | - | - | 44 |
| Advances from other funds | 170 | 2,034 | - | - | 2,204 |
| Total liabilities | 997 | 2,926 | 800 | 111 | 4,834 |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue | 315 | 35,957 | 85 | - | 36,357 |
| Fund Balances (Deficits) | | | | | |
| Restricted for: | | | | | |
| Debt service | - | 3 | - | - | 3 |
| Housing | 77,885 | - | - | - | 77,885 |
| Community development | 121 | 14,011 | - | - | 14,132 |
| Community services | - | - | 490 | 2,490 | 2,980 |
| Unassigned | (315) | (1,821) | (85) | - | (2,221) |
| Total fund balances (deficits) | 77,691 | 12,193 | 405 | 2,490 | 92,779 |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | \$ 79,003 | \$ 51,076 | \$ 1,290 | \$ 2,601 | \$ 133,970 |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Housing | Community Development | Community Services | Local Tax | Total |
|--|------------------|----------------------------------|-------------------------------|----------------------|------------------|
| Revenues: | | | | | |
| Intergovernmental | \$ 8,423 | \$ 12,138 | \$ 2,668 | \$ 383 | \$ 23,612 |
| Charges for services | 1,137 | 2 | - | 1,212 | 2,351 |
| Investment earnings | 1,407 | 391 | - | 26 | 1,824 |
| Miscellaneous | 467 | 1,821 | 613 | - | 2,901 |
| Total revenues | <u>11,434</u> | <u>14,352</u> | <u>3,281</u> | <u>1,621</u> | <u>30,688</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Housing operations | 6,228 | - | - | - | 6,228 |
| Community development | 387 | 12,562 | 1 | - | 12,950 |
| Community social services | 8 | 1,410 | 3,366 | 1,158 | 5,942 |
| Total expenditures | <u>6,623</u> | <u>13,972</u> | <u>3,367</u> | <u>1,158</u> | <u>25,120</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>4,811</u> | <u>380</u> | <u>(86)</u> | <u>463</u> | <u>5,568</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of capital assets | 85 | 32 | - | - | 117 |
| Transfers out | - | (1,147) | - | - | (1,147) |
| Total other financing sources (uses) | <u>85</u> | <u>(1,115)</u> | <u>-</u> | <u>-</u> | <u>(1,030)</u> |
| Net change in fund balances | 4,896 | (735) | (86) | 463 | 4,538 |
| Fund balances, beginning | 72,795 | 12,928 | 491 | 2,027 | 88,241 |
| Fund balances, ending | <u>\$ 77,691</u> | <u>\$ 12,193</u> | <u>\$ 405</u> | <u>\$ 2,490</u> | <u>\$ 92,779</u> |

Nonmajor Housing Special Revenue Funds

- ◆ **General Housing Reserve** acts as a clearing account for excess funding to go to housing authority programs requiring additional funding.
- ◆ **Local Housing Revenue** accounts for the receipt and use of rebates derived from various energy conservation programs and accounts for activities relating to the Ping Yuen Center.
- ◆ **Riverview Plaza Reserve** acts as a clearing account for excess funding to go to Riverview Plaza activities and other housing programs.
- ◆ **Foundation Uniting Needs and Dollars (FUND), Inc.** accounts for the fundraising activities of the Agency.
- ◆ **City and County Ross Public Housing FSS Grant** is used to fund the project coordinator who administers the activities of residents in the Family Self Sufficiency program.
- ◆ **City ROSS Service Coordinator** provides for a Service Coordinator to coordinate supportive services and other activities designed to help Public and Indian housing residents attain economic and housing self-sufficiency.
- ◆ **City and County Housing Trust and State/Local Housing Trust** accounts for the acquisition, rehabilitation and development of low-income housing funded by local developer fees.
- ◆ **City and County Inclusionary and County Affordable Housing Programs** account for in-lieu and affordability fees paid by developers. Sacramento County's Affordable Housing Ordinance requires new residential projects of five or more dwelling units to provide an affordable housing component of not less than 15 percent of the development project's dwelling units. Depending on such project parameters as size, a developer is given various options to meet the affordable housing obligation.
- ◆ **City and County State/Local Housing Grant** is used to account for the receipt of grants from sources outside of the housing authority and the expenditures associated with those grants.
- ◆ **City CNI Planning Grant** account for development and implementation of a comprehensive neighborhood revitalization strategy for public and/or assisted housing units, while simultaneously directing the transformation of the surrounding neighborhood.
- ◆ **County Shelter Plus Care** accounts for grants for rental assistance, in combination with supportive services from other sources, to assist hard-to-serve homeless persons with disabilities.
- ◆ **County CNI Grant** helps communities transform neighborhoods by revitalizing severely distressed public housing and by leveraging and investing in services, quality public schools and education programs, high quality early learning programs and services, crime prevention strategies, public assets, public transportation, and improved access to jobs.
- ◆ **City Jobs Plus Grant** is intended to develop locally-based, job-driven approaches to increase earnings and advance employment outcomes through work readiness, employer linkages, job placement, educational advancement, technology skills, and financial literacy for residents of public housing.
- ◆ **City Mixed Income Housing Ordinance (MIHO)** accounts for the acquisition, rehabilitation and development of mixed-income housing funded by local developer fees.
- ◆ **County AHO Monitoring** accounts for housing impact fees funded by local developers to increase and improve the supply of affordable housing via gap financing.

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Housing Special Revenue Funds
December 31, 2017
(amounts expressed in thousands)

| | General Housing Reserve | Local Housing Revenue | Riverview Plaza Reserve | FUND, Inc. | City ROSS PH FSS Grant |
|--|--|--------------------------------------|--|-------------------|---------------------------------------|
| Assets | | | | | |
| Cash and investments | \$ 1,262 | \$ 1,528 | \$ 254 | \$ 7 | \$ - |
| Accounts receivable (net) | - | 79 | - | - | - |
| Due from other funds | - | - | - | - | - |
| Due from other governments | - | - | - | - | 11 |
| Notes receivable (net) | - | 3,170 | 2,392 | - | - |
| Advances to other funds | - | - | - | - | - |
| Total assets | <u>\$ 1,262</u> | <u>\$ 4,777</u> | <u>\$ 2,646</u> | <u>\$ 7</u> | <u>\$ 11</u> |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | - | - | - |
| Due to other funds | - | - | - | - | 11 |
| Advances from other funds | - | 170 | - | - | - |
| Total liabilities | <u>-</u> | <u>170</u> | <u>-</u> | <u>-</u> | <u>11</u> |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balances (Deficits) | | | | | |
| Restricted for: | | | | | |
| Housing | 1,262 | 4,607 | 2,646 | 7 | - |
| Community development | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total fund balances (deficits) | <u>1,262</u> | <u>4,607</u> | <u>2,646</u> | <u>7</u> | <u>-</u> |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | <u>\$ 1,262</u> | <u>\$ 4,777</u> | <u>\$ 2,646</u> | <u>\$ 7</u> | <u>\$ 11</u> |

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Housing Special Revenue Funds
December 31, 2017
(amounts expressed in thousands)

| | County ROSS PH FSS Grant | City ROSS Service Coordinator | City Housing Trust | County Housing Trust | State/Local Housing Trust | City Inclusionary Housing |
|--|--------------------------------|--|--------------------------|----------------------------|---------------------------------|---------------------------------|
| Assets | | | | | | |
| Cash and investments | \$ - | \$ - | \$ 7,288 | \$ 3,404 | \$ - | \$ - |
| Accounts receivable (net) | - | - | 48 | 4 | - | - |
| Due from other funds | - | - | 786 | 81 | - | - |
| Due from other governments | 25 | 32 | 118 | 69 | - | - |
| Notes receivable (net) | - | - | 21,318 | 22,246 | 5,000 | - |
| Advances to other funds | - | - | 410 | - | - | - |
| Total assets | <u>\$ 25</u> | <u>\$ 32</u> | <u>\$ 29,968</u> | <u>\$ 25,804</u> | <u>\$ 5,000</u> | <u>\$ -</u> |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 1 | \$ - | \$ - |
| Accrued liabilities | - | - | - | - | - | - |
| Due to other funds | 25 | 32 | - | - | - | - |
| Advances from other funds | - | - | - | - | - | - |
| Total liabilities | <u>25</u> | <u>32</u> | <u>-</u> | <u>1</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | | | | | | |
| Unavailable revenue | - | - | - | - | - | - |
| Fund Balances (Deficits) | | | | | | |
| Restricted for: | | | | | | |
| Housing | - | - | 29,968 | 25,803 | 5,000 | - |
| Community development | - | - | - | - | - | - |
| Unassigned | - | - | - | - | - | - |
| Total fund balances (deficits) | <u>-</u> | <u>-</u> | <u>29,968</u> | <u>25,803</u> | <u>5,000</u> | <u>-</u> |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | <u>\$ 25</u> | <u>\$ 32</u> | <u>\$ 29,968</u> | <u>\$ 25,804</u> | <u>\$ 5,000</u> | <u>\$ -</u> |

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Housing Special Revenue Funds
December 31, 2017
(amounts expressed in thousands)

| | County Affordable Housing | County Shelter Plus Care | County CNI Grant | City Jobs Plus Grant | City MIHO | County AHO Monitoring | Total |
|--|--|---|---------------------------------|---|----------------------|--------------------------------------|------------------|
| Assets | | | | | | | |
| Cash and investments | \$ 4,732 | \$ - | \$ - | \$ - | \$ 1,051 | \$ 121 | \$ 19,647 |
| Accounts receivable (net) | - | - | - | - | - | - | 131 |
| Due from other funds | - | - | - | - | - | - | 867 |
| Due from other governments | 188 | 373 | 263 | 122 | 606 | - | 1,807 |
| Notes receivable (net) | 2,015 | - | - | - | - | - | 56,141 |
| Advances to other funds | - | - | - | - | - | - | 410 |
| Total assets | \$ 6,935 | \$ 373 | \$ 263 | \$ 122 | \$ 1,657 | \$ 121 | \$ 79,003 |
| Liabilities | | | | | | | |
| Accounts payable | \$ - | \$ 1 | \$ - | \$ 3 | \$ - | \$ - | \$ 5 |
| Accrued liabilities | - | 1 | - | 2 | - | - | 3 |
| Due to other funds | - | 371 | 263 | 117 | - | - | 819 |
| Advances from other funds | - | - | - | - | - | - | 170 |
| Total liabilities | - | 373 | 263 | 122 | - | - | 997 |
| Deferred Inflows of Resources | | | | | | | |
| Unavailable revenue | - | - | 263 | 52 | - | - | 315 |
| Fund Balances (Deficits) | | | | | | | |
| Restricted for: | | | | | | | |
| Housing | 6,935 | - | - | - | 1,657 | - | 77,885 |
| Community development | - | - | - | - | - | 121 | 121 |
| Unassigned | - | - | (263) | (52) | - | - | (315) |
| Total fund balances (deficits) | 6,935 | - | (263) | (52) | 1,657 | 121 | 77,691 |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | \$ 6,935 | \$ 373 | \$ 263 | \$ 122 | \$ 1,657 | \$ 121 | \$ 79,003 |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Housing Special Revenue Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | General Housing Reserve | Local Housing Revenue | Riverview Plaza Reserve | FUND, Inc. | City ROSS PH FSS Grant |
|--|--|--------------------------------------|--|-------------------|---------------------------------------|
| Revenues: | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ 67 |
| Charges for services | - | - | - | - | - |
| Investment earnings | 15 | 23 | 3 | - | - |
| Miscellaneous | - | - | - | 2 | - |
| Total revenues | <u>15</u> | <u>23</u> | <u>3</u> | <u>2</u> | <u>67</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Housing operations | 2 | 8 | 12 | - | 67 |
| Community development | - | - | - | - | - |
| Community social services | - | - | - | 8 | - |
| Total expenditures | <u>2</u> | <u>8</u> | <u>12</u> | <u>8</u> | <u>67</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>13</u> | <u>15</u> | <u>(9)</u> | <u>(6)</u> | <u>-</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of capital assets | - | 85 | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>85</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 13 | 100 | (9) | (6) | - |
| Fund balances, beginning | 1,249 | 4,507 | 2,655 | 13 | - |
| Fund balances (deficits), ending | <u>\$ 1,262</u> | <u>\$ 4,607</u> | <u>\$ 2,646</u> | <u>\$ 7</u> | <u>\$ -</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Housing Special Revenue Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | County ROSS PH FSS Grant | City ROSS Service Coordinator | City Housing Trust | County Housing Trust | State/Local Housing Trust | City Inclusionary Housing |
|--|---|--|-----------------------------------|-------------------------------------|--|--|
| Revenues: | | | | | | |
| Intergovernmental | \$ 124 | \$ 208 | \$ 1,071 | \$ 177 | \$ - | \$ - |
| Charges for services | - | - | - | - | - | - |
| Investment earnings | - | - | 774 | 513 | - | 22 |
| Miscellaneous | - | - | 465 | - | - | - |
| Total revenues | <u>124</u> | <u>208</u> | <u>2,310</u> | <u>690</u> | <u>-</u> | <u>22</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Housing operations | 124 | 208 | 196 | 357 | - | 84 |
| Community development | - | - | - | - | - | - |
| Community social services | - | - | - | - | - | - |
| Total expenditures | <u>124</u> | <u>208</u> | <u>196</u> | <u>357</u> | <u>-</u> | <u>84</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>-</u> | <u>2,114</u> | <u>333</u> | <u>-</u> | <u>(62)</u> |
| Other financing sources (uses): | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | - | - | 2,114 | 333 | - | (62) |
| Fund balances, beginning | - | - | 27,854 | 25,470 | 5,000 | 62 |
| Fund balances (deficits), ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 29,968</u> | <u>\$ 25,803</u> | <u>\$ 5,000</u> | <u>\$ -</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Housing Special Revenue Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | County Affordable Housing | County Shelter Plus Care | County CNI Grant | City Jobs Plus Grant | City MIHO | County AHO Monitoring | Total |
|--|--|---|---------------------------------|---|----------------------|--------------------------------------|------------------|
| Revenues: | | | | | | | |
| Intergovernmental | \$ 1,193 | \$ 4,340 | \$ 893 | \$ 350 | \$ - | \$ - | \$ 8,423 |
| Charges for services | - | - | - | - | 1,137 | - | 1,137 |
| Investment earnings | 49 | - | - | - | 7 | 1 | 1,407 |
| Miscellaneous | - | - | - | - | - | - | 467 |
| Total revenues | <u>1,242</u> | <u>4,340</u> | <u>893</u> | <u>350</u> | <u>1,144</u> | <u>1</u> | <u>11,434</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Housing operations | 169 | 4,340 | 250 | 402 | - | 9 | 6,228 |
| Community development | - | - | 352 | - | 35 | - | 387 |
| Community social services | - | - | - | - | - | - | 8 |
| Total expenditures | <u>169</u> | <u>4,340</u> | <u>602</u> | <u>402</u> | <u>35</u> | <u>9</u> | <u>6,623</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,073</u> | <u>-</u> | <u>291</u> | <u>(52)</u> | <u>1,109</u> | <u>(8)</u> | <u>4,811</u> |
| Other financing sources (uses): | | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - | 85 |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>85</u> |
| Net change in fund balances | 1,073 | - | 291 | (52) | 1,109 | (8) | 4,896 |
| Fund balances, beginning | 5,862 | - | (554) | - | 548 | 129 | 72,795 |
| Fund balances (deficits), ending | <u>\$ 6,935</u> | <u>\$ -</u> | <u>\$ (263)</u> | <u>\$ (52)</u> | <u>\$ 1,657</u> | <u>\$ 121</u> | <u>\$ 77,691</u> |

Sacramento Housing and Redevelopment Agency
General Housing Reserve Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---|-------------------------|-----------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Investment earnings | \$ 11 | \$ 11 | \$ 15 | \$ 4 |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | 2 | 2 | 2 | - |
| Excess of revenues over expenditures | 9 | 9 | 13 | 4 |
| Other financing uses: | | | | |
| Transfers out | 84 | 84 | - | (84) |
| Net change in fund balance | 93 | 93 | 13 | (80) |
| Fund balance, beginning | 1,249 | 1,249 | 1,249 | - |
| Fund balance, ending | <u>\$ 1,342</u> | <u>\$ 1,342</u> | <u>\$ 1,262</u> | <u>\$ (80)</u> |

Sacramento Housing and Redevelopment Agency
Local Housing Revenue Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|--|-------------------------|-----------------|-----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| Revenues: | | | | |
| Investment earnings | \$ 15 | \$ 15 | \$ 23 | \$ 8 |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | 101 | 101 | 8 | 93 |
| Excess (deficiency) of revenues over (under) expenditures | (86) | (86) | 15 | 101 |
| Other financing uses: | | | | |
| Proceeds from sale of capital assets | - | - | 85 | 85 |
| Net change in fund balance | (86) | (86) | 100 | 186 |
| Fund balance, beginning | 4,507 | 4,507 | 4,507 | - |
| Fund balance, ending | <u>\$ 4,421</u> | <u>\$ 4,421</u> | <u>\$ 4,607</u> | <u>\$ 186</u> |

Sacramento Housing and Redevelopment Agency
Riverview Plaza Reserve Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------|-------------------------|-----------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Investment earnings | \$ 3 | \$ 3 | \$ 3 | \$ - |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | 70 | 70 | 12 | 58 |
| Net change in fund balance | (67) | (67) | (9) | 58 |
| Fund balance, beginning | 2,655 | 2,655 | 2,655 | - |
| Fund balance, ending | <u>\$ 2,588</u> | <u>\$ 2,588</u> | <u>\$ 2,646</u> | <u>\$ 58</u> |

Sacramento Housing and Redevelopment Agency
 City ROSS PH FSS Grant Special Revenue Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
 For the Year Ended December 31, 2017
 (amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------|------------------|-------------|-------------------|-------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 69 | \$ 69 | \$ 67 | \$ (2) |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | 69 | 69 | 67 | 2 |
| Net change in fund balances | - | - | - | - |
| Fund balance, beginning | - | - | - | - |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Sacramento Housing and Redevelopment Agency
County ROSS PH FSS Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------|-------------------------|--------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 138 | \$ 132 | \$ 124 | \$ (8) |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | 138 | 132 | 124 | 8 |
| Net change in fund balance | - | - | - | - |
| Fund balance, beginning | - | - | - | - |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Sacramento Housing and Redevelopment Agency
City ROSS Service Coordinator Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------|-------------------------|-----------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 160 | \$ 208 | \$ 48 |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | 332 | 492 | 208 | 284 |
| Net change in fund balance | (332) | (332) | - | 332 |
| Fund balance, beginning | - | - | - | - |
| Fund balance (deficit), ending | <u>\$ (332)</u> | <u>\$ (332)</u> | <u>\$ -</u> | <u>\$ 332</u> |

Sacramento Housing and Redevelopment Agency
City Housing Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------|-------------------------|------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,773 | \$ 1,773 | \$ 1,071 | \$ (702) |
| Investment earnings | 127 | 127 | 774 | 647 |
| Miscellaneous | 100 | 100 | 465 | 365 |
| Total revenues | <u>2,000</u> | <u>2,000</u> | <u>2,310</u> | <u>310</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | <u>4,605</u> | <u>6,706</u> | <u>196</u> | <u>6,510</u> |
| Net change in fund balance | (2,605) | (4,706) | 2,114 | 6,820 |
| Fund balance, beginning | 27,854 | 27,854 | 27,854 | - |
| Fund balance, ending | <u>\$ 25,249</u> | <u>\$ 23,148</u> | <u>\$ 29,968</u> | <u>\$ 6,820</u> |

Sacramento Housing and Redevelopment Agency
County Housing Trust Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------|-------------------------|------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,710 | \$ 1,710 | \$ 177 | \$ (1,533) |
| Charges for services | - | - | - | - |
| Investment earnings | 125 | 125 | 513 | 388 |
| Miscellaneous | 165 | 165 | - | (165) |
| Total revenues | <u>2,000</u> | <u>2,000</u> | <u>690</u> | <u>(1,310)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | <u>6,451</u> | <u>6,451</u> | <u>357</u> | <u>6,094</u> |
| Net change in fund balance | (4,451) | (4,451) | 333 | 4,784 |
| Fund balance, beginning | 25,470 | 25,470 | 25,470 | - |
| Fund balance, ending | <u>\$ 21,019</u> | <u>\$ 21,019</u> | <u>\$ 25,803</u> | <u>\$ 4,784</u> |

Sacramento Housing and Redevelopment Agency
City Inclusionary Housing Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------|-------------------------|---------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 1,000 | \$ 1,000 | \$ - | \$ (1,000) |
| Investment earnings | - | - | 22 | 22 |
| Total revenues | <u>1,000</u> | <u>1,000</u> | <u>22</u> | <u>(978)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | <u>882</u> | <u>882</u> | <u>84</u> | <u>798</u> |
| Net change in fund balance | 118 | 118 | (62) | (180) |
| Fund balance, beginning | 62 | 62 | 62 | - |
| Fund balance (deficit), ending | <u>\$ 180</u> | <u>\$ 180</u> | <u>\$ -</u> | <u>\$ (180)</u> |

Sacramento Housing and Redevelopment Agency
County Affordable Housing Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------|-------------------------|-----------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 1,500 | \$ 1,500 | \$ 1,193 | \$ (307) |
| Investment earnings | 15 | 15 | 49 | 34 |
| Total revenues | <u>1,515</u> | <u>1,515</u> | <u>1,242</u> | <u>(273)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | <u>4,738</u> | <u>4,738</u> | <u>169</u> | <u>4,569</u> |
| Net change in fund balance | (3,223) | (3,223) | 1,073 | 4,296 |
| Fund balance, beginning | 5,862 | 5,862 | 5,862 | - |
| Fund balance, ending | <u>\$ 2,639</u> | <u>\$ 2,639</u> | <u>\$ 6,935</u> | <u>\$ 4,296</u> |

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

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------|-------------------------|--------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 4,538 | \$ 4,539 | \$ 4,340 | \$ (199) |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | 4,538 | 4,539 | 4,340 | 199 |
| Net change in fund balance | - | - | - | - |
| Fund balance, beginning | - | - | - | - |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Sacramento Housing and Redevelopment Agency
County Choice Neighborhoods Initiative (CNI) Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------|-------------------------|--------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 893 | \$ 893 |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | 182 | 182 | 250 | (68) |
| Community development | 29,312 | 29,312 | 352 | 28,960 |
| Total expenditures | 29,494 | 29,494 | 602 | 28,892 |
| Net change in fund balance | (29,494) | (29,494) | 291 | 29,785 |
| Fund balance (deficit), beginning | (554) | (554) | (554) | - |
| Fund balance (deficit) , ending | <u>\$ (30,048)</u> | <u>\$ (30,048)</u> | <u>\$ (263)</u> | <u>\$ 29,785</u> |

Sacramento Housing and Redevelopment Agency
City Jobs Plus Grant Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|---------------------------------|-------------------------|----------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 755 | \$ 755 | \$ 350 | \$ (405) |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | 706 | 816 | 402 | 414 |
| Net change in fund balance | 49 | (61) | (52) | 9 |
| Fund balance, beginning | - | - | - | - |
| Fund balance (deficit) , ending | <u>\$ 49</u> | <u>\$ (61)</u> | <u>\$ (52)</u> | <u>\$ 9</u> |

Sacramento Housing and Redevelopment Agency
City Mixed Income Housing Ordinance (MIHO) Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------|-------------------------|--------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ - | \$ - | \$ 1,137 | \$ 1,137 |
| Investment earnings | - | - | 7 | 7 |
| Total revenues | - | - | 1,144 | 1,144 |
| Expenditures: | | | | |
| Current: | | | | |
| Community development | 401 | 401 | 35 | 366 |
| Net change in fund balance | (401) | (401) | 1,109 | 1,510 |
| Fund balance, beginning | 548 | 548 | 548 | - |
| Fund balance, ending | \$ 147 | \$ 147 | \$ 1,657 | \$ 1,510 |

Sacramento Housing and Redevelopment Agency
County Affordable Housing Ordinance (AHO) Monitoring Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------|-------------------------|--------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Investment earnings | \$ 1 | \$ 1 | \$ 1 | \$ - |
| Expenditures: | | | | |
| Current: | | | | |
| Housing operations | 65 | 65 | 9 | 56 |
| Net change in fund balance | (64) | (64) | (8) | 56 |
| Fund balance, beginning | 129 | 129 | 129 | - |
| Fund balance, ending | <u>\$ 65</u> | <u>\$ 65</u> | <u>\$ 121</u> | <u>\$ 56</u> |

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Nonmajor Community Development

Special Revenue Funds

- ◆ **County Economic Development Activities** accounts for various economic development projects in the County of Sacramento.
- ◆ **City and County Miscellaneous Development Grants** account for various economic development activities in the City and County of Sacramento.
- ◆ **Shasta Trust** is used to account for funds legally required to be set aside for the Shasta Hotel Corporation.
- ◆ **City BEGIN** accounts for loans on behalf of the federal government.
- ◆ **BEGIN State Prop 46** accounts for loans on behalf of the state government.
- ◆ **City and County CalHOME** is a state program that provides loans for low-income housing residents within the City and County of Sacramento.
- ◆ **City and County American Dream Downpayment Initiative (ADDI)** is a program that provides assistance to low-income, first-time homebuyers which can be used for the down payment, closing costs, and rehabilitation that is completed in conjunction with a home purchase within the City and County of Sacramento.
- ◆ **Mental Health Services** accounts for a one-time California Department of Mental Health grant provided to the County Department of Health and Human Services. Funding is to invest in the development and/or rehabilitation of permanent supportive housing units for homeless adults, transition age youth, and children and families with psychiatric disabilities residing in Sacramento County.
- ◆ **City Globe Mills Economic Development Initiative Grant (EDI)** provides for the construction and rehabilitation of the Globe Mills housing project.
- ◆ **City and County Community Development Block Grant (CDBG) program** enables local governments to undertake a wide range of activities intended to create suitable living environments, provide decent affordable housing and create economic opportunities, primarily for persons of low and moderate income.
- ◆ **City and County CDBG Neighborhood Stabilization Program (NSP 1 and NSP 3)** were established for the purpose of stabilizing communities that have suffered from foreclosures and abandonment.
- ◆ **City and County Section 108 Programs** account for the acquisition of land, buildings, rehabilitation of various redevelopment activities. These funds are collateralized by and payable from future CDBG entitlements.
- ◆ **City and County Non-housing Project Delivery** accounts for the reimbursement of non-housing related obligations of the former City and County Redevelopment Agencies that are owed to the Agency from the City and County Redevelopment Agency Successor Agencies (RASA).
- ◆ **County 12th Street Triangle** accounts for billboard rent revenue that will be used for property maintenance costs.

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2017
(amounts expressed in thousands)

| | County Economic Development Activities | City Misc Development Grants | County Misc Development Grants | Shasta Trust | City BEGIN |
|--|---|---------------------------------------|---|-----------------|---------------|
| Assets | | | | | |
| Cash and investments | \$ 110 | \$ - | \$ 400 | \$ 22 | \$ 24 |
| Accounts receivable (net) | - | - | - | - | - |
| Due from other governments | - | 408 | - | - | - |
| Notes receivable (net) | - | 15 | 150 | - | 75 |
| Advances to other funds | - | - | - | - | - |
| Restricted cash and investments | - | - | 44 | - | - |
| Total assets | <u>\$ 110</u> | <u>\$ 423</u> | <u>\$ 594</u> | <u>\$ 22</u> | <u>\$ 99</u> |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ 2 | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | - | - | - |
| Due to other funds | - | 574 | - | - | - |
| Due to other governments | - | - | - | - | - |
| Deposit and trust liability | - | - | 44 | - | - |
| Advances from other funds | - | - | 2,034 | - | - |
| Total liabilities | <u>-</u> | <u>576</u> | <u>2,078</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>75</u> |
| Fund Balances (Deficits) | | | | | |
| Restricted for: | | | | | |
| Debt service | - | - | - | - | - |
| Community development | 110 | - | 150 | 22 | 24 |
| Unassigned | - | (153) | (1,634) | - | - |
| Total fund balances (deficits) | <u>110</u> | <u>(153)</u> | <u>(1,484)</u> | <u>22</u> | <u>24</u> |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | <u>\$ 110</u> | <u>\$ 423</u> | <u>\$ 594</u> | <u>\$ 22</u> | <u>\$ 99</u> |

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2017
(amounts expressed in thousands)

| | BEGIN State Prop 46 | City CalHOME | County CalHOME | City ADDI | County ADDI | Mental Health Services |
|--|--------------------------------|-------------------------|---------------------------|----------------------|------------------------|---------------------------------------|
| Assets | | | | | | |
| Cash and investments | \$ 135 | \$ 1,400 | \$ 1,074 | \$ 26 | \$ 78 | \$ 1,149 |
| Accounts receivable (net) | - | 26 | - | - | - | - |
| Due from other governments | - | - | - | - | - | - |
| Notes receivable (net) | 1,635 | 5,717 | 5,396 | 75 | 59 | 325 |
| Advances to other funds | - | - | - | - | - | - |
| Restricted cash and investments | - | - | - | - | - | - |
| Total assets | <u>\$ 1,770</u> | <u>\$ 7,143</u> | <u>\$ 6,470</u> | <u>\$ 101</u> | <u>\$ 137</u> | <u>\$ 1,474</u> |
| Liabilities | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued liabilities | - | - | - | - | - | - |
| Due to other funds | - | - | - | - | - | - |
| Due to other governments | - | - | - | - | - | - |
| Deposit and trust liability | - | - | - | - | - | - |
| Advances from other funds | - | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Deferred Inflows of Resources | | | | | | |
| Unavailable revenue | <u>1,635</u> | <u>5,717</u> | <u>5,396</u> | <u>75</u> | <u>59</u> | <u>-</u> |
| Fund Balances (Deficits) | | | | | | |
| Restricted for: | | | | | | |
| Debt service | - | - | - | - | - | - |
| Community development | 135 | 1,426 | 1,074 | 26 | 78 | 1,474 |
| Unassigned | - | - | - | - | - | - |
| Total fund balances (deficits) | <u>135</u> | <u>1,426</u> | <u>1,074</u> | <u>26</u> | <u>78</u> | <u>1,474</u> |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | <u>\$ 1,770</u> | <u>\$ 7,143</u> | <u>\$ 6,470</u> | <u>\$ 101</u> | <u>\$ 137</u> | <u>\$ 1,474</u> |

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2017
(amounts expressed in thousands)

| | City Globe Mills EDI | City CDBG | County CDBG | County CDBG-NSP 1 | City CDBG - NSP 3 |
|--|-------------------------|-----------------|-----------------|----------------------|-------------------------|
| Assets | | | | | |
| Cash and investments | \$ - | \$ 266 | \$ 1,331 | \$ - | \$ 45 |
| Accounts receivable (net) | - | 8 | 71 | - | 20 |
| Due from other governments | - | 360 | 309 | - | 258 |
| Notes receivable (net) | 2,000 | 6,720 | 5,978 | 7,964 | - |
| Advances to other funds | - | 188 | 394 | - | - |
| Restricted cash and investments | - | - | - | - | - |
| Total assets | <u>\$ 2,000</u> | <u>\$ 7,542</u> | <u>\$ 8,083</u> | <u>\$ 7,964</u> | <u>\$ 323</u> |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ 11 | \$ 154 | \$ - | \$ 23 |
| Accrued liabilities | - | - | - | - | - |
| Due to other funds | - | - | - | 27 | - |
| Due to other governments | - | 11 | 18 | - | - |
| Deposit and trust liability | - | - | - | - | - |
| Advances from other funds | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>22</u> | <u>172</u> | <u>27</u> | <u>23</u> |
| Deferred Inflows of Resources | | | | | |
| Unavailable revenue | <u>2,000</u> | <u>6,720</u> | <u>6,005</u> | <u>7,964</u> | <u>258</u> |
| Fund Balances (Deficits) | | | | | |
| Restricted for: | | | | | |
| Debt service | - | - | - | - | - |
| Community development | - | 800 | 1,906 | - | 42 |
| Unassigned | - | - | - | (27) | - |
| Total fund balances (deficits) | <u>-</u> | <u>800</u> | <u>1,906</u> | <u>(27)</u> | <u>42</u> |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | <u>\$ 2,000</u> | <u>\$ 7,542</u> | <u>\$ 8,083</u> | <u>\$ 7,964</u> | <u>\$ 323</u> |

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Development Special Revenue Funds
December 31, 2017
(amounts expressed in thousands)

| | County CDBG - NSP 3 | City Section 108 | City Non-housing Project Delivery | County Non-housing Project Delivery | 12th Street Triangle | City FHA | Total |
|--|---------------------------|---------------------|--|--|-------------------------|-------------|------------------|
| Assets | | | | | | | |
| Cash and investments | \$ 351 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 6,411 |
| Accounts receivable (net) | 52 | - | - | - | - | - | 177 |
| Due from other governments | 21 | - | - | - | - | - | 1,356 |
| Notes receivable (net) | 32 | 5,500 | - | - | - | - | 41,641 |
| Advances to other funds | 862 | - | - | - | - | - | 1,444 |
| Restricted cash and investments | - | 3 | - | - | - | - | 47 |
| Total assets | <u>\$ 1,318</u> | <u>\$ 5,503</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 51,076</u> |
| Liabilities | | | | | | | |
| Accounts payable | \$ 21 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 211 |
| Accrued liabilities | - | - | - | - | - | 1 | 1 |
| Due to other funds | - | - | - | - | 1 | 5 | 607 |
| Due to other governments | - | - | - | - | - | - | 29 |
| Deposit and trust liability | - | - | - | - | - | - | 44 |
| Advances from other funds | - | - | - | - | - | - | 2,034 |
| Total liabilities | <u>21</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>1</u> | <u>6</u> | <u>2,926</u> |
| Deferred Inflows of Resources | | | | | | | |
| Unavailable revenue | <u>53</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>35,957</u> |
| Fund Balances (Deficits) | | | | | | | |
| Restricted for: | | | | | | | |
| Debt service | - | 3 | - | - | - | - | 3 |
| Community development | 1,244 | 5,500 | - | - | - | - | 14,011 |
| Unassigned | - | - | - | - | (1) | (6) | (1,821) |
| Total fund balances (deficits) | <u>1,244</u> | <u>5,503</u> | <u>-</u> | <u>-</u> | <u>(1)</u> | <u>(6)</u> | <u>12,193</u> |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | <u>\$ 1,318</u> | <u>\$ 5,503</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 51,076</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | County Economic Development Activities | City Misc Development Grants | County Misc Development Grants | Shasta Trust | City BEGIN |
|--|---|---------------------------------------|---|-----------------|---------------|
| Revenues: | | | | | |
| Intergovernmental | \$ - | \$ 408 | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - | - |
| Investment earnings | 1 | - | 5 | - | - |
| Miscellaneous | - | 8 | - | - | - |
| Total revenues | <u>1</u> | <u>416</u> | <u>5</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Community development | - | 758 | - | - | - |
| Community social services | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>758</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1</u> | <u>(342)</u> | <u>5</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 1 | (342) | 5 | - | - |
| Fund balances (deficits), beginning | 109 | 189 | (1,489) | 22 | 24 |
| Fund balances (deficits), ending | <u>\$ 110</u> | <u>\$ (153)</u> | <u>\$ (1,484)</u> | <u>\$ 22</u> | <u>\$ 24</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>BEGIN State Prop 46</u> | <u>City CalHOME</u> | <u>County CalHOME</u> | <u>City ADDI</u> | <u>County ADDI</u> | <u>Mental Health Services</u> |
|--|--------------------------------|-------------------------|---------------------------|----------------------|------------------------|---------------------------------------|
| Revenues: | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ 135 | \$ - | \$ - | \$ - |
| Charges for services | - | - | - | - | - | - |
| Investment earnings | 8 | 104 | 91 | - | 7 | 14 |
| Miscellaneous | 45 | 547 | 403 | - | 21 | - |
| Total revenues | <u>53</u> | <u>651</u> | <u>629</u> | <u>-</u> | <u>28</u> | <u>14</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| Community development | 1 | 419 | 480 | - | - | 44 |
| Community social services | - | - | - | - | - | - |
| Total expenditures | <u>1</u> | <u>419</u> | <u>480</u> | <u>-</u> | <u>-</u> | <u>44</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>52</u> | <u>232</u> | <u>149</u> | <u>-</u> | <u>28</u> | <u>(30)</u> |
| Other financing sources (uses): | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - |
| Transfers out | - | - | - | - | - | - |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 52 | 232 | 149 | - | 28 | (30) |
| Fund balances (deficits), beginning | 83 | 1,194 | 925 | 26 | 50 | 1,504 |
| Fund balances (deficits), ending | <u>\$ 135</u> | <u>\$ 1,426</u> | <u>\$ 1,074</u> | <u>\$ 26</u> | <u>\$ 78</u> | <u>\$ 1,474</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>City Globe Mills EDI</u> | <u>City CDBG</u> | <u>County CDBG</u> | <u>County CDBG-NSP 1</u> | <u>City CDBG - NSP 3</u> |
|--|---------------------------------|----------------------|------------------------|------------------------------|----------------------------------|
| Revenues: | | | | | |
| Intergovernmental | \$ - | \$ 4,676 | \$ 6,124 | \$ 24 | \$ - |
| Charges for services | - | - | - | - | - |
| Investment earnings | - | 96 | 65 | - | - |
| Miscellaneous | - | 238 | 254 | - | 253 |
| Total revenues | <u>-</u> | <u>5,010</u> | <u>6,443</u> | <u>24</u> | <u>253</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Community development | - | 3,725 | 5,834 | 51 | 1,055 |
| Community social services | - | 666 | 744 | - | - |
| Total expenditures | <u>-</u> | <u>4,391</u> | <u>6,578</u> | <u>51</u> | <u>1,055</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>-</u> | <u>619</u> | <u>(135)</u> | <u>(27)</u> | <u>(802)</u> |
| Other financing sources (uses): | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | 32 |
| Transfers out | - | (376) | - | - | - |
| Total other financing sources | <u>-</u> | <u>(376)</u> | <u>-</u> | <u>-</u> | <u>32</u> |
| Net change in fund balances | - | 243 | (135) | (27) | (770) |
| Fund balances (deficits), beginning | - | 557 | 2,041 | - | 812 |
| Fund balances (deficits), ending | <u>\$ -</u> | <u>\$ 800</u> | <u>\$ 1,906</u> | <u>\$ (27)</u> | <u>\$ 42</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Development Special Revenue Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | County CDBG - NSP 3 | City Section 108 | City Non-housing Project Delivery | County Non-housing Project Delivery | County 12th Street Triangle | City FHA | Total |
|--|---------------------------|---------------------|--|--|-----------------------------------|-------------|------------------|
| Revenues: | | | | | | | |
| Intergovernmental | \$ - | \$ - | \$ 554 | \$ 217 | \$ - | \$ - | \$ 12,138 |
| Charges for services | - | - | - | - | 2 | - | 2 |
| Investment earnings | - | - | - | - | - | - | 391 |
| Miscellaneous | 52 | - | - | - | - | - | 1,821 |
| Total revenues | <u>52</u> | <u>-</u> | <u>554</u> | <u>217</u> | <u>2</u> | <u>-</u> | <u>14,352</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Community development | 185 | - | - | - | 4 | 6 | 12,562 |
| Community social services | - | - | - | - | - | - | 1,410 |
| Total expenditures | <u>185</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>4</u> | <u>6</u> | <u>13,972</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(133)</u> | <u>-</u> | <u>554</u> | <u>217</u> | <u>(2)</u> | <u>(6)</u> | <u>380</u> |
| Other financing sources (uses): | | | | | | | |
| Proceeds from sale of capital assets | - | - | - | - | - | - | 32 |
| Transfers out | - | - | (554) | (217) | - | - | (1,147) |
| Total other financing sources | <u>-</u> | <u>-</u> | <u>(554)</u> | <u>(217)</u> | <u>-</u> | <u>-</u> | <u>(1,115)</u> |
| Net change in fund balances | (133) | - | - | - | (2) | (6) | (735) |
| Fund balances (deficits), beginning | 1,377 | 5,503 | - | - | 1 | - | 12,928 |
| Fund balances (deficits), ending | <u>\$ 1,244</u> | <u>\$ 5,503</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (1)</u> | <u>(6)</u> | <u>\$ 12,193</u> |

Nonmajor Community Services Special Revenue Funds

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

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Community Services Special Revenue Funds
December 31, 2017
(amounts expressed in thousands)

| | City HOPWA | City ESG | County ESG | City CATC | County BFH | State ESG | Total |
|--|---------------|--------------|---------------|---------------|---------------|---------------|-----------------|
| Assets | | | | | | | |
| Cash and investments | \$ 479 | \$ - | \$ 126 | \$ - | \$ - | \$ - | \$ 605 |
| Accounts receivable (net) | - | - | - | - | 30 | - | 30 |
| Due from other governments | 128 | 44 | 41 | 234 | - | 208 | 655 |
| Total assets | <u>\$ 607</u> | <u>\$ 44</u> | <u>\$ 167</u> | <u>\$ 234</u> | <u>\$ 30</u> | <u>\$ 208</u> | <u>\$ 1,290</u> |
| Liabilities | | | | | | | |
| Accounts payable | \$ 110 | \$ - | \$ 17 | \$ 71 | \$ - | \$ 148 | \$ 346 |
| Due to other funds | - | 44 | 24 | 163 | 30 | 60 | 321 |
| Due to other governments | 7 | - | 126 | - | - | - | 133 |
| Total liabilities | <u>117</u> | <u>44</u> | <u>167</u> | <u>234</u> | <u>30</u> | <u>208</u> | <u>800</u> |
| Deferred Inflows of Resources | | | | | | | |
| Unavailable revenue | <u>-</u> | <u>44</u> | <u>41</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>85</u> |
| Fund Balances (Deficits) | | | | | | | |
| Restricted for: | | | | | | | |
| Community services | 490 | - | - | - | - | - | 490 |
| Unassigned | - | (44) | (41) | - | - | - | (85) |
| Total fund balances (deficits) | <u>490</u> | <u>(44)</u> | <u>(41)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>405</u> |
| Total liabilities, deferred inflows of resources and fund balances (deficits) | <u>\$ 607</u> | <u>\$ 44</u> | <u>\$ 167</u> | <u>\$ 234</u> | <u>\$ 30</u> | <u>\$ 208</u> | <u>\$ 1,290</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Community Services Special Revenue Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | City HOPWA | City ESG | County ESG | City CATC | County BFH | State ESG | Total |
|--|---------------|----------------|----------------|--------------|---------------|-------------|---------------|
| Revenues: | | | | | | | |
| Intergovernmental | \$ 803 | \$ 528 | \$ 592 | \$ 745 | \$ - | \$ - | \$ 2,668 |
| Miscellaneous | - | - | - | - | 30 | 583 | 613 |
| Total revenues | <u>803</u> | <u>528</u> | <u>592</u> | <u>745</u> | <u>30</u> | <u>583</u> | <u>3,281</u> |
| Expenditures: | | | | | | | |
| Current: | | | | | | | |
| Community development | 1 | - | - | - | - | - | 1 |
| Community social services | 803 | 572 | 633 | 745 | 30 | 583 | 3,366 |
| Total expenditures | <u>804</u> | <u>572</u> | <u>633</u> | <u>745</u> | <u>30</u> | <u>583</u> | <u>3,367</u> |
| Deficiency of revenues under expenditures | <u>(1)</u> | <u>(44)</u> | <u>(41)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(86)</u> |
| Net change in fund balances | (1) | (44) | (41) | - | - | - | (86) |
| Fund balances, beginning | 491 | - | - | - | - | - | 491 |
| Fund balances (deficits), ending | <u>\$ 490</u> | <u>\$ (44)</u> | <u>\$ (41)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 405</u> |

Sacramento Housing and Redevelopment Agency
City HOPWA Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------|-------------------------|-----------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 912 | \$ 1,040 | \$ 803 | \$ (237) |
| Expenditures: | | | | |
| Current: | | | | |
| Community development | 779 | 628 | 1 | 627 |
| Community social services | 912 | 1,040 | 803 | 237 |
| Total expenditures | 1,691 | 1,668 | 804 | 864 |
| Net change in fund balance | (779) | (628) | (1) | 627 |
| Fund balance, beginning | 491 | 491 | 491 | - |
| Fund balance (deficit), ending | <u>\$ (288)</u> | <u>\$ (137)</u> | <u>\$ 490</u> | <u>\$ 627</u> |

Sacramento Housing and Redevelopment Agency
City ESG Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------|-------------------------|-----------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| Revenues: | | | | |
| Intergovernmental | \$ 390 | \$ 398 | \$ 528 | \$ 130 |
| Expenditures: | | | | |
| Current: | | | | |
| Community social services | 571 | 579 | 572 | 7 |
| Net change in fund balance | (181) | (181) | (44) | 137 |
| Fund balance, beginning | - | - | - | - |
| Fund balance (deficit), ending | <u>\$ (181)</u> | <u>\$ (181)</u> | <u>\$ (44)</u> | <u>\$ 137</u> |

Sacramento Housing and Redevelopment Agency
County ESG Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------|-------------------------|-----------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ - | \$ 592 | \$ 592 |
| Miscellaneous | 457 | 459 | - | (459) |
| Total revenues | <u>457</u> | <u>459</u> | <u>592</u> | <u>133</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community social services | <u>695</u> | <u>697</u> | <u>633</u> | <u>64</u> |
| Net change in fund balance | (238) | (238) | (41) | 197 |
| Fund balance, beginning | - | - | - | - |
| Fund balance (deficit), ending | <u>\$ (238)</u> | <u>\$ (238)</u> | <u>\$ (41)</u> | <u>\$ 197</u> |

Sacramento Housing and Redevelopment Agency
City CATC Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual | Variance with |
|--------------------------------|-------------------------|-----------------|----------------|----------------------|
| | Original | Final | Amounts | Final Budget |
| Revenues: | | | | |
| Intergovernmental | \$ - | \$ 708 | \$ 745 | \$ 37 |
| Expenditures: | | | | |
| Current: | | | | |
| Community social services | 448 | 1,156 | 745 | 411 |
| Net change in fund balance | (448) | (448) | - | 448 |
| Fund balance, beginning | - | - | - | - |
| Fund balance (deficit), ending | <u>\$ (448)</u> | <u>\$ (448)</u> | <u>\$ -</u> | <u>\$ 448</u> |

Sacramento Housing and Redevelopment Agency
County BFH Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>Budgeted Amounts</u> | | <u>Actual Amounts</u> | <u>Variance with Final Budget</u> |
|----------------------------|-------------------------|--------------|---------------------------|---------------------------------------|
| | <u>Original</u> | <u>Final</u> | | |
| Revenues: | | | | |
| Miscellaneous | \$ - | \$ 165 | \$ 30 | \$ (135) |
| Expenditures: | | | | |
| Current: | | | | |
| Community social services | - | 165 | 30 | 135 |
| Net change in fund balance | - | - | - | - |
| Fund balance, beginning | - | - | - | - |
| Fund balance, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |

Sacramento Housing and Redevelopment Agency
State ESG Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------|-------------------------|-----------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Miscellaneous | \$ - | \$ - | \$ 583 | \$ 583 |
| Expenditures: | | | | |
| Current: | | | | |
| Community social services | 883 | 894 | 583 | 311 |
| Net change in fund balance | (883) | (894) | - | 894 |
| Fund balance, beginning | - | - | - | - |
| Fund balance (deficit), ending | <u>\$ (883)</u> | <u>\$ (894)</u> | <u>\$ -</u> | <u>\$ 894</u> |

Nonmajor Local Tax Special Revenue Funds

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

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Local Tax Special Revenue Funds
December 31, 2017
(amounts expressed in thousands)

| | <u>City Local Tax</u> | <u>County Local Tax</u> | <u>City Supplemental Admin Fees</u> | <u>County Supplemental Admin Fees</u> | <u>Total</u> |
|-------------------------------------|---------------------------|-----------------------------|---|---|-----------------|
| Assets | | | | | |
| Cash and investments | \$ 26 | \$ 22 | \$ 1,660 | \$ 727 | \$ 2,435 |
| Accounts receivable (net) | - | - | 98 | 68 | 166 |
| Total assets | <u>\$ 26</u> | <u>\$ 22</u> | <u>\$ 1,758</u> | <u>\$ 795</u> | <u>\$ 2,601</u> |
| Liabilities | | | | | |
| Accounts payable | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 23</u> | <u>\$ 88</u> | <u>\$ 111</u> |
| Fund Balances | | | | | |
| Restricted for: | | | | | |
| Community services | 26 | 22 | 1,735 | 707 | 2,490 |
| Total fund balances | <u>26</u> | <u>22</u> | <u>1,735</u> | <u>707</u> | <u>2,490</u> |
| Total liabilities and fund balances | <u>\$ 26</u> | <u>\$ 22</u> | <u>\$ 1,758</u> | <u>\$ 795</u> | <u>\$ 2,601</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Local Tax Special Revenue Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>City Local Tax</u> | <u>County Local Tax</u> | <u>City Supplemental Admin Fees</u> | <u>County Supplemental Admin Fees</u> | <u>Total</u> |
|-------------------------------------|---------------------------|-----------------------------|---|---|-----------------|
| Revenues: | | | | | |
| Intergovernmental | \$ 237 | \$ 146 | \$ - | \$ - | \$ 383 |
| Charges for services | - | - | 718 | 494 | 1,212 |
| Investment earnings | - | - | 17 | 9 | 26 |
| Total revenues | <u>237</u> | <u>146</u> | <u>735</u> | <u>503</u> | <u>1,621</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Community social services | <u>182</u> | <u>135</u> | <u>321</u> | <u>520</u> | <u>1,158</u> |
| Net change in fund balances | 55 | 11 | 414 | (17) | 463 |
| Fund balances (deficits), beginning | (29) | 11 | 1,321 | 724 | 2,027 |
| Fund balances, ending | <u>\$ 26</u> | <u>\$ 22</u> | <u>\$ 1,735</u> | <u>\$ 707</u> | <u>\$ 2,490</u> |

Sacramento Housing and Redevelopment Agency
City Local Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|-----------------------------------|-------------------------|---------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 229 | \$ 229 | \$ 237 | \$ 8 |
| Expenditures: | | | | |
| Current: | | | | |
| Community social services | 207 | 207 | 182 | 25 |
| Net change in fund balance | 22 | 22 | 55 | 33 |
| Fund balance (deficit), beginning | (29) | (29) | (29) | - |
| Fund balance (deficit), ending | <u>\$ (7)</u> | <u>\$ (7)</u> | <u>\$ 26</u> | <u>\$ 33</u> |

Sacramento Housing and Redevelopment Agency
County Local Tax Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--------------------------------|-------------------------|---------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Intergovernmental | \$ 122 | \$ 122 | \$ 146 | \$ 24 |
| Expenditures: | | | | |
| Current: | | | | |
| Community social services | 135 | 135 | 135 | - |
| Net change in fund balance | (13) | (13) | 11 | 24 |
| Fund balance, beginning | 11 | 11 | 11 | - |
| Fund balance (deficit), ending | <u>\$ (2)</u> | <u>\$ (2)</u> | <u>\$ 22</u> | <u>\$ 24</u> |

Sacramento Housing and Redevelopment Agency
City Supplemental Admin Fees Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------|-------------------------|----------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 535 | \$ 535 | \$ 718 | \$ 183 |
| Investment earnings | 10 | 10 | 17 | 7 |
| Total revenues | <u>545</u> | <u>545</u> | <u>735</u> | <u>190</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community social services | <u>1,739</u> | <u>1,739</u> | <u>321</u> | <u>1,418</u> |
| Net change in fund balance | (1,194) | (1,194) | 414 | 1,608 |
| Fund balance, beginning | 1,321 | 1,321 | 1,321 | - |
| Fund balance, ending | <u><u>\$ 127</u></u> | <u><u>\$ 127</u></u> | <u><u>\$ 1,735</u></u> | <u><u>\$ 1,608</u></u> |

Sacramento Housing and Redevelopment Agency
County Supplemental Admin Fees Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|----------------------------|-------------------------|---------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Revenues: | | | | |
| Charges for services | \$ 573 | \$ 573 | \$ 494 | \$ (79) |
| Investment earnings | 5 | 5 | 9 | 4 |
| Total revenues | <u>578</u> | <u>578</u> | <u>503</u> | <u>(75)</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community social services | <u>1,124</u> | <u>1,124</u> | <u>520</u> | <u>604</u> |
| Net change in fund balance | (546) | (546) | (17) | 529 |
| Fund balance, beginning | 724 | 724 | 724 | - |
| Fund balance, ending | <u>\$ 178</u> | <u>\$ 178</u> | <u>\$ 707</u> | <u>\$ 529</u> |

Nonmajor Debt Service Funds

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

- ◆ **City CDBG**

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Debt Service Fund
December 31, 2017
(amounts expressed in thousands)

| | City CDBG |
|----------------------|--------------|
| Assets | |
| Cash and investments | \$ - |
| Fund Balances | |
| Restricted for: | |
| Debt service | \$ - |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Fund
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>City CDBG</u> |
|--|----------------------|
| Expenditures: | |
| Debt service: | |
| Principal retirement | \$ 335 |
| Interest | 41 |
| Total expenditures | <u>376</u> |
| Deficiency of revenues under expenditures | <u>(376)</u> |
| Other financing sources: | |
| Transfers in | <u>376</u> |
| Net change in fund balances | - |
| Fund balances, beginning | - |
| Fund balances, ending | <u><u>\$ -</u></u> |

Sacramento Housing and Redevelopment Agency
City CDBG Debt Service Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Budgeted Amounts | | Actual Amounts | Variance with Final Budget |
|--|-------------------------|--------------------|---------------------------|---------------------------------------|
| | Original | Final | | |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal retirement | \$ 335 | \$ 335 | \$ 335 | \$ - |
| Interest | 41 | 41 | 41 | - |
| Total expenditures | <u>376</u> | <u>376</u> | <u>376</u> | <u>-</u> |
| Deficiency of revenues under expenditures | <u>(376)</u> | <u>(376)</u> | <u>(376)</u> | <u>-</u> |
| Other financing sources: | | | | |
| Transfers in | <u>376</u> | <u>376</u> | <u>376</u> | <u>-</u> |
| Net change in fund balance | - | - | - | - |
| Fund balance, beginning | - | - | - | - |
| Fund balance, ending | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> | <u><u>\$ -</u></u> |

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Nonmajor Capital Projects Funds

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

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

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017
(amounts expressed in thousands)

| | City Capital Fund | County Capital Fund | City Section 32 | City Section 32 PRE | City Public Housing Homeownership |
|-------------------------------------|-------------------------|---------------------------|--------------------|---------------------------|--|
| Assets | | | | | |
| Cash and investments | \$ - | \$ - | \$ - | \$ 2,843 | \$ 274 |
| Due from other governments | 1,023 | 488 | - | - | - |
| Notes receivable (net) | - | - | - | - | 1,894 |
| Assets held for resale | - | - | - | 3,187 | - |
| Total assets | <u>\$ 1,023</u> | <u>\$ 488</u> | <u>\$ -</u> | <u>\$ 6,030</u> | <u>\$ 2,168</u> |
| Liabilities | | | | | |
| Accounts payable | \$ 74 | \$ 6 | \$ - | \$ 24 | \$ 2 |
| Accrued liabilities | 2 | - | - | - | - |
| Contracts payable | 61 | 21 | - | 41 | - |
| Due to other funds | 886 | 461 | - | - | - |
| Advances from other funds | - | - | - | 5,581 | - |
| Total liabilities | <u>1,023</u> | <u>488</u> | <u>-</u> | <u>5,646</u> | <u>2</u> |
| Fund Balances | | | | | |
| Restricted for: | | | | | |
| Housing | - | - | - | 384 | 2,166 |
| Total liabilities and fund balances | <u>\$ 1,023</u> | <u>\$ 488</u> | <u>\$ -</u> | <u>\$ 6,030</u> | <u>\$ 2,168</u> |

Sacramento Housing and Redevelopment Agency
Combining Balance Sheet
Nonmajor Capital Projects Funds
December 31, 2017
(amounts expressed in thousands)

| | County Section 32 | County Section 32 PRE | County Public Housing Homeownership | City Commerce Circle | Total |
|-------------------------------------|----------------------|-----------------------------|--|----------------------------|------------------|
| Assets | | | | | |
| Cash and investments | \$ - | \$ 1,115 | \$ 233 | \$ 1,324 | \$ 5,789 |
| Due from other governments | - | - | - | - | 1,511 |
| Notes receivable (net) | - | - | 2,095 | - | 3,989 |
| Assets held for resale | - | 1,753 | - | - | 4,940 |
| Total assets | <u>\$ -</u> | <u>\$ 2,868</u> | <u>\$ 2,328</u> | <u>\$ 1,324</u> | <u>\$ 16,229</u> |
| Liabilities | | | | | |
| Accounts payable | \$ - | \$ 2 | \$ 1 | \$ - | \$ 109 |
| Accrued liabilities | - | - | 2 | - | 4 |
| Contracts payable | - | 13 | - | - | 136 |
| Due to other funds | - | - | - | - | 1,347 |
| Advances from other funds | - | 2,551 | - | - | 8,132 |
| Total liabilities | <u>-</u> | <u>2,566</u> | <u>3</u> | <u>-</u> | <u>9,728</u> |
| Fund Balances | | | | | |
| Restricted for: | | | | | |
| Housing | - | 302 | 2,325 | 1,324 | 6,501 |
| Total liabilities and fund balances | <u>\$ -</u> | <u>\$ 2,868</u> | <u>\$ 2,328</u> | <u>\$ 1,324</u> | <u>\$ 16,229</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | City Capital Fund | County Capital Fund | City Section 32 | City Section 32 PRE | City Public Housing Homeownership |
|--|----------------------------------|------------------------------------|----------------------------|------------------------------------|--|
| Revenues: | | | | | |
| Intergovernmental | \$ 3,345 | \$ 1,602 | \$ - | \$ - | \$ - |
| Investment earnings | - | - | - | 28 | 7 |
| Miscellaneous | - | - | - | 1,401 | 48 |
| Total revenues | <u>3,345</u> | <u>1,602</u> | <u>-</u> | <u>1,429</u> | <u>55</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Housing operations | 404 | 238 | 90 | 1,674 | 257 |
| Capital outlay | 2,044 | 917 | - | - | - |
| Total expenditures | <u>2,448</u> | <u>1,155</u> | <u>90</u> | <u>1,674</u> | <u>257</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>897</u> | <u>447</u> | <u>(90)</u> | <u>(245)</u> | <u>(202)</u> |
| Other financing uses: | | | | | |
| Transfers out | <u>(897)</u> | <u>(447)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | - | - | (90) | (245) | (202) |
| Fund balances, beginning | - | - | 90 | 629 | 2,368 |
| Fund balances, ending | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 384</u> | <u>\$ 2,166</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | County Section 32 | County Section 32 PRE | County Public Housing Homeownership | City Commerce Circle | Total |
|--|------------------------------|--------------------------------------|--|-------------------------------------|-----------------|
| Revenues: | | | | | |
| Intergovernmental | \$ - | \$ - | \$ - | \$ - | \$ 4,947 |
| Investment earnings | 1 | 9 | 14 | 15 | 74 |
| Miscellaneous | - | 685 | - | - | 2,134 |
| Total revenues | <u>1</u> | <u>694</u> | <u>14</u> | <u>15</u> | <u>7,155</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Housing operations | 282 | 392 | 385 | 2 | 3,724 |
| Capital outlay | - | - | - | - | 2,961 |
| Total expenditures | <u>282</u> | <u>392</u> | <u>385</u> | <u>2</u> | <u>6,685</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(281)</u> | <u>302</u> | <u>(371)</u> | <u>13</u> | <u>470</u> |
| Other financing uses: | | | | | |
| Transfers out | - | - | - | - | (1,344) |
| Net change in fund balances | (281) | 302 | (371) | 13 | (874) |
| Fund balances, beginning | 281 | - | 2,696 | 1,311 | 7,375 |
| Fund balances, ending | <u>\$ -</u> | <u>\$ 302</u> | <u>\$ 2,325</u> | <u>\$ 1,324</u> | <u>\$ 6,501</u> |

Nonmajor Enterprise Funds

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

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

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

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

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

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017
(amounts expressed in thousands)

| | City AMP 1 | City AMP 2 | City AMP 3 | City AMP 4 | City AMP 5 | City AMP 7 |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | \$ 1,614 | \$ 2,712 | \$ 2,276 | \$ 899 | \$ 959 | \$ 767 |
| Restricted cash and investments | 126 | 145 | 90 | 99 | 111 | 64 |
| Accounts receivable (net) | 20 | 39 | 11 | 7 | 5 | 83 |
| Due from other funds | - | - | - | - | - | - |
| Due from other governments | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - |
| Total current assets | 1,760 | 2,896 | 2,377 | 1,005 | 1,075 | 914 |
| Noncurrent assets: | | | | | | |
| Restricted cash and investments | - | - | - | - | - | - |
| Other long-term assets | - | - | - | - | - | - |
| Notes receivable | - | - | - | - | - | - |
| Advances to other funds | - | - | - | 3,510 | 1,158 | 913 |
| Advances to component units | - | - | - | - | - | - |
| | - | - | - | 3,510 | 1,158 | 913 |
| Capital assets: | | | | | | |
| Land | 377 | 1,192 | 1,146 | 638 | 2,115 | 808 |
| Buildings and improvements | 5,809 | 19,671 | 38,871 | 18,038 | 38,485 | 13,831 |
| Property and equipment | 103 | 271 | 199 | 55 | 94 | 65 |
| Less accumulated depreciation | (2,582) | (8,229) | (16,084) | (7,610) | (20,850) | (5,170) |
| Total capital assets (net of accumulated depreciation) | 3,707 | 12,905 | 24,132 | 11,121 | 19,844 | 9,534 |
| Total noncurrent assets | 3,707 | 12,905 | 24,132 | 14,631 | 21,002 | 10,447 |
| Total assets | 5,467 | 15,801 | 26,509 | 15,636 | 22,077 | 11,361 |
| Deferred Outflows of Resources | | | | | | |
| Employer contribution made subsequent to the measurement date | 62 | 58 | 46 | 41 | 31 | 30 |
| Difference between projected and actual earnings on pension plan investments | 60 | 70 | 28 | 31 | 36 | 30 |
| Change in assumptions on pension plan | 128 | 135 | 92 | 94 | 70 | 79 |
| Total deferred outflows of resources | 250 | 263 | 166 | 166 | 137 | 139 |
| Liabilities | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 62 | 18 | 57 | 35 | 33 | 56 |
| Accrued liabilities | 6 | 4 | 2 | 2 | 4 | 1 |
| Due to other funds | - | - | - | - | - | - |
| Unearned revenue | 14 | 18 | 6 | - | 8 | 2 |
| Current portion of long-term debt | - | - | - | - | - | - |
| Current liabilities payable from restricted assets: | | | | | | |
| Deposit and trust liability | 126 | 145 | 90 | 99 | 111 | 64 |
| Total current liabilities | 208 | 185 | 155 | 136 | 156 | 123 |
| Noncurrent liabilities: | | | | | | |
| Mortgage notes payable | - | - | - | - | - | - |
| Advances from other funds | - | - | - | - | - | - |
| Net pension liability | 1,599 | 1,511 | 1,176 | 1,054 | 801 | 790 |
| Total noncurrent liabilities | 1,599 | 1,511 | 1,176 | 1,054 | 801 | 790 |
| Total liabilities | 1,807 | 1,696 | 1,331 | 1,190 | 957 | 913 |
| Deferred Inflows of Resources | | | | | | |
| Difference between expected and actual experience | 4 | 4 | 3 | 3 | 2 | 2 |
| Net Position | | | | | | |
| Net investment in capital assets | 3,707 | 12,905 | 24,132 | 11,121 | 19,844 | 9,534 |
| Restricted for debt service | - | - | - | - | - | - |
| Restricted for housing operations | - | - | - | - | - | - |
| Unrestricted | 199 | 1,459 | 1,209 | 3,488 | 1,411 | 1,051 |
| Total net position | \$ 3,906 | \$ 14,364 | \$ 25,341 | \$ 14,609 | \$ 21,255 | \$ 10,585 |

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017
(amounts expressed in thousands)

| | County AMP 1 | County AMP 2 | County AMP 3 | County AMP 5 | San Jose/ Broadway |
|--|-----------------|-----------------|-----------------|-----------------|-----------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 761 | \$ 546 | \$ 756 | \$ 808 | \$ - |
| Restricted cash and investments | 61 | 99 | 163 | 103 | 8 |
| Accounts receivable (net) | 18 | 16 | 15 | 20 | 1 |
| Due from other funds | - | - | - | - | - |
| Due from other governments | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Total current assets | 840 | 661 | 934 | 931 | 9 |
| Noncurrent assets: | | | | | |
| Restricted cash and investments | - | - | - | - | 133 |
| Other long-term assets | - | - | - | - | - |
| Notes receivable | - | - | - | - | - |
| Advances to other funds | - | 732 | 1,819 | - | - |
| Advances to component units | - | - | - | - | - |
| | - | 732 | 1,819 | - | 133 |
| Capital assets: | | | | | |
| Land | 193 | 1,731 | 1,929 | 1,758 | 68 |
| Buildings and improvements | 12,944 | 17,235 | 16,805 | 55,018 | 1,195 |
| Property and equipment | 116 | 30 | 92 | 85 | - |
| Less accumulated depreciation | (5,116) | (6,117) | (6,776) | (32,330) | (1,155) |
| Total capital assets (net of accumulated depreciation) | 8,137 | 12,879 | 12,050 | 24,531 | 108 |
| Total noncurrent assets | 8,137 | 13,611 | 13,869 | 24,531 | 241 |
| Total assets | 8,977 | 14,272 | 14,803 | 25,462 | 250 |
| Deferred Outflows of Resources | | | | | |
| Employer contribution made subsequent to the measurement date | 35 | 41 | 45 | 45 | 5 |
| Difference between projected and actual earnings on pension plan investments | 13 | 54 | 39 | 70 | 1 |
| Change in assumptions on pension plan | 71 | 89 | 102 | 60 | 15 |
| Total deferred outflows of resources | 119 | 184 | 186 | 175 | 21 |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 24 | 19 | 82 | 25 | 10 |
| Accrued liabilities | 5 | 3 | 6 | 2 | - |
| Due to other funds | - | - | - | - | 90 |
| Unearned revenue | 8 | 11 | 5 | 7 | 1 |
| Current portion of long-term debt | - | - | - | - | 61 |
| Current liabilities payable from restricted assets: | | | | | |
| Deposit and trust liability | 61 | 99 | 163 | 103 | 8 |
| Total current liabilities | 98 | 132 | 256 | 137 | 170 |
| Noncurrent liabilities: | | | | | |
| Mortgage notes payable | - | - | 2,173 | - | 72 |
| Advances from other funds | - | - | - | - | - |
| Net pension liability | 888 | 1,081 | 1,152 | 1,146 | 139 |
| Total noncurrent liabilities | 888 | 1,081 | 3,325 | 1,146 | 211 |
| Total liabilities | 986 | 1,213 | 3,581 | 1,283 | 381 |
| Deferred Inflows of Resources | | | | | |
| Difference between expected and actual experience | 2 | 3 | 3 | 2 | - |
| Net Position | | | | | |
| Net investment in capital assets | 8,137 | 12,879 | 9,877 | 24,531 | (25) |
| Restricted for debt service | - | - | - | - | - |
| Restricted for housing operations | - | - | - | - | 133 |
| Unrestricted | (29) | 361 | 1,528 | (179) | (218) |
| Total net position | \$ 8,108 | \$ 13,240 | \$ 11,405 | \$ 24,352 | \$ (110) |

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017
(amounts expressed in thousands)

| | Scattered Sites | Larchmont/ Wildflower | Locally Funded Projects | Riverview Plaza Commercial | San Carlos Shelter Plus Care |
|---|--------------------|--------------------------|-------------------------------|----------------------------------|------------------------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 100 | \$ 415 | \$ 184 | \$ 399 | \$ - |
| Restricted cash and investments | 9 | 6 | 53 | 6 | - |
| Accounts receivable (net) | 5 | 1 | 11 | - | - |
| Due from other funds | - | - | 1,138 | - | - |
| Due from other governments | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Total current assets | 114 | 422 | 1,386 | 405 | - |
| Noncurrent assets: | | | | | |
| Restricted cash and investments | - | - | - | - | - |
| Other long-term assets | - | - | - | - | - |
| Notes receivable | - | - | - | - | 295 |
| Advances to other funds | - | - | - | - | - |
| Advances to component units | - | - | - | - | - |
| | - | - | - | - | 295 |
| Capital assets: | | | | | |
| Land | 44 | 116 | 2,269 | 198 | - |
| Buildings and improvements | 170 | 344 | 6,262 | 5,552 | - |
| Property and equipment | - | - | 89 | 57 | - |
| Less accumulated depreciation | (170) | (332) | (3,179) | (4,036) | - |
| Total capital assets (net of accumulated depreciation) | 44 | 128 | 5,441 | 1,771 | - |
| Total noncurrent assets | 44 | 128 | 5,441 | 1,771 | 295 |
| Total assets | 158 | 550 | 6,827 | 2,176 | 295 |
| Deferred Outflows of Resources | | | | | |
| Employer contribution made subsequent to the measurement date | 2 | 3 | 17 | 2 | - |
| Difference between projected and actual earnings on pension plan investments | 3 | 1 | 18 | 3 | - |
| Change in assumptions on pension plan | 7 | 6 | 37 | 3 | - |
| Total deferred outflows of resources | 12 | 10 | 72 | 8 | - |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 2 | 1 | 17 | 4 | - |
| Accrued liabilities | - | - | - | - | - |
| Due to other funds | - | - | - | - | - |
| Unearned revenue | 3 | - | 8 | - | - |
| Current portion of long-term debt | - | - | - | - | - |
| Current liabilities payable from restricted assets: | | | | | |
| Deposit and trust liability | 9 | 6 | 53 | 6 | - |
| Total current liabilities | 14 | 7 | 78 | 10 | - |
| Noncurrent liabilities: | | | | | |
| Mortgage notes payable | - | - | - | - | - |
| Advances from other funds | - | - | 410 | - | - |
| Net pension liability | 59 | 83 | 446 | 40 | - |
| Total noncurrent liabilities | 59 | 83 | 856 | 40 | - |
| Total liabilities | 73 | 90 | 934 | 50 | - |
| Deferred Inflows of Resources | | | | | |
| Difference between expected and actual experience | - | - | 1 | - | - |
| Net Position | | | | | |
| Net investment in capital assets | 44 | 128 | 5,441 | 1,772 | - |
| Restricted for debt service | - | - | - | - | - |
| Restricted for housing operations | - | - | - | - | - |
| Unrestricted | 53 | 342 | 523 | 362 | 295 |
| Total net position | \$ 97 | \$ 470 | \$ 5,964 | \$ 2,134 | \$ 295 |

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017
(amounts expressed in thousands)

| | Phoenix Park | City Mod Rehab | Norcade Circle | City COCC | County COCC | Villa De Novo |
|--|-----------------|-------------------|-------------------|--------------|----------------|------------------|
| Assets | | | | | | |
| Current assets: | | | | | | |
| Cash and investments | \$ 1,182 | \$ 1 | \$ 153 | \$ 204 | \$ 278 | \$ 30 |
| Restricted cash and investments | 55 | - | 8 | - | - | 13 |
| Accounts receivable (net) | 33 | - | 1 | - | - | 7 |
| Due from other funds | - | - | - | 269 | - | - |
| Due from other governments | - | 29 | - | - | - | - |
| Prepaid items | 2 | - | - | - | - | - |
| Total current assets | 1,272 | 30 | 162 | 473 | 278 | 50 |
| Noncurrent assets: | | | | | | |
| Restricted cash and investments | - | - | - | - | - | - |
| Other long-term assets | 5,396 | - | - | - | - | - |
| Notes receivable | 8,469 | - | - | - | - | - |
| Advances to other funds | - | - | - | - | - | - |
| Advances to component units | 2,172 | - | - | - | - | - |
| | 16,037 | - | - | - | - | - |
| Capital assets: | | | | | | |
| Land | 456 | - | 45 | - | - | 85 |
| Buildings and improvements | 3,711 | - | 1,910 | - | - | 3,164 |
| Property and equipment | - | - | - | - | - | - |
| Less accumulated depreciation | (1,275) | - | (182) | - | - | (482) |
| Total capital assets (net of accumulated depreciation) | 2,892 | - | 1,773 | - | - | 2,767 |
| Total noncurrent assets | 18,929 | - | 1,773 | - | - | 2,767 |
| Total assets | 20,201 | 30 | 1,935 | 473 | 278 | 2,817 |
| Deferred Outflows of Resources | | | | | | |
| Employer contribution made subsequent to the measurement date | 1 | - | - | 65 | 34 | 3 |
| Difference between projected and actual earnings on pension plan investments | 15 | - | - | 53 | 47 | - |
| Change in assumptions on pension plan | 4 | - | - | 118 | 93 | 8 |
| Total deferred outflows of resources | 20 | - | - | 236 | 174 | 11 |
| Liabilities | | | | | | |
| Current liabilities: | | | | | | |
| Accounts payable | 46 | - | 2 | 7 | 2 | 3 |
| Accrued liabilities | 3 | - | - | 2 | 1 | - |
| Due to other funds | - | 2 | 2 | 269 | - | - |
| Unearned revenue | 10 | - | - | - | - | - |
| Current portion of long-term debt | - | - | - | - | - | - |
| Current liabilities payable from restricted assets: | | | | | | |
| Deposit and trust liability | 54 | - | 10 | - | - | 13 |
| Total current liabilities | 113 | 2 | 14 | 278 | 3 | 16 |
| Noncurrent liabilities: | | | | | | |
| Mortgage notes payable | - | - | - | - | - | - |
| Advances from other funds | 188 | - | 1,256 | - | - | - |
| Net pension liability | 33 | - | - | 1,652 | 918 | 74 |
| Total noncurrent liabilities | 221 | - | 1,256 | 1,652 | 918 | 74 |
| Total liabilities | 334 | 2 | 1,270 | 1,930 | 921 | 90 |
| Deferred Inflows of Resources | | | | | | |
| Difference between expected and actual experience | - | - | - | 4 | 3 | - |
| Net Position | | | | | | |
| Net investment in capital assets | 2,892 | - | 1,773 | - | - | 2,767 |
| Restricted for debt service | - | - | - | - | - | - |
| Restricted for housing operations | - | - | - | - | - | - |
| Unrestricted | 16,995 | 28 | (1,108) | (1,225) | (472) | (29) |
| Total net position | \$ 19,887 | \$ 28 | \$ 665 | \$ (1,225) | \$ (472) | \$ 2,738 |

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2017
(amounts expressed in thousands)

| | Auburn/Garfield Property Management | Foreclosure Access | Asset Repositioning | Mortgage Revenue Bond | Total |
|---|--|-------------------------------|--------------------------------|--------------------------------------|-------------------|
| Assets | | | | | |
| Current assets: | | | | | |
| Cash and investments | \$ 348 | \$ 41 | \$ 522 | \$ 9,789 | \$ 25,744 |
| Restricted cash and investments | 4 | - | - | 1,523 | 2,746 |
| Accounts receivable (net) | - | - | 56 | 87 | 436 |
| Due from other funds | - | - | - | 1,123 | 2,530 |
| Due from other governments | - | - | - | - | 29 |
| Prepaid items | - | - | - | - | 2 |
| Total current assets | <u>352</u> | <u>41</u> | <u>578</u> | <u>12,522</u> | <u>31,487</u> |
| Noncurrent assets: | | | | | |
| Restricted cash and investments | - | - | - | 261 | 394 |
| Other long-term assets | - | - | - | - | 5,396 |
| Notes receivable | - | - | 21,090 | 425 | 30,279 |
| Advances to other funds | - | - | - | 2,034 | 10,166 |
| Advances to component units | - | - | - | - | 2,172 |
| | <u>-</u> | <u>-</u> | <u>21,090</u> | <u>2,720</u> | <u>48,407</u> |
| Capital assets: | | | | | |
| Land | - | - | 438 | - | 15,606 |
| Buildings and improvements | - | - | - | - | 259,015 |
| Property and equipment | - | - | - | - | 1,256 |
| Less accumulated depreciation | - | - | - | - | (121,675) |
| Total capital assets (net of accumulated depreciation) | <u>-</u> | <u>-</u> | <u>438</u> | <u>-</u> | <u>154,202</u> |
| Total noncurrent assets | <u>-</u> | <u>-</u> | <u>21,528</u> | <u>2,720</u> | <u>202,609</u> |
| Total assets | <u>352</u> | <u>41</u> | <u>22,106</u> | <u>15,242</u> | <u>234,096</u> |
| Deferred Outflows of Resources | | | | | |
| Employer contribution made subsequent to the measurement date | - | - | - | 51 | 617 |
| Difference between projected and actual earnings on pension plan investments | - | - | - | 36 | 608 |
| Change in assumptions on pension plan | - | - | - | 89 | 1,300 |
| Total deferred outflows of resources | <u>-</u> | <u>-</u> | <u>-</u> | <u>176</u> | <u>2,525</u> |
| Liabilities | | | | | |
| Current liabilities: | | | | | |
| Accounts payable | 4 | - | 2 | 6 | 517 |
| Accrued liabilities | - | - | 2 | - | 43 |
| Due to other funds | - | - | - | - | 363 |
| Unearned revenue | - | - | - | - | 101 |
| Current portion of long-term debt | - | - | - | - | 61 |
| Current liabilities payable from restricted assets: | | | | | |
| Deposit and trust liability | 4 | - | - | 1,523 | 2,747 |
| Total current liabilities | <u>8</u> | <u>-</u> | <u>4</u> | <u>1,529</u> | <u>3,832</u> |
| Noncurrent liabilities: | | | | | |
| Mortgage notes payable | - | - | - | - | 2,245 |
| Advances from other funds | - | - | - | - | 1,854 |
| Net pension liability | - | - | - | 1,300 | 15,942 |
| Total noncurrent liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,300</u> | <u>20,041</u> |
| Total liabilities | <u>8</u> | <u>-</u> | <u>4</u> | <u>2,829</u> | <u>23,873</u> |
| Deferred Inflows of Resources | | | | | |
| Difference between expected and actual experience | - | - | - | 3 | 39 |
| Net Position | | | | | |
| Net investment in capital assets | - | - | 438 | - | 151,897 |
| Restricted for debt service | - | - | - | 200 | 200 |
| Restricted for housing operations | - | - | - | 61 | 194 |
| Unrestricted | 344 | 41 | 21,664 | 12,325 | 60,418 |
| Total net position | <u>\$ 344</u> | <u>\$ 41</u> | <u>\$ 22,102</u> | <u>\$ 12,586</u> | <u>\$ 212,709</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | City AMP 1 | City AMP 2 | City AMP 3 | City AMP 4 | City AMP 5 | City AMP 7 |
|--|-----------------|------------------|------------------|------------------|------------------|------------------|
| Operating revenues: | | | | | | |
| Charges for services | \$ 917 | \$ 892 | \$ 1,292 | \$ 667 | \$ 687 | \$ 565 |
| Miscellaneous | 24 | 34 | 110 | 8 | 13 | 10 |
| Total operating revenues | <u>941</u> | <u>926</u> | <u>1,402</u> | <u>675</u> | <u>700</u> | <u>575</u> |
| Operating expenses: | | | | | | |
| Employee services | 803 | 848 | 581 | 569 | 434 | 508 |
| Administrative services | 365 | 397 | 337 | 212 | 214 | 197 |
| Services and supplies | 987 | 927 | 942 | 633 | 640 | 835 |
| Utilities | 365 | 367 | 390 | 263 | 290 | 247 |
| Claims and judgements | - | - | - | - | - | - |
| Depreciation/amortization | 152 | 494 | 976 | 455 | 947 | 345 |
| Housing assistance payments | 13 | 24 | - | 3 | 6 | 3 |
| Total operating expenses | <u>2,685</u> | <u>3,057</u> | <u>3,226</u> | <u>2,135</u> | <u>2,531</u> | <u>2,135</u> |
| Operating income (loss) | <u>(1,744)</u> | <u>(2,131)</u> | <u>(1,824)</u> | <u>(1,460)</u> | <u>(1,831)</u> | <u>(1,560)</u> |
| Nonoperating revenues (expenses): | | | | | | |
| Intergovernmental | 1,630 | 1,995 | 717 | 788 | 842 | 700 |
| Investment earnings | 19 | 30 | 21 | 10 | 11 | 10 |
| Interest expense | - | - | - | - | - | - |
| Gain on disposal of capital assets | - | - | - | 377 | - | 27 |
| Total nonoperating revenues (expenses) | <u>1,649</u> | <u>2,025</u> | <u>738</u> | <u>1,175</u> | <u>853</u> | <u>737</u> |
| Income (loss) before contributions and transfers | (95) | (106) | (1,086) | (285) | (978) | (823) |
| Capital contributions | 145 | 254 | 13 | 162 | 84 | 381 |
| Transfers in | 43 | 80 | 266 | 168 | 162 | 179 |
| Transfers out | - | - | - | - | - | - |
| Change in net position | <u>93</u> | <u>228</u> | <u>(807)</u> | <u>45</u> | <u>(732)</u> | <u>(263)</u> |
| Net position, beginning | <u>3,813</u> | <u>14,136</u> | <u>26,148</u> | <u>14,564</u> | <u>21,987</u> | <u>10,848</u> |
| Net position, ending | <u>\$ 3,906</u> | <u>\$ 14,364</u> | <u>\$ 25,341</u> | <u>\$ 14,609</u> | <u>\$ 21,255</u> | <u>\$ 10,585</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | County AMP 1 | County AMP 2 | County AMP 3 | County AMP 5 | San Jose/ Broadway |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------------|
| Operating revenues: | | | | | |
| Charges for services | \$ 567 | \$ 774 | \$ 880 | \$ 611 | \$ 73 |
| Miscellaneous | 21 | 20 | 13 | 34 | 2 |
| Total operating revenues | <u>588</u> | <u>794</u> | <u>893</u> | <u>645</u> | <u>75</u> |
| Operating expenses: | | | | | |
| Employee services | 456 | 593 | 649 | 400 | 108 |
| Administrative services | 188 | 235 | 297 | 214 | 24 |
| Services and supplies | 510 | 709 | 960 | 681 | 108 |
| Utilities | 220 | 281 | 364 | 297 | 16 |
| Claims and judgements | 1 | 2 | 3 | - | - |
| Depreciation/amortization | 327 | 436 | 427 | 1,377 | 28 |
| Housing assistance payments | 10 | 9 | 17 | 14 | 2 |
| Total operating expenses | <u>1,712</u> | <u>2,265</u> | <u>2,717</u> | <u>2,983</u> | <u>286</u> |
| Operating income (loss) | <u>(1,124)</u> | <u>(1,471)</u> | <u>(1,824)</u> | <u>(2,338)</u> | <u>(211)</u> |
| Nonoperating revenues (expenses): | | | | | |
| Intergovernmental | 1,058 | 872 | 1,967 | 1,048 | 160 |
| Investment earnings | 6 | 3 | 8 | 7 | 1 |
| Interest expense | - | - | - | - | (14) |
| Gain on disposal of capital assets | - | - | - | - | - |
| Total nonoperating revenues (expenses) | <u>1,064</u> | <u>875</u> | <u>1,975</u> | <u>1,055</u> | <u>147</u> |
| Income (loss) before contributions and transfers | (60) | (596) | 151 | (1,283) | (64) |
| Capital contributions | 51 | - | 326 | 256 | - |
| Transfers in | 58 | 420 | 246 | 178 | - |
| Transfers out | - | - | (456) | - | - |
| Change in net position | <u>49</u> | <u>(176)</u> | <u>267</u> | <u>(849)</u> | <u>(64)</u> |
| Net position, beginning | <u>8,059</u> | <u>13,416</u> | <u>11,138</u> | <u>25,201</u> | <u>(46)</u> |
| Net position, ending | <u>\$ 8,108</u> | <u>\$ 13,240</u> | <u>\$ 11,405</u> | <u>\$ 24,352</u> | <u>\$ (110)</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Scattered Sites | Larchmont/ Wildflower | Locally Funded Projects | Riverview Plaza Commercial | San Carlos Shelter Plus Care |
|---|----------------------------|----------------------------------|--|---|---|
| Operating revenues: | | | | | |
| Charges for services | \$ 57 | \$ 78 | \$ 621 | \$ 145 | \$ - |
| Miscellaneous | 1 | 1 | 11 | - | - |
| Total operating revenues | <u>58</u> | <u>79</u> | <u>632</u> | <u>145</u> | <u>-</u> |
| Operating expenses: | | | | | |
| Employee services | 50 | 39 | 253 | 21 | - |
| Administrative services | 8 | 10 | 89 | - | - |
| Services and supplies | 32 | 29 | 229 | 91 | - |
| Utilities | 16 | 18 | 103 | 50 | - |
| Claims and judgements | - | - | - | - | - |
| Depreciation/amortization | - | 9 | 159 | 143 | - |
| Housing assistance payments | - | - | - | - | - |
| Total operating expenses | <u>106</u> | <u>105</u> | <u>833</u> | <u>305</u> | <u>-</u> |
| Operating income (loss) | <u>(48)</u> | <u>(26)</u> | <u>(201)</u> | <u>(160)</u> | <u>-</u> |
| Nonoperating revenues (expenses): | | | | | |
| Intergovernmental | 56 | 46 | 148 | - | - |
| Investment earnings | 1 | 4 | 13 | 5 | - |
| Interest expense | - | - | - | - | - |
| Gain on disposal of capital assets | - | - | - | - | - |
| Total nonoperating revenues (expenses) | <u>57</u> | <u>50</u> | <u>161</u> | <u>5</u> | <u>-</u> |
| Income (loss) before contributions and transfers | 9 | 24 | (40) | (155) | - |
| Capital contributions | - | - | - | - | - |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Change in net position | <u>9</u> | <u>24</u> | <u>(40)</u> | <u>(155)</u> | <u>-</u> |
| Net position, beginning | 88 | 446 | 6,004 | 2,289 | 295 |
| Net position, ending | <u>\$ 97</u> | <u>\$ 470</u> | <u>\$ 5,964</u> | <u>\$ 2,134</u> | <u>\$ 295</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Phoenix Park | City Mod Rehab | Norcade Circle | City COCC | County COCC | Villa De Novo |
|--|-------------------------|---------------------------|---------------------------|----------------------|------------------------|--------------------------|
| Operating revenues: | | | | | | |
| Charges for services | \$ 779 | \$ - | \$ 94 | \$ 2,896 | \$ 4,023 | \$ 137 |
| Miscellaneous | 8 | - | 211 | 24 | - | 3 |
| Total operating revenues | <u>787</u> | <u>-</u> | <u>305</u> | <u>2,920</u> | <u>4,023</u> | <u>140</u> |
| Operating expenses: | | | | | | |
| Employee services | 202 | - | 16 | 1,069 | 686 | 54 |
| Administrative services | 93 | - | - | 2,226 | 3,537 | 17 |
| Services and supplies | 698 | - | 38 | 340 | 151 | 45 |
| Utilities | 231 | - | 16 | - | - | 19 |
| Claims and judgements | - | - | - | - | - | - |
| Depreciation/amortization | 93 | - | 47 | - | - | 79 |
| Housing assistance payments | - | 124 | - | - | - | - |
| Total operating expenses | <u>1,317</u> | <u>124</u> | <u>117</u> | <u>3,635</u> | <u>4,374</u> | <u>214</u> |
| Operating income (loss) | <u>(530)</u> | <u>(124)</u> | <u>188</u> | <u>(715)</u> | <u>(351)</u> | <u>(74)</u> |
| Nonoperating revenues (expenses): | | | | | | |
| Intergovernmental | 550 | 199 | 6 | - | - | - |
| Investment earnings | 353 | - | - | 1 | 2 | - |
| Interest expense | (7) | - | - | - | - | - |
| Gain on disposal of capital assets | - | - | - | - | - | - |
| Total nonoperating revenues (expenses) | <u>896</u> | <u>199</u> | <u>6</u> | <u>1</u> | <u>2</u> | <u>-</u> |
| Income (loss) before contributions and transfers | 366 | 75 | 194 | (714) | (349) | (74) |
| Capital contributions | - | - | - | - | - | - |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | (32) | - | - | - | - |
| Change in net position | <u>366</u> | <u>43</u> | <u>194</u> | <u>(714)</u> | <u>(349)</u> | <u>(74)</u> |
| Net position, beginning | 19,521 | (15) | 471 | (511) | (123) | 2,812 |
| Net position, ending | <u>\$ 19,887</u> | <u>\$ 28</u> | <u>\$ 665</u> | <u>\$ (1,225)</u> | <u>\$ (472)</u> | <u>\$ 2,738</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Auburn/Garfield Property Management | Foreclosure Access | Asset Repositioning | Mortgage Revenue Bond | Total |
|--|--|-------------------------------|--------------------------------|--------------------------------------|-------------------|
| Operating revenues: | | | | | |
| Charges for services | \$ 94 | \$ - | \$ - | \$ 1,663 | \$ 18,512 |
| Miscellaneous | - | - | 523 | 17 | 1,088 |
| Total operating revenues | <u>94</u> | <u>-</u> | <u>523</u> | <u>1,680</u> | <u>19,600</u> |
| Operating expenses: | | | | | |
| Employee services | - | - | 440 | 538 | 9,317 |
| Administrative services | - | - | - | 491 | 9,151 |
| Services and supplies | 128 | - | 83 | 262 | 10,058 |
| Utilities | 32 | - | - | - | 3,585 |
| Claims and judgements | - | - | - | - | 6 |
| Depreciation/amortization | - | - | - | - | 6,494 |
| Housing assistance payments | - | - | - | - | 225 |
| Total operating expenses | <u>160</u> | <u>-</u> | <u>523</u> | <u>1,291</u> | <u>38,836</u> |
| Operating income (loss) | <u>(66)</u> | <u>-</u> | <u>-</u> | <u>389</u> | <u>(19,236)</u> |
| Nonoperating revenues (expenses): | | | | | |
| Intergovernmental | - | - | - | - | 12,782 |
| Investment earnings | 4 | - | 583 | 153 | 1,245 |
| Interest expense | - | - | - | - | (21) |
| Gain on disposal of capital assets | - | - | - | - | 404 |
| Total nonoperating revenues (expenses) | <u>4</u> | <u>-</u> | <u>583</u> | <u>153</u> | <u>14,410</u> |
| Income (loss) before contributions and transfers | (62) | - | 583 | 542 | (4,826) |
| Capital contributions | - | - | - | - | 1,672 |
| Transfers in | - | - | - | - | 1,800 |
| Transfers out | - | - | - | - | (488) |
| Change in net position | <u>(62)</u> | <u>-</u> | <u>583</u> | <u>542</u> | <u>(1,842)</u> |
| Net position, beginning | <u>406</u> | <u>41</u> | <u>21,519</u> | <u>12,044</u> | <u>214,551</u> |
| Net position, ending | <u>\$ 344</u> | <u>\$ 41</u> | <u>\$ 22,102</u> | <u>\$ 12,586</u> | <u>\$ 212,709</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | City AMP 1 | City AMP 2 | City AMP 3 | City AMP 4 | City AMP 5 | City AMP 7 |
|---|-----------------|-----------------|-----------------|---------------|-----------------|----------------|
| Cash flows from operating activities: | | | | | | |
| Cash receipts from tenants | \$ 949 | \$ 921 | \$ 1,387 | \$ 680 | \$ 725 | \$ 511 |
| Cash paid to tenants | - | (11) | - | - | - | - |
| Cash paid to suppliers for goods and services | (1,347) | (1,316) | (1,337) | (893) | (938) | (1,061) |
| Cash paid to employees for services | (629) | (667) | (461) | (447) | (340) | (405) |
| Cash paid for administrative expense | (365) | (397) | (337) | (212) | (214) | (197) |
| Cash paid for housing assistance payments | (13) | (24) | - | (3) | (6) | (3) |
| Cash paid for judgment and claims | - | - | - | - | - | - |
| Net cash provided by (used in) operating activities | <u>(1,405)</u> | <u>(1,494)</u> | <u>(748)</u> | <u>(875)</u> | <u>(773)</u> | <u>(1,155)</u> |
| Cash flows from noncapital financing activities: | | | | | | |
| Transfers in | 43 | 80 | 266 | 168 | 162 | 179 |
| Transfers out | - | - | - | - | - | - |
| Intergovernmental revenue received | 1,631 | 1,995 | 717 | 833 | 842 | 829 |
| Net cash provided by noncapital financing activities | <u>1,674</u> | <u>2,075</u> | <u>983</u> | <u>1,001</u> | <u>1,004</u> | <u>1,008</u> |
| Cash flows from capital and related financing activities: | | | | | | |
| Purchase of capital assets | - | (60) | (60) | - | (53) | (16) |
| Payments on long-term liabilities | - | - | - | - | - | - |
| Interest paid | - | - | - | - | - | - |
| Net cash provided by (used in) capital and related financing activities | <u>-</u> | <u>(60)</u> | <u>(60)</u> | <u>-</u> | <u>(53)</u> | <u>(16)</u> |
| Cash flows from investing activities: | | | | | | |
| Payment received on notes receivable | - | - | - | - | - | - |
| Interest received | 19 | 30 | 21 | 10 | 11 | 10 |
| Net cash provided by investing activities | <u>19</u> | <u>30</u> | <u>21</u> | <u>10</u> | <u>11</u> | <u>10</u> |
| Net increase (decrease) in cash and cash equivalents | 288 | 551 | 196 | 136 | 189 | (153) |
| Cash and cash equivalents, beginning | <u>1,452</u> | <u>2,306</u> | <u>2,170</u> | <u>862</u> | <u>881</u> | <u>984</u> |
| Cash and cash equivalents, ending | <u>\$ 1,740</u> | <u>\$ 2,857</u> | <u>\$ 2,366</u> | <u>\$ 998</u> | <u>\$ 1,070</u> | <u>\$ 831</u> |
| Reconciliation of cash and cash equivalents to the statement of net position: | | | | | | |
| Cash and investments | \$ 1,614 | \$ 2,712 | \$ 2,276 | \$ 899 | \$ 959 | \$ 767 |
| Restricted cash and investments | <u>126</u> | <u>145</u> | <u>90</u> | <u>99</u> | <u>111</u> | <u>64</u> |
| Total | <u>\$ 1,740</u> | <u>\$ 2,857</u> | <u>\$ 2,366</u> | <u>\$ 998</u> | <u>\$ 1,070</u> | <u>\$ 831</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | County AMP 1 | County AMP 2 | County AMP 3 | County AMP 5 | San Jose Broadway |
|---|-------------------------|-------------------------|-------------------------|-------------------------|------------------------------|
| Cash flows from operating activities: | | | | | |
| Cash receipts from tenants | \$ 579 | \$ 799 | \$ 893 | \$ 639 | \$ 77 |
| Cash paid to tenants | (9) | (16) | (6) | (7) | - |
| Cash paid to suppliers for goods and services | (728) | (997) | (1,285) | (983) | (95) |
| Cash paid to employees for services | (363) | (474) | (511) | (314) | (88) |
| Cash paid for administrative expense | (188) | (235) | (297) | (214) | (24) |
| Cash paid for housing assistance payments | (10) | (9) | (17) | (14) | (2) |
| Cash paid for judgment and claims | (1) | (2) | (3) | - | - |
| Net cash provided by (used in) operating activities | <u>(720)</u> | <u>(934)</u> | <u>(1,226)</u> | <u>(893)</u> | <u>(132)</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Transfers in | 58 | 420 | 246 | 178 | - |
| Transfers out | - | - | (456) | - | - |
| Intergovernmental revenue received | 1,058 | 872 | 1,967 | 1,047 | 160 |
| Net cash provided by noncapital financing activities | <u>1,116</u> | <u>1,292</u> | <u>1,757</u> | <u>1,225</u> | <u>160</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Purchase of capital assets | (1) | - | - | (15) | (1) |
| Payments on long-term liabilities | - | - | - | - | (55) |
| Interest paid | - | - | - | - | (14) |
| Net cash provided by (used in) capital and related financing activities | <u>(1)</u> | <u>-</u> | <u>-</u> | <u>(15)</u> | <u>(70)</u> |
| Cash flows from investing activities: | | | | | |
| Payment received on notes receivable | - | - | - | - | - |
| Interest received | 6 | 3 | 8 | 7 | 1 |
| Net cash provided by investing activities | <u>6</u> | <u>3</u> | <u>8</u> | <u>7</u> | <u>1</u> |
| Net increase (decrease) in cash and cash equivalents | 401 | 361 | 539 | 324 | (41) |
| Cash and cash equivalents, beginning | <u>421</u> | <u>284</u> | <u>380</u> | <u>587</u> | <u>182</u> |
| Cash and cash equivalents, ending | <u>\$ 822</u> | <u>\$ 645</u> | <u>\$ 919</u> | <u>\$ 911</u> | <u>\$ 141</u> |
| Reconciliation of cash and cash equivalents to the statement of net position: | | | | | |
| Cash and investments | \$ 761 | \$ 546 | \$ 756 | \$ 808 | \$ - |
| Restricted cash and investments | <u>61</u> | <u>99</u> | <u>163</u> | <u>103</u> | <u>141</u> |
| Total | <u>\$ 822</u> | <u>\$ 645</u> | <u>\$ 919</u> | <u>\$ 911</u> | <u>\$ 141</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>Scattered Sites</u> | <u>Larchmont Wildflower</u> | <u>Locally Funded Projects</u> | <u>Riverview Plaza Commercial</u> | <u>San Carlos Shelter Plus Care</u> |
|---|----------------------------|---------------------------------|--|---|---|
| Cash flows from operating activities: | | | | | |
| Cash receipts from tenants | \$ 54 | \$ 80 | \$ 305 | \$ 145 | \$ - |
| Cash paid to tenants | - | - | - | - | - |
| Cash paid to suppliers for goods and services | (49) | (48) | (335) | (137) | - |
| Cash paid to employees for services | (40) | (31) | (206) | (18) | - |
| Cash paid for administrative expense | (8) | (10) | (89) | - | - |
| Cash paid for housing assistance payments | - | - | - | - | - |
| Cash paid for judgment and claims | - | - | - | - | - |
| Net cash provided by (used in) operating activities | <u>(43)</u> | <u>(9)</u> | <u>(325)</u> | <u>(10)</u> | <u>-</u> |
| Cash flows from noncapital financing activities: | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Intergovernmental revenue received | 56 | 46 | 148 | - | - |
| Net cash provided by noncapital financing activities | <u>56</u> | <u>46</u> | <u>148</u> | <u>-</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | | | | |
| Purchase of capital assets | 1 | - | - | - | - |
| Payments on long-term liabilities | - | - | - | - | - |
| Interest paid | - | - | - | - | - |
| Net cash provided by (used in) capital and related financing activities | <u>1</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Cash flows from investing activities: | | | | | |
| Payment received on notes receivable | - | - | - | - | - |
| Interest received | 1 | 4 | 13 | 5 | - |
| Net cash provided by investing activities | <u>1</u> | <u>4</u> | <u>13</u> | <u>5</u> | <u>-</u> |
| Net increase (decrease) in cash and cash equivalents | 15 | 41 | (164) | (5) | - |
| Cash and cash equivalents, beginning | <u>94</u> | <u>380</u> | <u>401</u> | <u>410</u> | <u>-</u> |
| Cash and cash equivalents, ending | <u>\$ 109</u> | <u>\$ 421</u> | <u>\$ 237</u> | <u>\$ 405</u> | <u>\$ -</u> |
| Reconciliation of cash and cash equivalents to the statement of net position: | | | | | |
| Cash and investments | \$ 100 | \$ 415 | \$ 184 | \$ 399 | \$ - |
| Restricted cash and investments | <u>9</u> | <u>6</u> | <u>53</u> | <u>6</u> | <u>-</u> |
| Total | <u>\$ 109</u> | <u>\$ 421</u> | <u>\$ 237</u> | <u>\$ 405</u> | <u>\$ -</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Phoenix Park | City Mod Rehab | Norcade Circle | City COCC | County COCC | Villa De Novo |
|---|-------------------------|---------------------------|---------------------------|----------------------|------------------------|--------------------------|
| Cash flows from operating activities: | | | | | | |
| Cash receipts from tenants | \$ 941 | \$ - | \$ 307 | \$ 2,920 | \$ 4,023 | \$ 136 |
| Cash paid to tenants | (2) | - | - | - | - | - |
| Cash paid to suppliers for goods and services | (937) | - | (265) | (338) | (149) | (63) |
| Cash paid to employees for services | (197) | - | (16) | (910) | (564) | (45) |
| Cash paid for administrative expense | (93) | - | - | (2,226) | (3,537) | (17) |
| Cash paid for housing assistance payments | - | (170) | - | - | - | - |
| Cash paid for judgment and claims | - | - | - | - | - | - |
| Net cash provided by (used in) operating activities | (288) | (170) | 26 | (554) | (227) | 11 |
| Cash flows from noncapital financing activities: | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | - | (32) | - | - | - | - |
| Intergovernmental revenue received | 550 | 199 | 6 | - | - | - |
| Net cash provided by noncapital financing activities | 550 | 167 | 6 | - | - | - |
| Cash flows from capital and related financing activities: | | | | | | |
| Purchase of capital assets | - | - | - | - | - | - |
| Payments on long-term liabilities | - | - | - | - | - | - |
| Interest paid | (7) | - | - | - | - | - |
| Net cash provided by (used in) capital and related financing activities | (7) | - | - | - | - | - |
| Cash flows from investing activities: | | | | | | |
| Payment received on notes receivable | 11 | - | - | - | - | - |
| Interest received | 10 | - | - | 1 | 2 | - |
| Net cash provided by investing activities | 21 | - | - | 1 | 2 | - |
| Net increase (decrease) in cash and cash equivalents | 276 | (3) | 32 | (553) | (225) | 11 |
| Cash and cash equivalents, beginning | 961 | 4 | 129 | 757 | 503 | 32 |
| Cash and cash equivalents, ending | \$ 1,237 | \$ 1 | \$ 161 | \$ 204 | \$ 278 | \$ 43 |
| Reconciliation of cash and cash equivalents to the statement of net position: | | | | | | |
| Cash and investments | \$ 1,182 | \$ 1 | \$ 153 | \$ 204 | \$ 278 | \$ 30 |
| Restricted cash and investments | 55 | - | 8 | - | - | 13 |
| Total | \$ 1,237 | \$ 1 | \$ 161 | \$ 204 | \$ 278 | \$ 43 |

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Auburn/Garfield Property Management | Foreclosure Access | Asset Repositioning | Mortgage Revenue Bond | Total |
|---|--|-------------------------------|--------------------------------|--------------------------------------|--------------|
| Cash flows from operating activities: | | | | | |
| Cash receipts from tenants | \$ 94 | \$ - | \$ 522 | \$ 3,160 | \$ 20,847 |
| Cash paid to tenants | (1) | - | - | - | (52) |
| Cash paid to suppliers for goods and services | (164) | - | (108) | (270) | (13,843) |
| Cash paid to employees for services | - | - | (442) | (418) | (7,586) |
| Cash paid for administrative expense | - | - | - | (491) | (9,151) |
| Cash paid for housing assistance payments | - | - | - | - | (271) |
| Cash paid for judgment and claims | - | - | - | - | (6) |
| Net cash provided by (used in) operating activities | (71) | - | (28) | 1,981 | (10,062) |
| Cash flows from noncapital financing activities: | | | | | |
| Transfers in | - | - | - | - | 1,800 |
| Transfers out | - | - | - | - | (488) |
| Intergovernmental revenue received | - | - | - | - | 12,956 |
| Net cash provided by noncapital financing activities | - | - | - | - | 14,268 |
| Cash flows from capital and related financing activities: | | | | | |
| Purchase of capital assets | - | - | - | - | (205) |
| Payments on long-term liabilities | - | - | - | - | (55) |
| Interest paid | - | - | - | - | (21) |
| Net cash provided by (used in) capital and related financing activities | - | - | - | - | (281) |
| Cash flows from investing activities: | | | | | |
| Payment received on notes receivable | - | - | 155 | 132 | 298 |
| Interest received | 4 | - | 52 | 153 | 371 |
| Net cash provided by investing activities | 4 | - | 207 | 285 | 669 |
| Net increase (decrease) in cash and cash equivalents | (67) | - | 179 | 2,266 | 4,594 |
| Cash and cash equivalents, beginning | 419 | 41 | 343 | 9,307 | 24,290 |
| Cash and cash equivalents, ending | \$ 352 | \$ 41 | \$ 522 | \$ 11,573 | \$ 28,884 |
| Reconciliation of cash and cash equivalents to the statement of net position: | | | | | |
| Cash and investments | \$ 348 | \$ 41 | \$ 522 | \$ 9,789 | \$ 25,744 |
| Restricted cash and investments | 4 | - | - | 1,784 | 3,140 |
| Total | \$ 352 | \$ 41 | \$ 522 | \$ 11,573 | \$ 28,884 |

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>City AMP 1</u> | <u>City AMP 2</u> | <u>City AMP 3</u> | <u>City AMP 4</u> | <u>City AMP 5</u> | <u>City AMP 7</u> |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Operating income (loss) | \$ (1,744) | \$ (2,131) | \$ (1,824) | \$ (1,460) | \$ (1,831) | \$ (1,560) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Depreciation/amortization | 152 | 494 | 976 | 455 | 947 | 345 |
| Change in assets and liabilities: | | | | | | |
| Accounts receivable | (2) | (9) | (6) | (2) | 2 | (72) |
| Due from other funds | - | - | - | - | - | - |
| Prepaid items | - | - | - | - | - | - |
| Deferred outflows | 7 | 6 | 3 | 2 | 3 | 4 |
| Accounts payable | 5 | (22) | (5) | 3 | (8) | 21 |
| Accrued liabilities | (1) | (3) | (5) | (4) | (1) | (5) |
| Due to other funds | - | - | - | - | - | - |
| Due to other governments | - | - | - | - | - | - |
| Unearned revenue | (4) | 4 | (10) | (1) | 4 | - |
| Deposit and trust liability | 14 | (11) | 1 | 8 | 19 | 8 |
| Net pension liability | 174 | 184 | 125 | 127 | 95 | 107 |
| Deferred inflows | (6) | (6) | (3) | (3) | (3) | (3) |
| Total adjustments | <u>339</u> | <u>637</u> | <u>1,076</u> | <u>585</u> | <u>1,058</u> | <u>405</u> |
| Net cash provided by (used in) operating activities | <u>\$ (1,405)</u> | <u>\$ (1,494)</u> | <u>\$ (748)</u> | <u>\$ (875)</u> | <u>\$ (773)</u> | <u>\$ (1,155)</u> |
| Noncash Investing, Capital and Financing Activities: | | | | | | |
| Capital assets transferred from governmental funds | \$ 145 | \$ 255 | \$ 12 | \$ 162 | \$ 84 | \$ 381 |
| Accrued interest on Note receivable | - | - | - | - | - | - |

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>County AMP 1</u> | <u>County AMP 2</u> | <u>County AMP 3</u> | <u>County AMP 5</u> | <u>San Jose Broadway</u> |
|--|-------------------------|-------------------------|-------------------------|-------------------------|------------------------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Operating income (loss) | \$ (1,124) | \$ (1,471) | \$ (1,824) | \$ (2,338) | \$ (211) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Depreciation/amortization | 327 | 436 | 427 | 1,377 | 28 |
| Change in assets and liabilities: | | | | | |
| Accounts receivable | (9) | 7 | 2 | (4) | 1 |
| Due from other funds | - | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Deferred outflows | - | 6 | 3 | 11 | - |
| Accounts payable | 2 | (7) | 39 | (5) | 2 |
| Accrued liabilities | (2) | (4) | - | (2) | - |
| Due to other funds | - | - | - | - | 27 |
| Due to other governments | - | - | - | - | - |
| Unearned revenue | - | (2) | (2) | (2) | - |
| Deposit and trust liability | (9) | (16) | (6) | (7) | 1 |
| Net pension liability | 97 | 121 | 140 | 82 | 21 |
| Deferred inflows | (2) | (4) | (5) | (5) | (1) |
| Total adjustments | <u>404</u> | <u>537</u> | <u>598</u> | <u>1,445</u> | <u>79</u> |
| Net cash provided by (used in) operating activities | <u>\$ (720)</u> | <u>\$ (934)</u> | <u>\$ (1,226)</u> | <u>\$ (893)</u> | <u>\$ (132)</u> |
| Noncash Investing, Capital and Financing Activities: | | | | | |
| Capital assets transferred from governmental funds | \$ 51 | \$ - | \$ 326 | \$ 256 | \$ - |
| Accrued interest on Note receivable | - | - | - | - | - |

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>Scattered Sites</u> | <u>Larchmont Wildflower</u> | <u>Locally Funded Projects</u> | <u>Riverview Plaza Commercial</u> | <u>San Carlos Shelter Plus Care</u> |
|--|----------------------------|---------------------------------|--|---|---|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Operating income (loss) | \$ (48) | \$ (26) | \$ (201) | \$ (160) | \$ - |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | |
| Depreciation/amortization | - | 9 | 159 | 143 | - |
| Change in assets and liabilities: | | | | | |
| Accounts receivable | (4) | 1 | 2 | - | - |
| Due from other funds | - | - | (330) | - | - |
| Prepaid items | - | - | - | - | - |
| Deferred outflows | 1 | - | 2 | (1) | - |
| Accounts payable | (1) | (1) | (3) | 4 | - |
| Accrued liabilities | - | - | (3) | - | - |
| Due to other funds | - | - | - | - | - |
| Due to other governments | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - |
| Deposit and trust liability | - | - | 1 | - | - |
| Net pension liability | 10 | 8 | 50 | 4 | - |
| Deferred inflows | (1) | - | (2) | - | - |
| Total adjustments | <u>5</u> | <u>17</u> | <u>(124)</u> | <u>150</u> | <u>-</u> |
| Net cash provided by (used in) operating activities | <u>\$ (43)</u> | <u>\$ (9)</u> | <u>\$ (325)</u> | <u>\$ (10)</u> | <u>\$ -</u> |
| Noncash Investing, Capital and Financing Activities: | | | | | |
| Capital assets transferred from governmental funds | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued interest on Note receivable | - | - | - | - | - |

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>Phoenix Park</u> | <u>City Mod Rehab</u> | <u>Norcade Circle</u> | <u>City COCC</u> | <u>County COCC</u> | <u>Villa De Novo</u> |
|--|-------------------------|---------------------------|---------------------------|----------------------|------------------------|--------------------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Operating income (loss) | \$ (530) | \$ (124) | \$ 188 | \$ (715) | \$ (351) | \$ (74) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | | | |
| Depreciation/amortization | 93 | - | 47 | - | - | 79 |
| Change in assets and liabilities: | | | | | | |
| Accounts receivable | (17) | - | - | - | - | (5) |
| Due from other funds | 188 | - | - | (269) | - | - |
| Prepaid items | (1) | - | - | - | - | - |
| Deferred outflows | 2 | - | - | 5 | 4 | (1) |
| Accounts payable | 8 | - | (1) | 2 | 2 | 1 |
| Accrued liabilities | (1) | - | - | (1) | (4) | - |
| Due to other funds | (15) | (28) | (210) | 269 | - | - |
| Due to other governments | - | (18) | - | - | - | - |
| Unearned revenue | (17) | - | - | - | - | - |
| Deposit and trust liability | (2) | - | 2 | - | - | 1 |
| Net pension liability | 5 | - | - | 160 | 126 | 10 |
| Deferred inflows | (1) | - | - | (5) | (4) | - |
| Total adjustments | <u>242</u> | <u>(46)</u> | <u>(162)</u> | <u>161</u> | <u>124</u> | <u>85</u> |
| Net cash provided by (used in) operating activities | <u>\$ (288)</u> | <u>\$ (170)</u> | <u>\$ 26</u> | <u>\$ (554)</u> | <u>\$ (227)</u> | <u>\$ 11</u> |
| Noncash Investing, Capital and Financing Activities: | | | | | | |
| Capital assets transferred from governmental funds | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Accrued interest on Note receivable | 343 | - | - | - | - | - |

Sacramento Housing and Redevelopment Agency
Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>Auburn/Garfield Property Management</u> | <u>Asset Repositioning</u> | <u>Mortgage Revenue Bond</u> | <u>Total</u> |
|--|--|--------------------------------|--------------------------------------|--------------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Operating income (loss) | \$ (66) | \$ - | \$ 389 | \$ (19,236) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | | |
| Depreciation/amortization | - | - | - | 6,494 |
| Change in assets and liabilities: | | | | |
| Accounts receivable | - | (1) | 148 | 32 |
| Due from other funds | - | - | 1,245 | 834 |
| Prepaid items | - | - | - | (1) |
| Deferred outflows | - | 1 | 4 | 62 |
| Accounts payable | (4) | (2) | (8) | 22 |
| Accrued liabilities | - | (26) | - | (62) |
| Due to other funds | - | - | - | 43 |
| Due to other governments | - | - | - | (18) |
| Unearned revenue | - | - | - | (30) |
| Deposit and trust liability | (1) | - | 87 | 90 |
| Net pension liability | - | - | 120 | 1,766 |
| Deferred inflows | - | - | (4) | (58) |
| Total adjustments | <u>(5)</u> | <u>(28)</u> | <u>1,592</u> | <u>9,174</u> |
| Net cash provided by (used in) operating activities | <u>\$ (71)</u> | <u>\$ (28)</u> | <u>\$ 1,981</u> | <u>\$ (10,062)</u> |
| Noncash Investing, Capital and Financing Activities: | | | | |
| Capital assets transferred from governmental funds | \$ - | \$ - | \$ - | \$ 1,672 |
| Accrued interest on Note receivable | - | 531 | - | 874 |

Internal Service Funds

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

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

Sacramento Housing and Redevelopment Agency
Combining Statement of Net Position
Internal Service Funds
December 31, 2017
(amounts expressed in thousands)

| | Internal Support | Self Insurance | Total |
|---|-----------------------------|---------------------------|-------------------|
| Assets | | | |
| Current assets: | | | |
| Cash and investments | \$ 4,471 | \$ 2,456 | \$ 6,927 |
| Due from other funds | 60 | - | 60 |
| Prepaid items | 62 | 97 | 159 |
| Total current assets | <u>4,593</u> | <u>2,553</u> | <u>7,146</u> |
| Noncurrent assets: | | | |
| Restricted cash and investments | 551 | - | 551 |
| Notes receivable (net) | - | 78 | 78 |
| Total noncurrent assets | <u>551</u> | <u>78</u> | <u>629</u> |
| Capital assets: | | | |
| Land | 2,040 | - | 2,040 |
| Buildings and improvements | 11,636 | - | 11,636 |
| Property and equipment | 725 | - | 725 |
| Less accumulated depreciation | (3,215) | - | (3,215) |
| Total capital assets (net of accumulated depreciation) | <u>11,186</u> | <u>-</u> | <u>11,186</u> |
| Total noncurrent assets | <u>11,737</u> | <u>78</u> | <u>11,815</u> |
| Total assets | <u>16,330</u> | <u>2,631</u> | <u>18,961</u> |
| Deferred Outflows of Resources | | | |
| Employer contribution made subsequent to the measurement date | 464 | - | 464 |
| Difference between projected and actual earnings on pension plan investments | 459 | - | 459 |
| Change in assumptions on pension plan | 1,119 | - | 1,119 |
| Total deferred outflows of resources | <u>2,042</u> | <u>-</u> | <u>2,042</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accounts payable | 216 | - | 216 |
| Accrued liabilities | 102 | 301 | 403 |
| Compensated absences | 1,874 | - | 1,874 |
| Current portion of long-term debt | 622 | - | 622 |
| Total current liabilities | <u>2,814</u> | <u>301</u> | <u>3,115</u> |
| Noncurrent liabilities: | | | |
| Compensated absences | 1,117 | - | 1,117 |
| Mortgage notes payable | 7,827 | - | 7,827 |
| Advances from component units | 1,000 | - | 1,000 |
| Net pension liability | 12,161 | - | 12,161 |
| Total noncurrent liabilities | <u>22,105</u> | <u>-</u> | <u>22,105</u> |
| Total liabilities | <u>24,919</u> | <u>301</u> | <u>25,220</u> |
| Deferred Inflows of Resources | | | |
| Difference between expected and actual experience | 34 | - | 34 |
| Net Position | | | |
| Net investment in capital assets | 2,736 | - | 2,736 |
| Restricted for debt service | 551 | - | 551 |
| Unrestricted | (9,868) | 2,330 | (7,538) |
| Total net position | <u>\$ (6,581)</u> | <u>\$ 2,330</u> | <u>\$ (4,251)</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | Internal Support | Self Insurance | Total |
|-----------------------------------|-----------------------------|---------------------------|-------------------|
| Operating revenues: | | | |
| Charges for services | \$ 9,117 | \$ - | \$ 9,117 |
| Miscellaneous | 17 | 26 | 43 |
| Total operating revenues | <u>9,134</u> | <u>26</u> | <u>9,160</u> |
| Operating expenses: | | | |
| Employee services | 8,112 | - | 8,112 |
| Services and supplies | 2,927 | 3 | 2,930 |
| Utilities | 124 | - | 124 |
| Depreciation | 292 | - | 292 |
| Total operating expenses | <u>11,455</u> | <u>3</u> | <u>11,458</u> |
| Operating income (loss) | <u>(2,321)</u> | <u>23</u> | <u>(2,298)</u> |
| Nonoperating revenues (expenses): | | | |
| Investment earnings | (28) | 36 | 8 |
| Interest expense | (454) | - | (454) |
| Total nonoperating revenues, net | <u>(482)</u> | <u>36</u> | <u>(446)</u> |
| Income (loss) before transfers | (2,803) | 59 | (2,744) |
| Transfers in | 1,491 | - | 1,491 |
| Transfers out | - | (720) | (720) |
| Change in net position | <u>(1,312)</u> | <u>(661)</u> | <u>(1,973)</u> |
| Net position, beginning | (5,269) | 2,991 | (2,278) |
| Net position, ending | <u>\$ (6,581)</u> | <u>\$ 2,330</u> | <u>\$ (4,251)</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>Internal Support</u> | <u>Self Insurance</u> | <u>Totals</u> |
|---|-----------------------------|---------------------------|-----------------|
| Cash flows from operating activities: | | | |
| Cash receipts from interfund services provided | \$ 9,074 | \$ 4 | \$ 9,078 |
| Cash paid to suppliers for goods and services | (3,015) | (3) | (3,018) |
| Cash paid to employees for services | (6,272) | - | (6,272) |
| Net cash provided by (used in) operating activities | <u>(213)</u> | <u>1</u> | <u>(212)</u> |
| Cash flows from noncapital financing activities: | | | |
| Transfers in | 1,491 | - | 1,491 |
| Transfers out | - | (720) | (720) |
| Net cash provided by (used in) noncapital financing activities | <u>1,491</u> | <u>(720)</u> | <u>771</u> |
| Cash flows from capital and related financing activities: | | | |
| Purchase of capital assets | (187) | - | (187) |
| Payments on long-term liabilities | (591) | - | (591) |
| Interest paid | (454) | - | (454) |
| Net cash used in capital and related financing activities | <u>(1,232)</u> | <u>-</u> | <u>(1,232)</u> |
| Cash flows from investing activities: | | | |
| Payments received on notes receivable | - | 26 | 26 |
| Interest received | (28) | 36 | 8 |
| Net cash provided by (used in) operating activities | <u>(28)</u> | <u>62</u> | <u>34</u> |
| Net increase (decrease) in cash and cash equivalents | 18 | (657) | (639) |
| Cash and cash equivalents, beginning | 5,004 | 3,113 | 8,117 |
| Cash and cash equivalents, ending | <u>\$ 5,022</u> | <u>\$ 2,456</u> | <u>\$ 7,478</u> |
| Reconciliation of cash and cash equivalents to the statement of net position: | | | |
| Cash and investments | \$ 4,471 | \$ 2,456 | \$ 6,927 |
| Restricted cash and investments | 551 | - | 551 |
| Total | <u>\$ 5,022</u> | <u>\$ 2,456</u> | <u>\$ 7,478</u> |

Sacramento Housing and Redevelopment Agency
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2017
(amounts expressed in thousands)

| | <u>Internal Support</u> | <u>Self Insurance</u> | <u>Total</u> |
|---|-----------------------------|---------------------------|-----------------|
| Reconciliation of operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Operating income (loss) | \$ (2,321) | \$ 23 | \$ (2,298) |
| Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities: | | | |
| Depreciation/amortization | 292 | - | 292 |
| Change in assets and liabilities: | | | |
| Due from other funds | (60) | - | (60) |
| Prepaid items | 4 | (22) | (18) |
| Deferred outflows | 45 | - | 45 |
| Accounts payable | 32 | - | 32 |
| Accrued liabilities | 76 | - | 76 |
| Compensated absences | 244 | - | 244 |
| Net pension liability | 1,521 | - | 1,521 |
| Deferred inflows | (46) | - | (46) |
| Total adjustments | <u>2,108</u> | <u>(22)</u> | <u>2,086</u> |
| Net cash provided by (used in) operating activities | <u>\$ (213)</u> | <u>\$ 1</u> | <u>\$ (212)</u> |

Statistical Section

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

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

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

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

- ◆ Ratios of Outstanding Debt by Type

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

- ◆ Demographic and Economic Statistics
- ◆ Principal Employers

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

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

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Net Position by Component
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental Activities: | | | | | |
| Net investment in capital assets | \$ 107,570 | \$ 119,673 | \$ 130,643 | \$ 118,952 | \$ 52,784 |
| Restricted | 509,519 | 13,762 | 13,597 | 13,738 | 129,376 |
| Unrestricted | (402,122) | 107,144 | 98,320 | 102,274 | 175,243 |
| Total governmental activities net position | <u>\$ 214,967</u> | <u>\$ 240,579</u> | <u>\$ 242,560</u> | <u>\$ 234,964</u> | <u>\$ 357,403</u> |
| Business-type Activities: | | | | | |
| Net investment in capital assets | \$ 170,496 | \$ 169,031 | \$ 158,391 | \$ 160,344 | \$ 163,561 |
| Restricted | 14,055 | 9,375 | 8,557 | 8,487 | 6,836 |
| Unrestricted | 22,889 | 23,197 | 27,714 | 27,040 | 22,176 |
| Total business-type activities, net position | <u>\$ 207,440</u> | <u>\$ 201,603</u> | <u>\$ 194,662</u> | <u>\$ 195,871</u> | <u>\$ 192,573</u> |
| Primary Government: | | | | | |
| Net investment in capital assets | \$ 278,066 | \$ 288,704 | \$ 289,034 | \$ 279,296 | \$ 216,345 |
| Restricted | 523,574 | 23,137 | 22,154 | 22,225 | 136,212 |
| Unrestricted | (379,233) | 130,341 | 126,034 | 129,314 | 197,419 |
| Total primary government net position | <u>\$ 422,407</u> | <u>\$ 442,182</u> | <u>\$ 437,222</u> | <u>\$ 430,835</u> | <u>\$ 549,976</u> |

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Net Position by Component (continued)
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands)

| | 2013 | 2014 | 2015 (1) | 2016 | 2017 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Governmental Activities: | | | | | |
| Net investment in capital assets | \$ 44,836 | \$ 25,342 | \$ 24,321 | \$ 25,938 | \$ 25,008 |
| Restricted | 303,784 | 312,809 | 325,230 | 338,927 | 349,470 |
| Unrestricted | 5,120 | (1,552) | (8,706) | (9,963) | (15,752) |
| Total governmental activities net position | <u>\$ 353,740</u> | <u>\$ 336,599</u> | <u>\$ 340,845</u> | <u>\$ 354,902</u> | <u>\$ 358,726</u> |
| Business-type Activities: | | | | | |
| Net investment in capital assets | \$ 160,586 | \$ 173,029 | \$ 161,366 | \$ 156,568 | \$ 151,897 |
| Restricted | 2,436 | 3,336 | 1,141 | 2,552 | 806 |
| Unrestricted | 29,539 | 55,671 | 50,465 | 56,330 | 56,813 |
| Total business-type activities, net position | <u>\$ 192,561</u> | <u>\$ 232,036</u> | <u>\$ 212,972</u> | <u>\$ 215,450</u> | <u>\$ 209,516</u> |
| Primary Government: | | | | | |
| Net investment in capital assets | \$ 205,422 | \$ 198,371 | \$ 185,687 | \$ 182,506 | \$ 176,905 |
| Restricted | 306,220 | 316,145 | 326,371 | 341,479 | 350,276 |
| Unrestricted | 34,659 | 54,119 | 41,759 | 46,367 | 41,061 |
| Total primary government net positon | <u>\$ 546,301</u> | <u>\$ 568,635</u> | <u>\$ 553,817</u> | <u>\$ 570,352</u> | <u>\$ 568,242</u> |

Source: Agency Comprehensive Annual Financial Reports

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

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

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Changes In Net Position

For the Ten Years Ended December 31, 2017

(amounts expressed in thousands)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|-----------------|-----------------|-----------------|-----------------|----------------|
| Expenses: | | | | | |
| Governmental activities: | | | | | |
| Housing operations | \$ 1,629 | \$ 1,588 | \$ 3,837 | \$ 2,512 | \$ 9,477 |
| Community development | 86,887 | 77,762 | 97,044 | 89,525 | 18,048 |
| Community social services | 3,580 | 3,586 | 9,133 | 5,848 | 2,860 |
| Interest expense | 19,124 | 18,280 | 17,632 | 16,859 | 953 |
| Total governmental activities expenses | <u>111,220</u> | <u>101,216</u> | <u>127,646</u> | <u>114,744</u> | <u>31,338</u> |
| Business-type activities: | | | | | |
| Local housing | 8,152 | 7,022 | 3,745 | 7,256 | 8,701 |
| Public housing | 16,170 | 19,615 | 27,801 | 22,985 | 24,009 |
| Housing choice vouchers | 101,105 | 102,348 | 107,162 | 111,496 | 112,774 |
| Total business-type activities expenses | <u>125,427</u> | <u>128,985</u> | <u>138,708</u> | <u>141,737</u> | <u>145,484</u> |
| Total primary government expenses | <u>236,647</u> | <u>230,201</u> | <u>266,354</u> | <u>256,481</u> | <u>176,822</u> |
| Program Revenues: | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| Housing operations | 1,557 | 1,307 | 1,499 | 1,370 | 1,410 |
| Community development | 50 | 39 | 138 | 63 | 9 |
| Community social services | - | - | - | - | - |
| Operating grants and contributions: | | | | | |
| Housing operations | - | - | 41 | 109 | 452 |
| Community development | 23,813 | 39,289 | 46,056 | 33,742 | 25,940 |
| Community social services | 1,952 | 1,656 | 7,447 | 4,914 | 2,686 |
| Capital grants and contributions: | | | | | |
| Housing operations | 5,996 | 7,669 | 6,854 | 15,211 | 7,717 |
| Total governmental activities program revenues | <u>33,368</u> | <u>49,960</u> | <u>62,035</u> | <u>55,409</u> | <u>38,214</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Local housing | 3,384 | 1,588 | 1,299 | 1,321 | 1,420 |
| Public housing | 7,397 | 7,422 | 6,231 | 5,804 | 5,394 |
| Housing choice vouchers | - | - | - | - | - |
| Operating grants and contributions: | | | | | |
| Local housing | 816 | 786 | 703 | 3,841 | 5,331 |
| Public housing | 7,833 | 8,314 | 10,277 | 10,261 | 9,940 |
| Housing choice vouchers | 88,544 | 98,196 | 110,003 | 110,933 | 112,118 |
| Capital grants and contributions: | | | | | |
| Local housing | - | - | - | - | - |
| Total business-type activities program revenues | <u>107,974</u> | <u>116,306</u> | <u>128,513</u> | <u>132,160</u> | <u>134,203</u> |
| Total primary government program revenues | <u>141,342</u> | <u>166,266</u> | <u>190,548</u> | <u>187,569</u> | <u>172,417</u> |
| Net (Expenses) Revenues: | | | | | |
| Governmental activities | (77,852) | (51,256) | (65,611) | (59,335) | 6,876 |
| Business-type activities | (17,453) | (12,679) | (10,195) | (9,577) | (11,281) |
| Total primary government net expenses | <u>(95,305)</u> | <u>(63,935)</u> | <u>(75,806)</u> | <u>(68,912)</u> | <u>(4,405)</u> |

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Changes In Net Position (continued)
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands)

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-----------------|----------------|----------------|----------------|-----------------|
| Expenses: | | | | | |
| Governmental activities: | | | | | |
| Housing operations | \$ 10,700 | \$ 12,349 | \$ 8,740 | \$ 12,985 | \$ 17,837 |
| Community development | 25,677 | 28,219 | 23,495 | 17,914 | 18,514 |
| Community social services | 2,946 | 3,745 | 4,841 | 5,240 | 5,957 |
| Interest expense | 894 | 859 | 786 | 741 | 688 |
| Total governmental activities expenses | <u>40,217</u> | <u>45,172</u> | <u>37,862</u> | <u>36,880</u> | <u>42,996</u> |
| Business-type activities: | | | | | |
| Local housing | 9,084 | 9,954 | 4,022 | 4,636 | 6,717 |
| Public housing | 24,133 | 22,655 | 22,607 | 24,768 | 25,042 |
| Housing choice vouchers | 110,757 | 108,443 | 109,844 | 110,219 | 109,914 |
| Total business-type activities expenses | <u>143,974</u> | <u>141,052</u> | <u>136,473</u> | <u>139,623</u> | <u>141,673</u> |
| Total primary government expenses | <u>184,191</u> | <u>186,224</u> | <u>174,335</u> | <u>176,503</u> | <u>184,669</u> |
| Program Revenues: | | | | | |
| Governmental activities: | | | | | |
| Charges for services: | | | | | |
| Housing operations | 1,533 | 698 | 1 | 693 | 1,287 |
| Community development | - | 9 | 17 | 5 | 2 |
| Community social services | - | - | 2,137 | 1,152 | 1,212 |
| Operating grants and contributions: | | | | | |
| Housing operations | 1,802 | 1,496 | 10,212 | 9,072 | 8,183 |
| Community development | 13,458 | 32,874 | 20,005 | 21,657 | 14,934 |
| Community social services | 2,998 | 4,109 | 4,115 | 4,506 | 4,544 |
| Capital grants and contributions: | | | | | |
| Housing operations | 8,698 | 5,172 | 5,693 | 6,578 | 6,594 |
| Total governmental activities program revenues | <u>28,489</u> | <u>44,358</u> | <u>42,180</u> | <u>43,663</u> | <u>36,756</u> |
| Business-type activities: | | | | | |
| Charges for services: | | | | | |
| Local housing | 1,581 | 3,715 | 3,811 | 3,974 | 3,966 |
| Public housing | 5,560 | 6,000 | 6,712 | 7,073 | 7,852 |
| Housing choice vouchers | - | 47 | - | - | - |
| Operating grants and contributions: | | | | | |
| Local housing | 5,177 | 5,830 | 1,047 | 1,108 | 1,165 |
| Public housing | 8,767 | 10,020 | 10,218 | 10,477 | 11,617 |
| Housing choice vouchers | 107,185 | 110,214 | 110,747 | 113,912 | 105,720 |
| Capital grants and contributions: | | | | | |
| Local housing | 4,481 | 5,601 | - | - | - |
| Total business-type activities program revenues | <u>132,751</u> | <u>141,427</u> | <u>132,535</u> | <u>136,544</u> | <u>130,320</u> |
| Total primary government program revenues | <u>161,240</u> | <u>185,785</u> | <u>174,715</u> | <u>180,207</u> | <u>167,076</u> |
| Net (Expenses) Revenues: | | | | | |
| Governmental activities | (11,728) | (814) | 4,318 | 6,783 | (6,240) |
| Business-type activities | (11,223) | 375 | (3,938) | (3,079) | (11,353) |
| Total primary government net expenses | <u>(22,951)</u> | <u>(439)</u> | <u>380</u> | <u>3,704</u> | <u>(17,593)</u> |

Source: Agency Comprehensive Annual Financial Reports

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Changes In Net Position (continued)
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------------|---------------|----------------|----------------|----------------|
| General revenues, transfers and changes in net position: | | | | | |
| Governmental activities: | | | | | |
| Tax increment | \$ 70,163 | \$ 67,792 | \$ 61,367 | \$ 52,083 | \$ - |
| Investment earnings | 13,693 | 9,856 | 6,099 | 7,537 | 4,022 |
| Miscellaneous | 4,096 | 3,121 | 2,586 | 1,582 | 1,938 |
| Special items | 27,623 | 2,250 | - | - | - |
| Transfers | (15,329) | (6,151) | (2,460) | (9,463) | (6,559) |
| Total governmental activities | <u>100,246</u> | <u>76,868</u> | <u>67,592</u> | <u>51,739</u> | <u>(599)</u> |
| Business-type activities: | | | | | |
| Investment earnings | 556 | 390 | 378 | 610 | 697 |
| Miscellaneous | 873 | 301 | 416 | 713 | 727 |
| Special items | (964) | - | - | - | - |
| Transfers | 15,329 | 6,151 | 2,460 | 9,463 | 6,559 |
| Total business-type activities | <u>15,794</u> | <u>6,842</u> | <u>3,254</u> | <u>10,786</u> | <u>7,983</u> |
| Total primary government | <u>116,040</u> | <u>83,710</u> | <u>70,846</u> | <u>62,525</u> | <u>7,384</u> |
| Change in net position before extraordinary item: | | | | | |
| Governmental activities | 22,394 | 25,612 | 1,981 | (7,596) | 6,277 |
| Business-type activities | (1,659) | (5,837) | (6,941) | 1,209 | (3,298) |
| Total primary government before extraordinary item | <u>20,735</u> | <u>19,775</u> | <u>(4,960)</u> | <u>(6,387)</u> | <u>2,979</u> |
| Extraordinary item - Governmental activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>116,162</u> |
| Change in net position: | | | | | |
| Governmental activities | 22,394 | 25,612 | 1,981 | (7,596) | 122,439 |
| Business-type activities | (1,659) | (5,837) | (6,941) | 1,209 | (3,298) |
| Total primary government | <u>20,735</u> | <u>19,775</u> | <u>(4,960)</u> | <u>(6,387)</u> | <u>119,141</u> |

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Changes In Net Position (continued)
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands)

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|--------------------|------------------|------------------|------------------|-------------------|
| General revenues, transfers and changes in net position: | | | | | |
| Governmental activities: | | | | | |
| Tax increment | \$ - | \$ - | \$ - | \$ - | \$ - |
| Investment earnings | 2,634 | 4,387 | 3,828 | 2,248 | 4,595 |
| Miscellaneous | 1,304 | 5,612 | 9,041 | 8,148 | 8,485 |
| Special items | - | - | - | - | - |
| Transfers | (8,019) | (15,338) | (2,978) | (3,122) | (3,016) |
| Total governmental activities | <u>(4,081)</u> | <u>(5,339)</u> | <u>9,891</u> | <u>7,274</u> | <u>10,064</u> |
| Business-type activities: | | | | | |
| Investment earnings | 1,072 | 4,735 | 1,404 | 1,353 | 1,312 |
| Miscellaneous | 751 | 839 | 766 | 1,082 | 1,091 |
| Special items | 1,369 | 7,200 | - | - | - |
| Transfers, net | 8,019 | 15,338 | 2,978 | 3,122 | 3,016 |
| Total business-type activities | <u>11,211</u> | <u>28,112</u> | <u>5,148</u> | <u>5,557</u> | <u>5,419</u> |
| Total primary government | <u>7,130</u> | <u>22,773</u> | <u>15,039</u> | <u>12,831</u> | <u>15,483</u> |
| Change in net position before extraordinary item: | | | | | |
| Governmental activities | (15,809) | (6,153) | 14,209 | 14,057 | 3,824 |
| Business-type activities | (12) | 28,487 | 1,210 | 2,478 | (5,934) |
| Total primary government before extraordinary item | <u>(15,821)</u> | <u>22,334</u> | <u>15,419</u> | <u>16,535</u> | <u>(2,110)</u> |
| Extraordinary item - Governmental activities | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Change in net position: | | | | | |
| Governmental activities | (15,809) | (6,153) | 14,209 | 14,057 | 3,824 |
| Business-type activities | (12) | 28,487 | 1,210 | 2,478 | (5,934) |
| Total primary government | <u>\$ (15,821)</u> | <u>\$ 22,334</u> | <u>\$ 15,419</u> | <u>\$ 16,535</u> | <u>\$ (2,110)</u> |

Source: Agency Comprehensive Annual Financial Reports

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Fund Balances of Governmental Funds
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Major funds: | | | | | |
| Reserved | \$ 194,044 | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | |
| Debt service funds | - | - | - | - | - |
| Capital projects funds | (6,377) | - | - | - | - |
| Nonspendable: | | | | | |
| Long-term receivables | - | 43,705 | 48,549 | 52,912 | 45,488 |
| Prepaid items | - | 26 | - | - | - |
| Restricted for: | | | | | |
| Debt service reserves | - | 934 | 934 | 1,038 | - |
| Housing | - | - | - | - | - |
| Community development | - | - | - | - | - |
| Committed for: | | | | | |
| Housing | - | - | - | - | 17,683 |
| Community development | - | 85,386 | 70,660 | 58,313 | - |
| Assigned for: | | | | | |
| Housing | - | - | - | - | 6,960 |
| Community development | - | 1,433 | 2,418 | 1,183 | - |
| Debt service | - | 4,703 | - | - | - |
| Unassigned | - | - | (3,718) | (6,343) | - |
| Total major funds | <u>\$ 187,667</u> | <u>\$ 136,187</u> | <u>\$ 118,843</u> | <u>\$ 107,103</u> | <u>\$ 70,131</u> |
| Other governmental funds: | | | | | |
| Reserved | \$ 211,442 | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | |
| Special revenue funds | 17,777 | - | - | - | - |
| Debt service funds | (845) | - | - | - | - |
| Capital projects funds | 4,408 | - | - | - | - |
| Nonspendable: | | | | | |
| Long-term receivables | - | 91,921 | 103,151 | 113,752 | 79,895 |
| Prepaid items | - | 8 | - | - | - |
| Restricted for: | | | | | |
| Debt service reserves | - | 12,222 | 12,056 | 12,093 | 211 |
| Housing | - | 61 | 61 | 61 | 61 |
| Community development | - | - | - | - | - |
| Community services | - | - | - | - | - |
| Committed for: | | | | | |
| Housing projects | - | 15,761 | 13,794 | 6,817 | 10,288 |
| Community development projects | - | 131,054 | 114,028 | 100,398 | 4,035 |
| Community service projects | - | 278 | - | 77 | 85 |
| Assigned for: | | | | | |
| Debt service | - | 4,156 | 968 | 400 | - |
| Housing | - | 7,241 | 5,460 | 6,209 | 6,478 |
| Community development | - | 7,875 | 7,480 | 14,159 | 1,051 |
| Community services | - | - | 16 | 80 | - |
| Unassigned | - | (9,315) | (12,853) | (11,003) | (4,466) |
| Total other governmental funds | <u>\$ 232,782</u> | <u>\$ 261,262</u> | <u>\$ 244,161</u> | <u>\$ 243,043</u> | <u>\$ 97,638</u> |
| Total governmental Funds | <u>\$ 420,449</u> | <u>\$ 397,449</u> | <u>\$ 363,004</u> | <u>\$ 350,146</u> | <u>\$ 167,769</u> |

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

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Fund Balances of Governmental Funds (continued)
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands)

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--------------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| Major funds: | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | |
| Debt service funds | - | - | - | - | - |
| Capital projects funds | - | - | - | - | - |
| Nonspendable: | | | | | |
| Long-term receivables | 61,175 | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Restricted for: | | | | | |
| Debt service reserves | - | - | - | - | - |
| Housing | 21,239 | 76,524 | 86,851 | 91,083 | 92,529 |
| Community development | 2,954 | 1,207 | 650 | 2,492 | 6,528 |
| Committed for: | | | | | |
| Housing | - | - | - | - | - |
| Community development | - | - | - | - | - |
| Assigned for: | | | | | |
| Housing | - | - | - | - | - |
| Community development | - | - | - | - | - |
| Debt service | - | - | - | - | - |
| Unassigned | - | - | - | - | - |
| Total major funds | <u>\$ 85,368</u> | <u>\$ 77,731</u> | <u>\$ 87,501</u> | <u>\$ 93,575</u> | <u>\$ 99,057</u> |
| Other governmental funds: | | | | | |
| Reserved | \$ - | \$ - | \$ - | \$ - | \$ - |
| Unreserved, reported in: | | | | | |
| Special revenue funds | - | - | - | - | - |
| Debt service funds | - | - | - | - | - |
| Capital projects funds | - | - | - | - | - |
| Nonspendable: | | | | | |
| Long-term receivables | 64,587 | - | - | - | - |
| Prepaid items | - | - | - | - | - |
| Restricted for: | | | | | |
| Debt service reserves | 435 | 96 | 3 | 3 | 3 |
| Housing | 14,962 | 72,896 | 77,897 | 80,595 | 84,386 |
| Community development | 6,864 | 17,507 | 14,731 | 14,722 | 14,132 |
| Community services | 116 | 127 | 1,604 | 2,547 | 2,980 |
| Committed for: | | | | | |
| Housing projects | 1,882 | - | - | - | - |
| Community development projects | 638 | - | - | - | - |
| Community service projects | - | - | - | - | - |
| Assigned for: | | | | | |
| Debt service | - | - | - | - | - |
| Housing | 3,859 | - | - | - | - |
| Community development | 176 | 177 | - | - | - |
| Community services | - | - | - | - | - |
| Unassigned | (2,776) | (2,459) | (2,591) | (2,251) | (2,221) |
| Total other governmental funds | <u>\$ 90,743</u> | <u>\$ 88,344</u> | <u>\$ 91,644</u> | <u>\$ 95,616</u> | <u>\$ 99,280</u> |
| Total governmental Funds | <u>\$ 176,111</u> | <u>\$ 166,075</u> | <u>\$ 179,145</u> | <u>\$ 189,191</u> | <u>\$ 198,337</u> |

Source: Agency Comprehensive Annual Financial Reports

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

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Changes in Fund Balances of Governmental Funds
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|------------------|--------------------|--------------------|--------------------|---------------------|
| Revenues: | | | | | |
| Intergovernmental | \$ 35,111 | \$ 34,038 | \$ 52,961 | \$ 54,043 | \$ 33,525 |
| Property taxes | 70,163 | 67,792 | 61,367 | 52,083 | - |
| Charges for services | 1,607 | 1,346 | 1,637 | 1,433 | 1,419 |
| Investment earnings | 15,738 | 6,245 | 6,230 | 7,061 | 3,506 |
| Miscellaneous | 3,605 | 2,480 | 1,633 | 517 | 1,817 |
| Total revenues | <u>126,224</u> | <u>111,901</u> | <u>123,828</u> | <u>115,137</u> | <u>40,267</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Housing operations | 1,625 | 1,568 | 3,789 | 2,360 | 9,326 |
| Community development | 82,787 | 76,167 | 100,755 | 76,050 | 19,891 |
| Community services | 3,580 | 3,586 | 9,133 | 5,848 | 2,860 |
| Capital outlay | 44,201 | 18,913 | 17,203 | 12,310 | 8,364 |
| Debt service: | | | | | |
| Principal retirement | 17,232 | 25,564 | 19,105 | 20,823 | 1,517 |
| Interest and related charges | 19,189 | 17,966 | 16,973 | 16,246 | 605 |
| Total expenditures | <u>168,614</u> | <u>143,764</u> | <u>166,958</u> | <u>133,637</u> | <u>42,563</u> |
| Deficiency of revenues under expenditures | <u>(42,390)</u> | <u>(31,863)</u> | <u>(43,130)</u> | <u>(18,500)</u> | <u>(2,296)</u> |
| Other Financing Sources(Uses): | | | | | |
| Long-term debt issued | 66,714 | 6,412 | - | 2,200 | - |
| Proceeds from sale of capital assets | 972 | 1,550 | 10,929 | 4,755 | 851 |
| Transfers in | 66,693 | 36,256 | 19,131 | 14,996 | 101,565 |
| Transfers out | (73,706) | (37,605) | (21,375) | (16,309) | (101,702) |
| Total other financing sources (uses) | <u>60,673</u> | <u>6,613</u> | <u>8,685</u> | <u>5,642</u> | <u>714</u> |
| Special Item: | | | | | |
| Proceeds from sale of Sheraton Hotel | 28,623 | 2,250 | - | - | - |
| Forgiveness of Riverview Plaza debt | (1,000) | - | - | - | - |
| Extraordinary Item-Dissolution of RDA | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(180,795)</u> |
| Net change in fund balances | <u>\$ 45,906</u> | <u>\$ (23,000)</u> | <u>\$ (34,445)</u> | <u>\$ (12,858)</u> | <u>\$ (182,377)</u> |
| Debt service as a percentage of non-capital expenditures | 29% | 35% | 24% | 31% | 6% |

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Changes in Fund Balances of Governmental Funds (continued)
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands)

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|-------------------|-----------------|-----------------|------------------|-----------------|
| Revenues: | | | | | |
| Intergovernmental | \$ 31,466 | \$ 18,815 | \$ 33,986 | \$ 37,823 | \$ 32,829 |
| Property taxes | - | - | - | - | - |
| Charges for services | 1,533 | 8 | 2,155 | 1,850 | 2,501 |
| Investment earnings | 2,329 | 2,017 | 3,700 | 2,417 | 4,587 |
| Miscellaneous | 1,032 | 3,782 | 8,954 | 8,065 | 8,442 |
| Total revenues | <u>36,360</u> | <u>24,622</u> | <u>48,795</u> | <u>50,155</u> | <u>48,359</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| Housing operations | 10,703 | 2,991 | 8,980 | 11,248 | 11,490 |
| Community development | 19,824 | 10,740 | 22,437 | 16,103 | 16,714 |
| Community services | 2,946 | 3,745 | 4,850 | 5,244 | 5,942 |
| Capital outlay | 5,305 | 1,708 | 1,482 | 5,336 | 2,961 |
| Debt service: | | | | | |
| Principal retirement | 1,048 | 392 | 1,347 | 639 | 602 |
| Interest and related charges | 757 | 93 | 305 | 263 | 240 |
| Total expenditures | <u>40,583</u> | <u>19,669</u> | <u>39,401</u> | <u>38,833</u> | <u>37,949</u> |
| Excess (Deficiency) of revenues over expenditures | <u>(4,223)</u> | <u>4,953</u> | <u>9,394</u> | <u>11,322</u> | <u>10,410</u> |
| Other Financing Sources(Uses): | | | | | |
| Long-term debt issued | - | - | 150 | - | - |
| Proceeds from sale of capital assets | 1,068 | 206 | 385 | 783 | 851 |
| Transfers in | 5,250 | 6,061 | 1,322 | 597 | 376 |
| Transfers out | (5,899) | (2,746) | (2,823) | (2,656) | (2,491) |
| Total other financing sources (uses) | <u>419</u> | <u>3,521</u> | <u>(966)</u> | <u>(1,276)</u> | <u>(1,264)</u> |
| Special Item: | | | | | |
| Proceeds from sale of Sheraton Hotel | - | - | - | - | - |
| Forgiveness of Riverview Plaza debt | - | - | - | - | - |
| Extraordinary Item-Dissolution of RDA | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | <u>\$ (3,804)</u> | <u>\$ 8,474</u> | <u>\$ 8,428</u> | <u>\$ 10,046</u> | <u>\$ 9,146</u> |
| Debt service as a percentage of non-capital expenditures | 5% | 3% | 4% | 3% | 2% |

Source: Agency Comprehensive Annual Financial Reports

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Ratios of Outstanding Debt by Type
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands)

| Fiscal Year | Governmental Activities | | Business-Type Activities | Total Primary Government | Percentage of Actual Taxable Value of Property (2) | Percentage of Personal Income (1) | Per Capita (1) |
|-------------|-------------------------|----------------------|--------------------------|--------------------------|--|-----------------------------------|----------------|
| | Notes Payable | Tax Allocation Bonds | Mortgage Notes Payable | | | | |
| 2008 | 114,895 | 334,080 | 509 | 449,484 | 5.18% | 0.86% | 227 |
| 2009 | 109,126 | 320,306 | 1,067 | 430,499 | 4.85% | 0.79% | 223 |
| 2010 | 103,967 | 305,949 | 1,036 | 410,952 | 5.05% | 0.77% | 184 |
| 2011 | 99,898 | 290,961 | 2,580 | 393,439 | 5.21% | 0.72% | 174 |
| 2012 | 19,908 | - | 2,543 | 22,451 | *N/A | 0.04% | 9 |
| 2013 | 18,379 | - | 2,503 | 20,882 | *N/A | 0.03% | 9 |
| 2014 | 17,260 | - | 2,460 | 19,720 | *N/A | 0.03% | *N/A |
| 2015 | 15,530 | - | 2,412 | 17,942 | *N/A | 0.03% | *N/A |
| 2016 | 14,330 | - | 2,361 | 16,691 | *N/A | 0.02% | *N/A |
| 2017 | 13,137 | - | 2,306 | 15,443 | *N/A | 0.02% | *N/A |

Source: Agency Comprehensive Annual Financial Reports

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

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

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

* Not available at this time

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Demographic and Economic Statistics
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands except per capita amount)

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|----------------|----------------|----------------|----------------|----------------|
| City population (1) | 476 | 481 | 486 | 470 | 471 |
| City assessed value (1) | \$ 40,345,605 | \$ 41,560,435 | \$ 38,778,007 | \$ 37,647,002 | \$ 36,502,112 |
| County population (2) | 1,381 | 1,394 | 1,409 | 1,422 | 1,436 |
| County assessed value (2) | \$ 135,341,067 | \$ 138,687,470 | \$ 128,939,293 | \$ 126,016,298 | \$ 121,921,878 |
| Unemployment Rate % (2) | 5.4% | 7.2% | 11.3% | 12.7% | 12.1% |
| Personal Income (2) | \$ 52,398,021 | \$ 54,201,689 | \$ 53,647,258 | \$ 54,673,384 | \$ 57,564,251 |
| Per Capita Personal Income (2) | \$ 37,938 | \$ 38,870 | \$ 38,085 | \$ 38,453 | \$ 40,098 |
| City public housing authority low income housing units (3) | 1,806 | 1,822 | 1,798 | 1,799 | 1,868 |
| County public housing authority low income housing units (3) | 1,037 | 1,017 | 1,018 | 1,021 | 1,047 |
| County housing choice vouchers (3) (4) | 11,245 | 11,245 | 11,268 | 11,507 | 11,840 |

Sources:

- (1) City of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30.
- (2) County of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30. The Bureau of Economic Analysis revised population and per capita personal income to reflect Census Bureau midyear population estimates for 2010-2016 available as of March 2017.
- (3) These statistics have been provided to assist in the analysis of the Agency's financial position. Demographic information specific to the City and County can be found in their annual reports. Amounts are not reported in thousands.
- (4) The City and County Housing Choice Voucher programs were combined into a single County program during 2005.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Demographic and Economic Statistics (continued)
For the Ten Years Ended December 31, 2017
(amounts expressed in thousands except per capita amount)

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|----------------|----------------|----------------|----------------|----------------|
| City population (1) | 474 | 475 | 480 | 486 | 493 |
| City assessed value (1) | \$ 35,494,811 | \$ 36,924,255 | \$ 39,067,503 | \$ 40,897,784 | \$ 43,485,723 |
| County population (2) | 1,449 | 1,463 | 1,482 | 1,495 | 1,514 |
| County assessed value (2) | \$ 118,563,859 | \$ 123,924,200 | \$ 131,718,922 | \$ 136,123,278 | \$ 143,368,927 |
| Unemployment Rate % (2) | 10.5% | 8.8% | 7.3% | 5.8% | 5.4% |
| Personal Income (2) | \$ 60,721,694 | \$ 62,440,643 | \$ 65,126,187 | \$ 69,590,000 | \$ 72,878,458 |
| Per Capita Personal Income (2) | \$ 41,913 | \$ 42,676 | \$ 43,944 | \$ 46,539 | \$ 48,122 |
| City public housing authority low income housing units (3) | 1,866 | 1,753 | 1,759 | 1,699 | 1,699 |
| County public housing authority low income housing units (3) | 1,035 | 1,035 | 1,035 | 1,013 | 1,013 |
| County housing choice vouchers (3) (4) | 11,890 | 12,019 | 12,063 | 12,107 | 11,424 |

Sources:

- (1) City of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30.
- (2) County of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30. The Bureau of Economic Analysis revised population and per capita personal income to reflect Census Bureau midyear population estimates for 2010-2016 available as of March 2017.
- (3) These statistics have been provided to assist in the analysis of the Agency's financial position. Demographic information specific to the City and County can be found in their annual reports. Amounts are not reported in thousands.
- (4) The City and County Housing Choice Voucher programs were combined into a single County program during 2005.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Principal Employers
June 30, 2017 and 2008

| Employer | June 30, 2017 | | | June 30, 2008 | | |
|-------------------------------------|---------------|------|---|---------------|------|---|
| | Employees (b) | Rank | Percentage of Total County Employment | Employees (c) | Rank | Percentage of Total County Employment (c) |
| UC Davis Health System | 10,145 | 1 | 1.54% | 6,404 | 5 | 0.98% |
| Sutter / California Health Services | 8,905 | 2 | 1.35% | 10,405 | 1 | 1.59% |
| Kaiser Permanente | 8,885 | 3 | 1.35% | 9,319 | 2 | 1.43% |
| Dignity / Mercy Health Care | 7,853 | 4 | 1.19% | 5,119 | 6 | 0.78% |
| Intel Corporation | 6,000 | 5 | 0.91% | 7,000 | 4 | 1.07% |
| Apple Inc. | 4,000 | 6 | 0.61% | | | |
| Raley's Inc. / Bel Air | 3,149 | 7 | 0.48% | 7,565 | 3 | 1.16% |
| VSP Global | 2,906 | 8 | 0.44% | | | |
| Health Net of California Inc. | 2,706 | 9 | 0.41% | | | |
| Wells Fargo & Co. | 2,015 | 10 | 0.31% | 3,167 | 10 | 0.48% |
| AT&T Corporation | - | | | 4,828 | 7 | 0.74% |
| Hewlett-Packard | - | | | 3,800 | 8 | 0.58% |
| Target Corporation | - | | | 3,482 | 9 | 0.53% |
| Total | <u>56,564</u> | | <u>8.59%</u> | <u>61,089</u> | | <u>9.34%</u> |

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

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

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Full-time Equivalent Agency Employees by Function/Program
For The Ten Years Ended December 31, 2017

| Function/Program: | 2008 | 2009 | 2010 | 2011 | 2012 |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Administration | 46.05 | 45.50 | 46.50 | 45.50 | 40.00 |
| Housing | 155.25 | 155.00 | 156.00 | 156.00 | 160.00 |
| Community Development | 87.50 | 87.50 | 85.50 | 87.50 | 51.00 |
| Affiliated Organizations | <u>3.00</u> | <u>3.00</u> | <u>3.00</u> | <u>2.00</u> | <u>2.00</u> |
| Total agency | <u><u>291.80</u></u> | <u><u>291.00</u></u> | <u><u>291.00</u></u> | <u><u>291.00</u></u> | <u><u>253.00</u></u> |

Source: Agency Annual Budgets

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Full-time Equivalent Agency Employees by Function/Program (continued)
For The Ten Years Ended December 31, 2017

| <u>Function/Program:</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> | <u>2016</u> | <u>2017</u> |
|--------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| Administration | 39.00 | 35.60 | 37.60 | 41.60 | 44.00 |
| Housing | 163.50 | 156.50 | 156.00 | 155.00 | 157.00 |
| Community Development | 50.50 | 32.90 | 31.40 | 28.40 | 29.00 |
| Affiliated Organizations | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> | <u>0.00</u> |
| Total agency | <u><u>253.00</u></u> | <u><u>225.00</u></u> | <u><u>225.00</u></u> | <u><u>225.00</u></u> | <u><u>230.00</u></u> |

Source: Agency Annual Budgets

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Operating Indicators by Function
For the Ten Years Ended December 31, 2017

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|---|--------|--------|--------|--------|--------|
| Affordable Housing (1): | | | | | |
| Public housing units occupied | 2,806 | 2,845 | 2,529 | 2,575 | 2,695 |
| Housing choice vouchers utilized | 11,245 | 11,245 | 11,268 | 11,228 | 11,774 |
| Multi-family housing units assisted (2) | 774 | 504 | 853 | 390 | 589 |
| Homeownership assistance (3) | 247 | 401 | 534 | 379 | 214 |
| Neighborhood Development: | | | | | |
| Planning activities | 1 | 21 | 22 | 7 | 7 |
| Infrastructure projects (4) | 1 | 12 | 40 | 12 | 28 |
| Community facilities (5) | - | 12 | 14 | 0 | 8 |
| Economic Development: | | | | | |
| Commercial loans | 29 | 6 | 23 | 2 | 0 |

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

(1) Includes units encumbered by regulatory restrictions to maintain affordability

(2) Includes both new and rehabilitated units

(3) Includes developer assistance to build or rehabilitate affordable units, and direct assistance to homebuyers

(4) Typical projects are traffic improvements to increase safety

(5) Typical projects are community centers and parks

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Operating Indicators by Function (continued)
For the Ten Years Ended December 31, 2017

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|---|--------|--------|--------|--------|--------|
| Affordable Housing (1): | | | | | |
| Public housing units occupied | 2,816 | 2,724 | 2,693 | 2,633 | 2,712 |
| Housing choice vouchers utilized | 11,326 | 11,826 | 11,967 | 11,934 | 11,424 |
| Multi-family housing units assisted (2) | 630 | 643 | 624 | 504 | 220 |
| Homeownership assistance (3) | 291 | 83 | 94 | 90 | 146 |
| Neighborhood Development: | | | | | |
| Planning activities | 4 | 1 | 1 | 0 | 0 |
| Infrastructure projects (4) | 15 | 8 | 8 | 6 | 5 |
| Community facilities (5) | 6 | 2 | 1 | 2 | 4 |
| Economic Development: | | | | | |
| Commercial loans | 0 | 0 | 0 | 0 | 0 |

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

(1) Includes units encumbered by regulatory restrictions to maintain affordability

(2) Includes both new and rehabilitated units

(3) Includes developer assistance to build or rehabilitate affordable units, and direct assistance to homebuyers

(4) Typical projects are traffic improvements to increase safety

(5) Typical projects are libraries, community centers and parks

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Capital Assets by Function
For the Ten Years Ended December 31, 2017

| | 2008 | 2009 | 2010 | 2011 | 2012 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| Housing operations (1) | | | | | |
| Land and Construction in progress | \$ 5,682 | \$ 6,495 | \$ 19,475 | \$ 25,549 | 25,035 |
| Depreciable buildings and improvements, and property and equipment, net | - | 197 | 374 | 379 | 233 |
| Total Housing operations | <u>5,682</u> | <u>6,692</u> | <u>19,849</u> | <u>25,928</u> | <u>25,268</u> |
| Community development (1) | | | | | |
| Land and Construction in progress | 81,907 | 89,747 | 86,143 | 76,399 | 26,606 |
| Depreciable buildings and improvements, and property and equipment, net | 33,537 | 38,155 | 39,161 | 30,701 | 13,530 |
| Total community development operations | <u>115,444</u> | <u>127,902</u> | <u>125,304</u> | <u>107,100</u> | <u>40,136</u> |
| Summary of governmental activities: | | | | | |
| Land and Construction in progress | 87,589 | 96,242 | 105,618 | 101,948 | 51,641 |
| Depreciable buildings and improvements, and property and equipment, net | 33,537 | 38,352 | 39,535 | 31,080 | 13,763 |
| Total governmental activities | <u>\$ 121,126</u> | <u>\$ 134,594</u> | <u>\$ 145,153</u> | <u>\$ 133,028</u> | <u>\$ 65,404</u> |
| Business-type activities: | | | | | |
| Local housing (1) | | | | | |
| Land and Construction in progress | \$ 2,203 | \$ 3,420 | \$ 2,890 | \$ 5,000 | \$ 5,050 |
| Depreciable buildings and improvements, and property and equipment, net | 7,876 | 7,469 | 6,731 | 8,047 | 7,027 |
| Total local housing | <u>10,079</u> | <u>10,889</u> | <u>9,621</u> | <u>13,047</u> | <u>12,077</u> |
| Public housing (2) | | | | | |
| Land and Construction in progress | 13,643 | 13,598 | 13,713 | 16,005 | 16,559 |
| Depreciable buildings and improvements, and property and equipment, net | 147,239 | 145,577 | 136,069 | 133,660 | 133,459 |
| Total public housing | <u>160,882</u> | <u>159,175</u> | <u>149,782</u> | <u>149,665</u> | <u>150,018</u> |
| Housing choice vouchers | | | | | |
| Land and Construction in progress | - | - | - | 197 | 4,004 |
| Depreciable buildings and improvements, and property and equipment, net | 44 | 34 | 24 | 15 | 5 |
| Total housing choice vouchers | <u>44</u> | <u>34</u> | <u>24</u> | <u>212</u> | <u>4,009</u> |
| Summary of business-type activities: | | | | | |
| Land and Construction in progress | 15,846 | 17,018 | 16,603 | 21,202 | 25,613 |
| Depreciable buildings and improvements, and property and equipment, net | 155,159 | 153,080 | 142,824 | 141,722 | 140,491 |
| Total business-type activities | <u>\$ 171,005</u> | <u>\$ 170,098</u> | <u>\$ 159,427</u> | <u>\$ 162,924</u> | <u>\$ 166,104</u> |
| Total primary government | <u>\$ 292,131</u> | <u>\$ 304,692</u> | <u>\$ 304,580</u> | <u>\$ 295,952</u> | <u>\$ 231,508</u> |
| Component units: | | | | | |
| Local housing (1) | | | | | |
| Land and Construction in progress | \$ 5,160 | \$ 7,344 | \$ 2,552 | \$ 2,552 | \$ 2,552 |
| Depreciable buildings and improvements, and property and equipment, net | 76,221 | 73,338 | 84,698 | 81,843 | 79,049 |
| Total component units-local housing | <u>\$ 81,381</u> | <u>\$ 80,682</u> | <u>\$ 87,250</u> | <u>\$ 84,395</u> | <u>\$ 81,601</u> |

(1) Affordable housing

(2) Public housing

Source: Agency Finance Department

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY
Capital Assets by Function (continued)
For the Ten Years Ended December 31, 2017

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| Housing operations (1) | | | | | |
| Land and Construction in progress | \$ 24,472 | \$ 20,023 | \$ 18,394 | \$ 17,610 | \$ 16,255 |
| Depreciable buildings and improvements, and property and equipment, net | 114 | 441 | 401 | 241 | 205 |
| Total Housing operations | <u>24,586</u> | <u>20,464</u> | <u>18,795</u> | <u>17,851</u> | <u>16,460</u> |
| Community development (1) | | | | | |
| Land and Construction in progress | 19,159 | 5,207 | 5,147 | 7,616 | 7,599 |
| Depreciable buildings and improvements, and property and equipment, net | 12,671 | 10,634 | 10,033 | 9,511 | 9,398 |
| Total community development operations | <u>31,830</u> | <u>15,841</u> | <u>15,180</u> | <u>17,127</u> | <u>16,997</u> |
| Summary of governmental activities: | | | | | |
| Land and Construction in progress | 43,631 | 25,230 | 23,541 | 25,226 | 23,854 |
| Depreciable buildings and improvements, and property and equipment, net | 12,785 | 11,075 | 10,434 | 9,752 | 9,603 |
| Total governmental activities | <u>\$ 56,416</u> | <u>\$ 36,305</u> | <u>\$ 33,975</u> | <u>\$ 34,978</u> | <u>\$ 33,457</u> |
| Business-type activities: | | | | | |
| Local housing (1) | | | | | |
| Land and Construction in progress | \$ 5,127 | \$ 3,719 | \$ 3,720 | \$ 3,720 | \$ 3,720 |
| Depreciable buildings and improvements, and property and equipment, net | 11,561 | 13,043 | 12,746 | 12,201 | 11,644 |
| Total local housing | <u>16,688</u> | <u>16,762</u> | <u>16,466</u> | <u>15,921</u> | <u>15,364</u> |
| Public housing (2) | | | | | |
| Land and Construction in progress | 12,725 | 12,483 | 12,161 | 11,996 | 11,887 |
| Depreciable buildings and improvements, and property and equipment, net | 133,676 | 146,244 | 135,151 | 131,012 | 126,955 |
| Total public housing | <u>146,401</u> | <u>158,727</u> | <u>147,312</u> | <u>143,008</u> | <u>138,842</u> |
| Housing choice vouchers | | | | | |
| Land and Construction in progress | - | - | - | - | - |
| Depreciable buildings and improvements, and property and equipment, net | - | - | - | - | - |
| Total housing choice vouchers | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Summary of business-type activities: | | | | | |
| Land and Construction in progress | 17,852 | 16,202 | 15,881 | 15,716 | 15,606 |
| Depreciable buildings and improvements, and property and equipment, net | 145,237 | 159,287 | 147,897 | 143,213 | 138,596 |
| Total business-type activities | <u>\$ 163,089</u> | <u>\$ 175,489</u> | <u>\$ 163,778</u> | <u>\$ 158,929</u> | <u>\$ 154,202</u> |
| Total primary government | <u>\$ 219,505</u> | <u>\$ 211,794</u> | <u>\$ 197,753</u> | <u>\$ 193,907</u> | <u>\$ 187,659</u> |
| Component units: | | | | | |
| Local housing (1) | | | | | |
| Land and Construction in progress | \$ 4,500 | \$ 2,552 | \$ 2,552 | \$ 2,552 | \$ 2,552 |
| Depreciable buildings and improvements, and property and equipment, net | 77,083 | 10,519 | 9,866 | 9,213 | 8,561 |
| Total component units-local housing | <u>\$ 81,583</u> | <u>\$ 13,071</u> | <u>\$ 12,418</u> | <u>\$ 11,765</u> | <u>\$ 11,113</u> |

(1) Affordable housing

(2) Public housing

Source: Agency Finance Department

Other Supplemental Information

- **Actual Modernization Grant Cost Certificate Letters (AMCC)** - Upon expenditure by the PHA of all funds, or termination by HUD of the activities funded in a modernization program, a PHA shall submit the AMCC to HUD for review and approval (24 CFR section 968.145).
- **Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-City** - This Report sets forth certain details of the Housing Authority of the City of Sacramento (Housing Successor) activities.
- **Senate Bill 341-Low and Moderate Income Housing Asset Fund Report-County** - This Report sets forth certain details of the Housing Authority of the County of Sacramento (Housing Successor) activities.



U.S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
One Sansome Street, Suite 1200
San Francisco, California 94104-4430
www.hud.gov
espanol.hud.gov

NOV 27 2017

Ms. La Shelle Dozier
Executive Director
Sacramento City And Redevelopment Agency
801 12th Street
P.O. Box 1895
Sacramento, CA 95814

Subject: Actual Modernization Cost Certificate (AMCC)
Grant Number: CA30P00550113

Dear Ms. Dozier:

We have reviewed the Actual Modernization Cost Certificate (AMCC), form HUD-53001, for Grant CA30P00550113 and find it acceptable. Our approval for the final closeout of this project is contingent on the audit verification of the amounts reported on the AMCC. Once the audited grant information has been reviewed by the Field Office, HUD will provide your Housing Authority with a final closeout package containing a copy of the HUD approved executed AMCC and closeout letter for your records.

If you have any questions concerning this matter, please contact Todd Greene, Engineer, at todd.r.greene@hud.gov or 415-489-6438.

Sincerely,

A handwritten signature in black ink, appearing to be "Gerard R. Windt".

Gerard R. Windt
Director
Office of Public Housing

Attachment

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2017)

Capital Fund Program (CFP)

Public reporting burden for this collection of information is estimated to average 2 hours 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. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

| | |
|---|---|
| PHA Name: Housing Authority of the City of Sacramento | Modernization Project Number: CA30P00550113 |
|---|---|

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

| | |
|---|-----------------|
| A. Funds Approved | \$ 2,636,416.00 |
| B. Funds Disbursed | \$ 2,636,416.00 |
| C. Funds Expended (Actual Modernization Cost) | \$ 2,636,416.00 |
| D. Amount to be Recaptured (A-C) | \$ |
| E. Excess of Funds Disbursed (B-C) | \$ |

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;

5. That the time in which such liens could be filed has expired; and

6. That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.

7. Please mark one:

- ☒ A. This grant **will** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.
- ☐ B. This grant **will not** be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, 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, 3802)

Name & Title of Authorized Signatory (type or print clearly):

LaShelle Dozier, Executive Director

Signature of Executive Director (or Authorized Designee):

X

Date:

07/19/17

For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked):

Approved for Audit (Director, Office of Public Housing)

X

Date:

NOV 27 2017

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing)

X

Date:

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

| | | | | | |
|---|--|--|---|---|---|
| Part I: Summary | | Grant Type and Number Capital Fund Program Grant No: CA30P00550113 Replacement Housing Factor Grant No: Date of CFPP: | | FFY of Grant: 2013 FFY of Grant Approval: 2013 | |
| PHA Name: Housing Authority of the City of Sacramento | | | | | |
| Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: <input type="checkbox"/> Reserve for Disasters/Emergencies | | <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Final Performance and Evaluation Report | | | |
| Line | Summary by Development Account | Original | Total Estimated Cost Revised² | Obligated | Total Actual Cost¹ Expended |
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations (may not exceed 20% of line 21) ³ | \$ 273,496 | \$ 273,496 | \$ 273,496 | \$ 273,496 |
| 3 | 1408 Management Improvements | \$ 527,283 | \$ 524,726.99 | \$ 524,726.99 | \$ 524,726.99 |
| 4 | 1410 Administration (may not exceed 10% of line 21) | \$ 263,642 | \$ 263,642 | \$ 263,642 | \$ 263,642 |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | \$ 191,602 | \$ 194,158.01 | \$ 194,158.01 | \$ 194,158.01 |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | \$ 536,791 | \$ 537,135.85 | \$ 537,135.85 | \$ 537,135.85 |
| 10 | 1460 Dwelling Structures | \$ 843,602 | \$ 843,257.15 | \$ 843,257.15 | \$ 843,257.15 |
| 11 | 1465.1 Dwelling Equipment—Nonexpendable | | | | |
| 12 | 1470 Non-dwelling Structures | | | | |
| 13 | 1475 Non-dwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1492 Moving to Work Demonstration | | | | |
| 16 | 1495.1 Relocation Costs | | | | |
| 17 | 1499 Development Activities ⁴ | | | | |

¹ To be completed for the Performance and Evaluation Report.

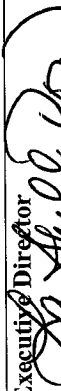

² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

| | | | |
|---|---|--|---------------------------------------|
| Part I: Summary | | FFY of Grant: 2013 FFY of Grant Approval: 2013 | |
| PHA Name: Housing Authority of the City of Sacramento | Grant Type and Number Capital Fund Program Grant No: CA30P00550113 Replacement Housing Factor Grant No: Date of CFFP: | | |
| <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: | | <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Final Performance and Evaluation Report | |
| Type of Grant | <input type="checkbox"/> Reserve for Disasters/Emergencies | | |
| Summary by Development Account | Total Estimated Cost | Revised ² | Total Actual Cost ¹ |
| Line | Original | Obligated | Expended |
| 18a | 1501 Collateralization or Debt Service paid by the PHA | | |
| 18ba | 9000 Collateralization or Debt Service paid Via System of Direct Payment | | |
| 19 | 1502 Contingency (may not exceed 8% of line 20) | | |
| 20 | Amount of Annual Grant: (sum of lines 2 - 19) | \$ 2,636,416 | \$ 2,636,416 |
| 21 | Amount of line 20 Related to LBP Activities | | |
| 22 | Amount of line 20 Related to Section 504 Activities | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | |
| Signature of Executive Director  | | Signature of Public Housing Director  | Date 07/19/17 |
| | | NOV 27 2017 | |

¹ To be completed for the Performance and Evaluation Report.

² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.

⁴ RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

| Part II: Supporting Pages | | | Federal FFY of Grant: 2013 | | | |
|--|---|--|----------------------------|----------------------|---------------------------------|--------------------------------|
| PHA Name: Housing Authority of the City of Sacramento (CA005) | | Grant Type and Number Capital Fund Program Grant No: 30P00550113 CFFP (Yes/ No): Replacement Housing Factor Grant No: | | | | |
| Development Number Name/PHA-Wide Activities | General Description of Major Work Categories | Development Account No. | Quantity | Total Estimated Cost | | Status of Work |
| | | | | Original | Revised ¹ | |
| | | | | | Funds Obligated ² | Funds Expended ² |
| PHA Wide | Operations | 1406 | | 273,496 | 273,496 | 273,496 |
| PHA Wide Mgmt | Resident Trainee Program, Yardi Sys Maintenance | 1408 | | 527,283 | 524,726.99 | 524,726.99 |
| PHA Wide | Program Administration | 1410 | | 263,642 | 263,642 | 263,642 |
| Fees & Costs | Architects & Engineers | 1430 | | 125,000 | 125,000 | 125,000 |
| | Design & Construction | 1430 | | 66,602 | 69,158.01 | 69,158.01 |
| CA005000101 (AG) | Tree Services, flr abatement, concrete | 1450 | | 167,363 | 167,363 | 167,363 |
| 2361 | Roofs/gutters, seal brick bldgs | 1460 | | 104,970 | 104,970 | 104,970 |
| CA005000102 (MV) | Tree Services, flr abatement, concrete | 1450 | | 76,790 | 76,790 | 76,790 |
| 2371 | Roofs/gutters, dryrot, paint bldgs | 1460 | | 40,000 | 40,000 | 40,000 |
| CA005000103 (MM) | Rplc glass doors at entrance, repl CR doors & remove wooden stage, repl HVAC | 1450 | | 133,970 | 133,970 | 133,970 |
| 2323 - 1725 K St | Roof/gutters | 1460 | | 78,819 | 78,819 | 78,819 |
| CA005000104 (MC) | Modernize flrs, hazmat, landscape. | 1450 | 3 units | 13,924 | 14,268.85 | 14,268.85 |
| 2485 3600 Reel | Modernize windows, siding, doors, HVAC | 1460 | 3 units | 149,918 | 149,573.15 | 149,573.15 |
| 7670 22nd Av/7722 Detroit | | | | | | |

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

² To be completed for the Performance and Evaluation Report.

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 06/30/2017

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

² To be completed for the Performance and Evaluation Report.



U.S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
One Sansome Street, Suite 1200
San Francisco, California 94104-4430
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espanol.hud.gov

NOV 27 2017

Ms. La Shelle Dozier
Executive Director
Sacramento City And Redevelopment Agency
801 12th Street
P.O. Box 1895
Sacramento, CA 95814

Subject: Actual Modernization Cost Certificate (AMCC)
Grant Number: CA30P00750113

Dear Ms. Dozier:

We have reviewed the Actual Modernization Cost Certificate (AMCC), form HUD-53001, for Grant CA30P00750113 and find it acceptable. Our approval for the final closeout of this project is contingent on the audit verification of the amounts reported on the AMCC. Once the audited grant information has been reviewed by the Field Office, HUD will provide your Housing Authority with a final closeout package containing a copy of the HUD approved executed AMCC and closeout letter for your records.

If you have any questions concerning this matter, please contact Todd Greene, Engineer, at todd.r.greene@hud.gov or 415-489-6438.

Sincerely,

A handwritten signature in black ink, appearing to be "Gerard R. Windt".

Gerard R. Windt
Director
Office of Public Housing

Attachment

Actual Modernization Cost Certificate

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB Approval No. 2577-0157 (exp. 01/31/2017)

Capital Fund Program (CFP)

Public reporting burden for this collection of information is estimated to average 2 hours 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. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to the Reports Management Officer, Paperwork Reduction Project (2577-0044 and 0157), Office of Information Technology, U.S. Department of Housing and Urban Development, Washington, D.C. 20410-3600. This agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless that collection displays a valid OMB control number.

Do not send this form to the above address.

This collection of information requires that each Housing Authority (HA) submit information to enable HUD to initiate the fiscal closeout process. The information will be used by HUD to determine whether the modernization grant is ready to be audited and closed out. The information is essential for audit verification and fiscal close out. Responses to the collection are required by regulation. The information requested does not lend itself to confidentiality.

| | |
|---|--------------------------------------|
| PHA Name: | Modernization Project Number: |
| Housing Authority of the County of Sacramento | CA30P00750113 |

The PHA hereby certifies to the Department of Housing and Urban Development as follows:

1. That the total amount of Modernization Cost (herein called the "Actual Modernization Cost") of the Modernization Grant, is as shown below:

| | |
|---|-----------------|
| A. Funds Approved | \$ 1,382,203.00 |
| B. Funds Disbursed | \$ 1,382,203.00 |
| C. Funds Expended (Actual Modernization Cost) | \$ 1,382,203.00 |
| D. Amount to be Recaptured (A-C) | \$ |
| E. Excess of Funds Disbursed (B-C) | \$ |

2. That all modernization work in connection with the Modernization Grant has been completed;

3. That the entire Actual Modernization Cost or liabilities therefor incurred by the PHA have been fully paid;

4. That there are no undischarged mechanics', laborers', contractors', or material-men's liens against such modernization work on file in any public office where the same should be filed in order to be valid against such modernization work;

5. That the time in which such liens could be filed has expired; and

6. That for any years in which the grantee is subject to the audit requirements of the Single Audit Act, 31 U.S.C. § 7501 et seq., as amended, the grantee has or will perform an audit in compliance with said requirements.

7. Please mark one:

- ☒ A. This grant will be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.
- ☐ B. This grant will not be included in the PHA's next fiscal year audit per the requirements of the Single Audit Act.

I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, 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, 3802)

Name & Title of Authorized Signatory (type or print clearly):

LaShelle Dozier, Executive Director

| | |
|---|--------------------------|
| Signature of Executive Director (or Authorized Designee): X  | Date: 07/19/17 |
|---|--------------------------|

For HUD Use Only

The Cost Certificate is approved for audit (if box 7A is marked):

Approved for Audit (Director, Office of Public Housing)

| | |
|---|--------------------------|
| X | Date: NOV 27 2017 |
|---|--------------------------|

The costs shown above agree with HUD verified costs (if box 7A or 7B is marked):

Approved: (Director, Office of Public Housing)

| | |
|---|--------------|
| X | Date: |
|---|--------------|

form HUD-53001 (10/96)
ref Handbooks 7485.1 & 3



Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

| Part I: Summary | | Grant Type and Number Capital Fund Program Grant No: CA30P00750113 Replacement Housing Factor Grant No: Date of CFFP: | | FFY of Grant: 2013 FFY of Grant Approval: 2013 | |
|---|--|--|----------------------|---|--|
| PHA Name: County of Sacramento Housing Authority (CA007) | | | | | |
| <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: | | | | | |
| Type of Grant | | <input type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Final Performance and Evaluation Report | | | |
| Line | Summary by Development Account | Original | Revised ² | Obligated | Total Actual Cost ¹ Expended |
| 1 | Total non-CFP Funds | | | | |
| 2 | 1406 Operations (may not exceed 20% of line 21) ³ | \$ 276,441 | \$ 276,441 | \$ 276,441 | \$ 276,441 |
| 3 | 1408 Management Improvements | \$ 276,441 | \$ 276,441 | \$ 276,441 | \$ 276,441 |
| 4 | 1410 Administration (may not exceed 10% of line 21) | \$ 138,220 | \$ 138,220 | \$ 138,220 | \$ 138,220 |
| 5 | 1411 Audit | | | | |
| 6 | 1415 Liquidated Damages | | | | |
| 7 | 1430 Fees and Costs | \$ 12,000 | \$ 12,674.38 | \$ 12,674.38 | \$ 12,674 |
| 8 | 1440 Site Acquisition | | | | |
| 9 | 1450 Site Improvement | \$ 203,295 | \$ 169,014.62 | \$ 169,014.62 | \$ 169,014.62 |
| 10 | 1460 Dwelling Structures | \$ 475,806 | \$ 509,412 | \$ 509,412.00 | \$ 509,412.00 |
| 11 | 1465.1 Dwelling Equipment—Nonexpendable | | | | |
| 12 | 1470 Non-dwelling Structures | | | | |
| 13 | 1475 Non-dwelling Equipment | | | | |
| 14 | 1485 Demolition | | | | |
| 15 | 1492 Moving to Work Demonstration | | | | |
| 16 | 1495.1 Relocation Costs | | | | |
| 17 | 1499 Development Activities ⁴ | | | | |

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFP Grants for operations.
⁴ RHF funds shall be included here.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
 Office of Public and Indian Housing
 OMB No. 2577-0226
Expires 4/30/2011

| | | | | | | | |
|---|--|---|-----------------|---|------------------|---|-----------------|
| Part I: Summary | | | | | | FFY of Grant: 2013 FFY of Grant Approval: 2013 | |
| PHA Name: Housing Authority of the County of Sacramento | | Grant Type and Number Capital Fund Program Grant No: CA30P00750113 Replacement Housing Factor Grant No: Date of CFFP: | | | | | |
| Type of Grant <input type="checkbox"/> Original Annual Statement <input type="checkbox"/> Performance and Evaluation Report for Period Ending: | | | | <input type="checkbox"/> Reserve for Disasters/Emergencies <input checked="" type="checkbox"/> Revised Annual Statement (revision no:) <input checked="" type="checkbox"/> Final Performance and Evaluation Report | | | |
| Line | Summary by Development Account | Total Estimated Cost | Original | Revised ² | Obligated | Total Actual Cost ¹ | Expended |
| 18a | 1501 Collateralization or Debt Service paid by the PHA | | | | | | |
| 18ba | 9000 Collateralization or Debt Service paid Via System of Direct Payment | | | | | | |
| 19 | 1502 Contingency (may not exceed 8% of line 20) | | | | | | |
| 20 | Amount of Annual Grant: (sum of lines 2 - 19) | \$1,382,203 | | \$1,382,203 | \$1,382,203 | \$1,382,203 | |
| 21 | Amount of line 20 Related to LBP Activities | | | | | | |
| 22 | Amount of line 20 Related to Section 504 Activities | | | | | | |
| 23 | Amount of line 20 Related to Security - Soft Costs | | | | | | |
| 24 | Amount of line 20 Related to Security - Hard Costs | | | | | | |
| 25 | Amount of line 20 Related to Energy Conservation Measures | | | | | | |
| Signature of Executive Director  | | Date 07/19/17 | | Signature of Public Housing Director  | | Date NOV 27 2017 | |

¹ To be completed for the Performance and Evaluation Report.
² To be completed for the Performance and Evaluation Report or a Revised Annual Statement.
³ PHAs with under 250 units in management may use 100% of CFFP Grants for operations.
⁴ RHF funds shall be included here.

| Part II: Supporting Pages | | | Federal FFY of Grant: 2013 | | | |
|---|--|--|----------------------------|----------------------|---------------------------------|--------------------------------|
| PHA Name: Housing Authority of the County of Sacramento | | Grant Type and Number Capital Fund Program Grant No: CA30P00750113 CFPP (Yes/ No): Replacement Housing Factor Grant No: | | | | |
| Development Number Name/PHA-Wide Activities | General Description of Major Work Categories | Development Account No. | Quantity | Total Estimated Cost | | Status of Work |
| | | | | Original | Revised ¹ | |
| | | | | | Funds Obligated ² | Funds Expended ² |
| PHA Wide | Operations | 1406 | | 276,441 | 276,441 | 276,441 |
| PHA Wide Mgmt | Resident Trainee Program, Yardi System Maintenance | 1408 | | 276,441 | 276,441 | 276,441 |
| PHA Wide | Program Administration | 1410 | | 138,220 | 138,220 | 138,220 |
| Fees & Costs | Architects & Engineers | 1430 | | 1,900 | 1,900 | 1,900 |
| | Design & Construction | 1430 | | 10,100 | 10,774.38 | 10,774.38 |
| | | | | | | |
| CA007000205 - PL 2412 | 6433 Lang Ave - Dry rot repair | 1460 | | 46,947 | 46,947 | 46,947 |
| CA007000201 - TR 2471 | Tree Services, parking lots Rehab fire units 522-524 Eliza St | 1450 1460 | | 136,117 100,000 | 131,120 104,997 | 131,120 104,997 |
| CA007000202 - RG 2426 | 1517 Bell St - HVAC units | 1460 1450 | 9 | 57,771 0 | 57,771 0 | 57,771 |
| CA007000203 - SR 2431 - Beech Av | Replace vertical heat pumps | 1460 | | 0 | | |
| 2434 - 7554 Cook Av | Roofs, gutters, leaf guards, downspouts | 1460 | | 73,165 | 73,165 | 73,165 |
| | | 1460 | | 0 | 0 | |

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

² To be completed for the Performance and Evaluation Report.

Annual Statement/Performance and Evaluation Report
Capital Fund Program, Capital Fund Program Replacement Housing Factor and
Capital Fund Financing Program

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing
OMB No. 2577-0226
Expires 4/30/2011

| Part II: Supporting Pages | | | | | | |
|---|--|---|----------|----------------------|----------------------------|---------------------------------|
| PHA Name: Housing Authority of the County of Sacramento | | Grant Type and Number Capital Fund Program Grant No: CA30P00550113 CFPP (Yes/No): Replacement Housing Factor Grant No: | | | Federal FFY of Grant: 2013 | |
| Development Number Name/PHA-Wide Activities | General Description of Major Work Categories | Development Account No. | Quantity | Total Estimated Cost | | Status of Work |
| | | | | Original | Revised ¹ | Funds Obligated ² |
| 2436 - 6649 Sunrise Bl | Roofs, gutters, leaf guards, downspouts | 1460 | | 72,275 | 101,558 | 101,558 |
| 2438 - 6054 Shupe | Fence | 1450 | | 8,228 | 8,228 | 8,228 |
| 2439- 6519 Main St | Seal & restripe parking lot | 1450 | | 0 | 0 | |
| 2442 - Manzanita | Remove & replace decks | 1450 | | 14,244 | 14,244 | 14,244 |
| 2451-2605 El Parq ue | Water damage restoration unit #3; dumpster enclosures | 1450 | | 34,504 | 5,220.62 | 5,220.62 |
| | Replace roofs, gutters/guards | 1460 | 3 Bldgs | 65,107 | 32,400 | 32,400 |
| | | | | 0 | | |
| 2459 - Portsmouth | Wood fence patioenclosure & pass gate | 1450 | | 10,202 | 10,202 | 10,202 |
| | Replace HVACs/roofs, gutters & guards | 1460 | 9 units | 60,541 | 92,574 | 92,574 |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

¹ To be completed for the Performance and Evaluation Report or a Revised Annual Statement.

² To be completed for the Performance and Evaluation Report.

SENATE BILL 341 - LOW AND MODERATE INCOME HOUSING ASSET FUND REPORT

PURSUANT TO SECTION 34176.1(F) OF THE CALIFORNIA HEALTH AND SAFETY CODE FOR THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO FOR THE YEAR ENDED DECEMBER 31, 2017

The following Financial Report (Report) of the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to Section 34176.1(f) of the California Health and Safety Code and is dated May 25, 2018. This Report sets forth certain details of the Housing Authority of the City of Sacramento (Housing Successor) activities for the year ended December 31, 2017 (Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular Sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information contained within the Sacramento Housing and Redevelopment Agency's audit (Audit) for the year ended December 31, 2017 as prepared by management and conforms with – and is organized into the following 11 sections pursuant to Section 34176.1(f) of the Dissolution Law:

- I. Amount Deposited into LMIHAF:** This section provides the total amount of funds deposited into the LMIHAF during the Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.
- II. Ending Balance in the LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.
- III. Description of Expenditures from the LMIHAF:** This section provides a description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).
- IV. Statutory Value of Assets Owned by Housing Successor:** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

- V. **Description of Transfers:** This section provides a description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous Year and, if still unencumbered, in earlier Years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.
- VI. **Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.
- VII. **Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, a status update on the project.
- VIII. **Description of Outstanding Obligations Pursuant to Section 33413:** This section provides a description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.
- IX. **Extremely-Low Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.
- X. **Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former redevelopment agency and its host jurisdiction within the same time period.
- XI. **Excess Surplus Test:** This section provides the amount of any excess surplus, the amount of time that the Housing Successor has had excess surplus and the Housing Successor's plan for eliminating the excess surplus.

This Report is to be provided to the Housing Successor's governing body by June 30, 2018. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the Agency's website at www.shra.org.

I. AMOUNT DEPOSITED INTO LMIHAF

A total of \$2,230,448 was deposited into the LMIHAF during the Year. Of the total funds deposited into the LMIHAF, a total of \$1,351,062 was related to items listed on the ROPS.

II. ENDING BALANCE IN THE LMIHAF

Since this section does not define what “balance” is required, the fund balances presented in the LMIHAF are presented and detailed into their component amounts as follows as of December 31, 2017:

| Components of Fund Balance | Amount |
|----------------------------|--------------|
| Restricted for Housing | \$75,876,475 |

Note: Of the \$75.9 million fund balance restricted for housing, approximately \$60.0 million represents the net loans receivable balance and \$2.4 million represent bond proceeds being held for future development of low and moderate income housing.

III. DESCRIPTION OF EXPENDITURES FROM THE LMIHAF

The following is a description of expenditures from the LMIHAF by category as of December 31, 2017:

| Category | Amount |
|---|--------------|
| Monitoring & Administration Expenditures | \$ 1,411,897 |
| Homeless Prevention and Rapid Rehousing Services Expenditures | 131,891 |
| Housing Development Expenditures | - |
| Total LMIHAF Expenditures in the Year | \$ 1,543,788 |

IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR

Under the Dissolution Law and for purposes of this Report, “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer form approved by the Department of Finance by the housing asset transfer schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of properties purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor.

| | Amount |
|---|--------------|
| Statutory Value of Real Property Owned by Housing Authority | \$10,188,733 |
| Value of Loans and Grants Receivable | 60,194,001 |
| Total Value of Housing Successor Assets | \$70,382,734 |

V. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successors pursuant to Section 34176.1(c)(2) during the Year.

VI. PROJECT DESCRIPTIONS

The Housing Successor did not receive nor currently holds any tax revenues pursuant to the ROPS during the Year.

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 33334.16 requires that real property acquired using the LMIHAF must initiate activities consistent with the development of the property for the purpose for which it was acquired within five years from the date it first acquired the property.

The following provides a status update on the property or properties that have been acquired using LMIHAF prior to February 1, 2012:

| Street # | Street Name | Date of Acquisition | Deadline to Initiate Development Activity | Status of Housing Successor Activity |
|----------|-------------|---------------------|---|---|
| 0 | A Street | 07/31/1995 | 7/31/2000 | no activity |
| 1400 | N. B St | 10/21/2011 | 10/21/2016 | Sold 6/28/2016 |
| 1224 | D Street | 03/04/1985 | 3/5/1990 | no activity |
| 1017 | 10th Street | 06/13/1994 | 6/14/1999 | Shasta Hotel - land only. Bldg & improvements owned by Shasta Hotel Investors Partnership |
| 1614 | K Street | 04/20/1988 | 4/21/1993 | Sold 5/3/2017 |
| 2936 | 38th Street | 12/19/1994 | 12/20/1999 | Sold 7/11/2017 |
| 2942 | 38th Street | 12/19/1994 | 12/20/1999 | Sold 7/11/2017 |

| | | | | |
|------|----------------|------------|------------|--|
| 3900 | Broadway | 10/29/1982 | 10/30/1987 | Developer Chosen 4/10/2017 |
| 3025 | 39th Street | 02/23/1995 | 2/24/2000 | Developer Chosen 4/10/2017 |
| 3023 | 39th Street | 02/23/1995 | 2/24/2000 | Developer Chosen 4/10/2017 |
| 3021 | 39th Street | 01/30/2001 | 1/31/2006 | Developer Chosen 4/10/2017 |
| 3908 | Broadway | 10/29/1982 | 10/30/1987 | Developer Chosen 4/10/2017 |
| 4501 | 9th Avenue | 03/21/1986 | 3/22/1991 | Developer Chosen 4/10/2017 |
| 5266 | Young Street | 2/17/2011 | 2/18/2016 | no activity |
| 5270 | Young Street | 5/8/2009 | 5/9/2014 | no activity |
| 5300 | Young Street | 9/21/2010 | 9/22/2015 | no activity |
| 5320 | Young Street | 5/20/2010 | 5/21/2015 | no activity |
| 5340 | Young Street | 9/21/2010 | 9/22/2015 | no activity |
| 3515 | ALBERGHINI ST | 2/2/2009 | 2/3/2014 | new subdivision map & APN's issued 6/19/2014 |
| 3521 | ALBERGHINI ST | 2/2/2009 | 2/3/2014 | new subdivision map & APN's issued 6/19/2014 |
| 3509 | ALBERGHINI ST | 5/31/2006 | 6/1/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3500 | ALBERGHINI ST | 6/3/2005 | 6/4/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3506 | ALBERGHINI ST | 6/3/2005 | 6/4/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3510 | ALBERGHINI ST | 6/3/2005 | 6/4/2010 | Sold 3/8/2017 |
| 3516 | ALBERGHINI ST | 6/3/2005 | 6/4/2010 | Sold 3/8/2017 |
| 3520 | ALBERGHINI ST | 6/3/2005 | 6/4/2010 | Sold 3/8/2017 |
| 3524 | ALBERGHINI ST | 6/3/2005 | 6/4/2010 | Sold 3/8/2017 |
| 3523 | HARRY BLOCK ST | 7/20/2008 | 7/21/2013 | new subdivision map & APN's issued 6/19/2014 |
| 3519 | HARRY BLOCK ST | 10/24/2005 | 10/25/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3515 | HARRY BLOCK ST | 10/24/2005 | 10/25/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3509 | HARRY BLOCK ST | 10/24/2005 | 10/25/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3505 | HARRY BLOCK ST | 10/24/2005 | 10/25/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3501 | HARRY BLOCK ST | 10/24/2005 | 10/25/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3500 | HARRY BLOCK ST | 10/24/2005 | 10/25/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3506 | HARRY BLOCK ST | 10/24/2005 | 10/25/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3510 | HARRY BLOCK ST | 10/24/2005 | 10/25/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3516 | HARRY BLOCK ST | 10/24/2005 | 10/25/2010 | new subdivision map & APN's issued 6/19/2014 |

| | | | | |
|------|------------------|------------|------------|--|
| 3520 | HARRY BLOCK ST | 10/24/2005 | 10/25/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3524 | HARRY BLOCK ST | 10/24/2005 | 10/25/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3523 | JIMMY POPE AV | 2/16/2006 | 2/17/2011 | Sold 3/8/2017 |
| 3519 | JIMMY POPE AV | 2/16/2006 | 2/17/2011 | Sold 3/8/2017 |
| 3515 | JIMMY POPE AV | 2/16/2006 | 2/17/2011 | Sold 3/8/2017 |
| 3509 | JIMMY POPE AV | 2/16/2006 | 2/17/2011 | Sold 3/8/2017 |
| 3505 | JIMMY POPE AV | 2/16/2006 | 2/17/2011 | Sold 3/8/2017 |
| 3501 | JIMMY POPE AV | 2/16/2006 | 2/17/2011 | Sold 3/8/2017 |
| 3500 | JIMMY POPE AV | 2/25/2002 | 2/26/2007 | Sold 3/8/2017 |
| 3516 | JIMMY POPE AV | 2/25/2002 | 2/26/2007 | Sold 3/8/2017 |
| 3520 | JIMMY POPE AV | 11/1/2007 | 11/1/2012 | Sold 3/8/2017 |
| 3524 | JIMMY POPE AV | 12/13/2007 | 12/13/2012 | Sold 3/8/2017 |
| 704 | SOUTH AV | 10/28/2005 | 10/29/2010 | new subdivision map & APN's issued 6/19/2014 |
| 705 | FRAN BARKER AV | 10/28/2005 | 10/29/2010 | new subdivision map & APN's issued 6/19/2014 |
| 711 | FRAN BARKER AV | 5/19/2006 | 5/20/2011 | new subdivision map & APN's issued 6/19/2014 |
| 725 | FRAN BARKER AV | 8/29/2007 | 8/29/2012 | new subdivision map & APN's issued 6/19/2014 |
| 735 | FRAN BARKER AV | 3/28/2008 | 3/29/2013 | new subdivision map & APN's issued 6/19/2014 |
| 601 | FRAN BARKER AV | 4/28/2010 | 4/29/2015 | new subdivision map & APN's issued 6/19/2014 |
| 751 | FRAN BARKER AV | 6/22/2005 | 6/23/2010 | new subdivision map & APN's issued 6/19/2014 |
| 750 | FRAN BARKER AV | 6/22/2005 | 6/23/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3450 | TAYLOR ST | 6/30/2005 | 7/1/2010 | new subdivision map & APN's issued 6/19/2014 |
| 612 | JOHNNIE MORRIS A | 5/30/2006 | 5/31/2011 | new subdivision map & APN's issued 6/19/2014 |
| 618 | JOHNNIE MORRIS A | 1/30/2006 | 1/31/2011 | new subdivision map & APN's issued 6/19/2014 |
| 624 | JOHNNIE MORRIS A | 1/30/2006 | 1/31/2011 | new subdivision map & APN's issued 6/19/2014 |
| 630 | JOHNNIE MORRIS A | 1/30/2006 | 1/31/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3415 | LOUISE WILLIAMS | 1/30/2006 | 1/31/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3407 | LOUISE WILLIAMS | 1/30/2006 | 1/31/2011 | new subdivision map & APN's issued 6/19/2014 |

| | | | | |
|------|------------------|------------------------|------------|--|
| 3400 | LOUISE WILLIAMS | 6/30/2005 | 7/1/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3406 | LOUISE WILLIAMS | 6/30/2005 | 7/1/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3412 | LOUISE WILLIAMS | 6/30/2005 | 7/1/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3418 | LOUISE WILLIAMS | 6/30/2005 | 7/1/2010 | new subdivision map & APN's issued 6/19/2014 |
| 636 | JOHNNIE MORRIS A | 6/30/2005 | 7/1/2010 | new subdivision map & APN's issued 6/19/2014 |
| 642 | JOHNNIE MORRIS A | 11/20/2006 | 11/21/2011 | new subdivision map & APN's issued 6/19/2014 |
| 648 | JOHNNIE MORRIS A | 11/20/2006 | 11/21/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3401 | ALBERGHINI ST | 2/9/2006 10/23/2007 | 10/23/2012 | new subdivision map & APN's issued 6/19/2014 |
| 3405 | ALBERGHINI ST | 2/9/2006 | 2/10/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3409 | ALBERGHINI ST | 2/9/2006 | 2/10/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3424 | ALBERGHINI ST | 4/6/2006 | 4/7/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3420 | ALBERGHINI ST | 4/6/2006 | 4/7/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3416 | ALBERGHINI ST | 4/6/2006 | 4/7/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3410 | ALBERGHINI ST | 4/6/2006 | 4/7/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3406 | ALBERGHINI ST | 4/6/2006 | 4/7/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3400 | ALBERGHINI ST | 4/6/2006 | 4/7/2011 | new subdivision map & APN's issued 6/19/2014 |
| 631 | JOHNNIE MORRIS A | 2/1/2006 | 2/2/2011 | new subdivision map & APN's issued 6/19/2014 |
| 637 | JOHNNIE MORRIS A | 2/1/2006 | 2/2/2011 | new subdivision map & APN's issued 6/19/2014 |
| 643 | JOHNNIE MORRIS A | 6/30/2006 | 7/1/2011 | new subdivision map & APN's issued 6/19/2014 |
| 649 | JOHNNIE MORRIS A | 6/30/2006 | 7/1/2011 | new subdivision map & APN's issued 6/19/2014 |
| 655 | JOHNNIE MORRIS A | 6/30/2006 | 7/1/2011 | new subdivision map & APN's issued 6/19/2014 |
| 707 | JOHNNIE MORRIS A | 3/16/2006 | 3/17/2011 | new subdivision map & APN's issued 6/19/2014 |

| | | | | |
|------|------------------|--------------------------|------------|---|
| 711 | JOHNNIE MORRIS A | 2/1/2006 | 2/2/2011 | new subdivision map & APN's issued 6/19/2014 |
| 719 | JOHNNIE MORRIS A | 8/21/2007 | 8/21/2012 | new subdivision map & APN's issued 6/19/2014 |
| 727 | JOHNNIE MORRIS A | 8/21/2007 | 8/21/2012 | new subdivision map & APN's issued 6/19/2014 |
| 733 | JOHNNIE MORRIS A | 5/22/2008 | 5/23/2013 | new subdivision map & APN's issued 6/19/2014 |
| 739 | JOHNNIE MORRIS A | 5/22/2008 | 5/23/2013 | new subdivision map & APN's issued 6/19/2014 |
| 734 | HAYES AV | 2/1/2006 | 2/2/2011 | new subdivision map & APN's issued 6/19/2014 |
| 3433 | ALTOS AV | 10/13/2005 | 10/14/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3401 | LOUISE WILLIAMS | 6/30/2005 | 7/1/2010 | new subdivision map & APN's issued 6/19/2014 |
| 605 | JOHNNIE MORRIS A | 6/30/2005 | 7/1/2010 | new subdivision map & APN's issued 6/19/2014 |
| 3419 | ALBERGHINI ST | 4/6/2006 | 4/7/2011 | new subdivision map & APN's issued 6/19/2014 |
| 701 | JOHNNIE MORRIS A | 4/25/2006 | 4/26/2011 | new subdivision map & APN's issued 6/19/2014 |
| 735 | JOHNNIE MORRIS A | 10/13/2005 10/23/2007 | 10/23/2012 | new subdivision map & APN's issued 6/19/2014 |
| | Ford Road | 06/14/2000 | 6/15/2005 | Developer RFP 2014 |
| | Carroll Avenue | 10/01/1998 | 10/2/2003 | Developer RFP 2014 |
| 3368 | Taylor St | 1/26/2009 | 1/27/2014 | home is leased by Housing Authority as low income housing |
| 3374 | Taylor St | 1/26/2009 | 1/27/2014 | home is leased by Housing Authority as low income housing |
| 3380 | Taylor St | 1/26/2009 | 1/27/2014 | home is leased by Housing Authority as low income housing |
| 608 | Ford Rd | 1/26/2009 | 1/27/2014 | home is leased by Housing Authority as low income housing |
| 612 | Ford Rd | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 3381 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 3375 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 3369 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 3363 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 3357 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 3351 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 3345 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 3339 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 3333 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 3327 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |

| | | | | |
|------|------------------|-----------|-----------|--------------------|
| 3321 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 3315 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 3307 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 3301 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 615 | Carroll Ave | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 609 | Carroll Ave | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3300 | Taylor St | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3308 | Taylor St | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3316 | Taylor St | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 593 | Carroll Ave | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3311 | Taylor St | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3301 | Taylor St | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 639 | Carroll Ave | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3300 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3308 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3316 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 660 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 671 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 667 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 661 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 653 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 641 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Sold 7-11-2016 |
| 640 | Dora Hunting Ave | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 654 | Dora Hunting Ave | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 660 | Dora Hunting Ave | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 668 | Dora Hunting Ave | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 672 | Dora Hunting Ave | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 641 | Dora Hunting Ave | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 653 | Dora Hunting Ave | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 661 | Dora Hunting Ave | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 667 | Dora Hunting Ave | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 673 | Dora Hunting Ave | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 640 | Ford Rd | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 654 | Ford Rd | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 660 | Ford Rd | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 668 | Ford Rd | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 674 | Ford Rd | 1/26/2009 | 1/27/2014 | Sold 7-7-2015 |
| 3360 | Dorothy Hill St | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 3354 | Dorothy Hill St | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 3346 | Dorothy Hill St | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 3340 | Dorothy Hill St | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 701 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 707 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 715 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |

| | | | | |
|------|---------------------|------------|------------|--------------------|
| 721 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 727 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 733 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 739 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 745 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 3 | Mary Watts Ct | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 9 | Mary Watts Ct | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 15 | Mary Watts Ct | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 14 | Mary Watts Ct | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 2 | Mary Watts Ct | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 744 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 750 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 756 | Wendell Echols W | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 3279 | Taylor Rd | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 565 | Charles Bradley Way | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 569 | Charles Bradley Way | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 573 | Charles Bradley Way | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 3272 | Taylor St | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 3278 | Taylor St | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 3284 | Taylor St | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 3290 | Taylor St | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 3296 | Taylor St | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 608 | Carroll Ave | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 607 | Charles Bradley Way | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 611 | Charles Bradley Way | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 614 | Carroll Ave | 1/26/2009 | 1/27/2014 | Developer RFP 2014 |
| 3295 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3289 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3283 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3277 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3271 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3272 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3278 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3284 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3290 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3296 | Auntine Burney S | 1/26/2009 | 1/27/2014 | Sold 7/11/2017 |
| 3637 | Rio Linda Blvd | 11/01/2004 | 11/2/2009 | no activity |
| 3633 | Rio Linda Blvd | 11/01/2004 | 11/2/2009 | no activity |
| 3629 | Rio Linda Blvd. | 4/4/2008 | 4/5/2013 | no activity |
| 3617 | Rio Linda Blvd | 2/14/1990 | 2/15/1995 | no activity |
| | Rio Linda Blvd | 11/01/2004 | 11/2/2009 | no activity |
| 3605 | Rio Linda Blvd | 11/01/2004 | 11/2/2009 | no activity |
| 3601 | Rio Linda Blvd | 12/17/1990 | 12/18/1995 | no activity |
| 3621 | Rio Linda Blvd | 08/24/2007 | 8/24/2012 | no activity |

| | | | | |
|------|------------------|------------|------------|--------------------|
| 0 | South Avenue | 11/10/2009 | 11/11/2014 | no activity |
| 801 | South Avenue | 05/25/2007 | 5/25/2012 | no activity |
| 324 | Fairbanks Avenue | 08/11/1993 | 8/12/1998 | Developer RFP 2014 |
| 1737 | Kathleen Avenue | 11/5/2008 | 11/6/2013 | Sold 12/29/2017 |
| 58 | Arden Way | 01/30/1991 | 1/31/1996 | no activity |

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

According to the 2011 Implementation Plan for the former redevelopment agency, no replacement housing obligations were transferred to the Housing Successor.

IX. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the Area Median Income (AMI). If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five year report, then the Housing Successor must ensure that at least 50% of the remaining LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

X. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds to assist additional senior housing units until the Housing Successor or City assists and construction has commenced a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10 year period of January 1, 2007 through December 31, 2016:

| | 1/1/2008 – 12/31/2017 |
|-----------------------------------|-----------------------|
| # of Assisted Senior Rental Units | 531 |
| # of Total Assisted Rental Units | 1,905 |
| Senior Housing Percentage | 27.9% |

XI. EXCESS SURPLUS TEST

The LMIHAF does not have Excess Surplus.

SENATE BILL 341 - LOW AND MODERATE INCOME HOUSING ASSET FUND REPORT

PURSUANT TO SECTION 34176.1(F) OF THE CALIFORNIA HEALTH AND SAFETY CODE FOR THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO FOR THE YEAR ENDED DECEMBER 31, 2017

The following Financial Report (Report) of the Low and Moderate Income Housing Asset Fund (LMIHAF) has been prepared pursuant to Section 34176.1(f) of the California Health and Safety Code and is dated May 25, 2018. This Report sets forth certain details of the Housing Authority of the County of Sacramento (Housing Successor) activities for the year ended December 31, 2017 (Year). The purpose of this Report is to provide the governing body of the Housing Successor an annual report on the housing assets and activities of the Housing Successor under Part 1.85, Division 24 of the California Health and Safety Code, in particular Sections 34176 and 34176.1 (Dissolution Law).

The following Report is based upon information contained within the Sacramento Housing and Redevelopment Agency's audit (Audit) for the year ended December 31, 2017 as prepared by management and conforms with – and is organized into the following 11 sections pursuant to Section 34176.1(f) of the Dissolution Law:

- I. **Amount Deposited into LMIHAF:** This section provides the total amount of funds deposited into the LMIHAF during the Year. Any amounts deposited for items listed on the Recognized Obligation Payment Schedule (ROPS) must be distinguished from the other amounts deposited.
- II. **Ending Balance in the LMIHAF:** This section provides a statement of the balance in the LMIHAF as of the close of the Year. Any amounts deposited for items listed on the ROPS must be distinguished from the other amounts deposited.
- III. **Description of Expenditures from the LMIHAF:** This section provides a description of expenditures from the fund by category, including, but not limited to, expenditures (A) for monitoring and preserving the long-term affordability of units subject to affordability restrictions or covenants entered into by the redevelopment agency or the housing successor and administering the activities described in paragraphs (2) and (3) of subdivision (a), (B) for homeless prevention and rapid rehousing services for the development of housing described in paragraph (2) of subdivision (a), and (C) for the development of housing pursuant to paragraph (3) of subdivision (a).
- IV. **Statutory Value of Assets Owned by Housing Successor:** This section provides the statutory value of real property owned by the Housing Successor, the value of loans and grants receivables, and the sum of these two amounts.

- V. **Description of Transfers:** This section provides a description of any transfers made pursuant to paragraph (2) of subdivision (c) in the previous Year and, if still unencumbered, in earlier Years and a description of and status update on any project for which transferred funds have been or will be expended if that project has not yet been placed in service.
- VI. **Project Descriptions:** This section describes any project for which the Housing Successor receives or holds property tax revenue pursuant to the ROPS and the status of that project.
- VII. **Status of Compliance with Section 33334.16:** This section provides a status update on compliance with Section 33334.16 for interests in real property acquired by the former redevelopment agency prior to February 1, 2012. For interests in real property acquired on or after February 1, 2012, a status update on the project.
- VIII. **Description of Outstanding Obligations Pursuant to Section 33413:** This section provides a description of any outstanding obligations pursuant to Section 33413 that remained to transfer to the housing successor on February 1, 2012, of the housing successor's progress in meeting those obligations, and of the housing successor's plans to meet unmet obligations. In addition, the housing successor shall include in the report posted on its Internet Web site the implementation plans of the former redevelopment agency.
- IX. **Extremely-Low Income Test:** This section provides the information required by Section 34176.1(a)(3)(B), or a description of expenditures by income restriction for five year period, with the time period beginning January 1, 2014 and whether the statutory thresholds have been met. However, reporting of the Income Test is not required until 2019.
- X. **Senior Housing Test:** This section provides the percentage of units of deed-restricted rental housing restricted to seniors and assisted individually or jointly by the Housing Successor, its former redevelopment Agency, and its host jurisdiction within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted individually or jointly by the Housing Successor, its former redevelopment agency and its host jurisdiction within the same time period.
- XI. **Excess Surplus Test:** This section provides the amount of any excess surplus, the amount of time that the Housing Successor has had excess surplus and the Housing Successor's plan for eliminating the excess surplus.

This Report is to be provided to the Housing Successor's governing body by June 30, 2018. In addition, this Report and the former redevelopment agency's pre-dissolution Implementation Plans are to be made available to the public on the Agency's website at www.shra.org.

I. AMOUNT DEPOSITED INTO LMIHAF

A total of \$485,536 was deposited into the LMIHAF during the Year. Of the total funds deposited into the LMIHAF, a total of \$446,000 was related to items listed on the ROPS.

II. ENDING BALANCE IN THE LMIHAF

Since this section does not define what “balance” is required, the fund balances presented in the LMIHAF are presented and detailed into their component amounts as follows as of December 31, 2017:

| Components of Fund Balance | Amount |
|----------------------------|--------------|
| Restricted for Housing | \$16,653,123 |

Note: Of the \$16.7 million fund balance restricted for housing, approximately \$15.9 million represents the net loans receivable balance.

III. DESCRIPTION OF EXPENDITURES FROM THE LMIHAF

The following is a description of expenditures from the LMIHAF by category as of December 31, 2017:

| Category | Amount |
|--|------------|
| Monitoring & Administration Expenditures | \$ 460,920 |
| Total LMIHAF Expenditures in the Year | \$ 460,920 |

IV. STATUTORY VALUE OF ASSETS OWNED BY HOUSING SUCCESSOR

Under the Dissolution Law and for purposes of this Report, “statutory value of real property” means the value of properties formerly held by the former redevelopment agency as listed on the housing asset transfer form approved by the Department of Finance by the housing asset transfer schedule under Section 34176(a)(2), the value of the properties transferred to the Housing Successor pursuant to Section 34181(f), and the purchase price of properties purchased by the Housing Successor. Further, the value of loans and grants receivable is included in these reported assets held in the LMIHAF.

The following provides the statutory value of assets owned by the Housing Successor.

| | Amount |
|---|--------------|
| Statutory Value of Real Property Owned by Housing Authority | \$ 2,149,805 |
| Value of Loans and Grants Receivable | 15,868,000 |
| Total Value of Housing Successor Assets | \$18,017,805 |

V. DESCRIPTION OF TRANSFERS

The Housing Successor did not make any LMIHAF transfers to other Housing Successors pursuant to Section 34176.1(c)(2) during the Year.

VI. PROJECT DESCRIPTIONS

The Housing Successor did not receive nor currently holds any tax revenues pursuant to the ROPS during the Year.

VII. STATUS OF COMPLIANCE WITH SECTION 33334.16

Section 33334.16 requires that real property acquired using the LMIHAF must initiate activities consistent with the development of the property for the purpose for which it was acquired within five years from the date it first acquired the property.

The following provides a status update on the property or properties that have been acquired using LMIHAF prior to February 1, 2012:

| Street # | Street Name | Date of Acquisition | Deadline to Initiate Development Activity | Status of Housing Successor Activity |
|----------|---------------|---------------------|---|--------------------------------------|
| 5258 | Young St | 07/30/2010 | 7/30/2015 | no activity |
| 5716 | Stockton Blvd | 7/30/2008 | 7/30/2013 | no activity |
| 0 | Elkhorn Blvd | 10/3/2007 | 10/2/2012 | Sold 6/13/2017 |

VIII. DESCRIPTION OF OUTSTANDING OBLIGATIONS PURSUANT TO SECTION 33413

According to the 2011 Implementation Plan for the former redevelopment agency, no replacement housing obligations were transferred to the Housing Successor.

IX. EXTREMELY-LOW INCOME TEST

Section 34176.1(a)(3)(B) requires that the Housing Successor must require at least 30% of the LMIHAF to be expended for development of rental housing affordable to and occupied by households earning 30% or less of the Area Median Income (AMI). If the Housing Successor fails to comply with the Extremely-Low Income requirement in any five year report, then the Housing Successor must ensure that at least 50% of the remaining LMIHAF be expended in each fiscal year following the latest fiscal year following the report on households earning 30% or less of the AMI until the Housing Successor demonstrates compliance with the Extremely-Low Income requirement. This information is not required to be reported until 2019 for the 2014 – 2019 period.

X. SENIOR HOUSING TEST

The Housing Successor is to calculate the percentage of units of deed-restricted rental housing restricted to seniors and assisted by the Housing Successor, the former redevelopment agency and/or the City within the previous 10 years in relation to the aggregate number of units of deed-restricted rental housing assisted by the Housing Successor, the former redevelopment agency and/or City within the same time period. If this percentage exceeds 50%, then the Housing Successor cannot expend future funds to assist additional senior housing units until the Housing Successor or City assists and construction has commenced a number of restricted rental units that is equal to 50% of the total amount of deed-restricted rental units.

The following provides the Housing Successor's Senior Housing Test for the 10 year period of January 1, 2007 through December 31, 2017:

| | 1/1/2008 – 12/31/2017 |
|-----------------------------------|-----------------------|
| # of Assisted Senior Rental Units | 248 |
| # of Total Assisted Rental Units | 1,175 |
| Senior Housing Percentage | 20.7% |

XI. EXCESS SURPLUS TEST

The LMIHAF does not have Excess Surplus.

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