



October 14, 2018

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

2019 Sacramento Housing and Redevelopment Agency Proposed Budget

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendation outlined in the attached report.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
November 6, 2018

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

From: Sacramento Housing and Redevelopment Agency

Subject: 2019 Sacramento Housing And Redevelopment Agency  
Proposed Budget

Supervisory  
District(s): All

Contact: La Shelle Dozier, Executive Director, 440-1319  
Russ Robertson, Director of Finance, 449-6256

**RECOMMENDED ACTION**

Conduct a public hearing and upon conclusion adopt: 1) a **Board of Supervisors Resolution** a) approving the 2019 Proposed budget for the Sacramento Housing and Redevelopment Agency , b) delegating authority to the Agency to administer certain federal funds; c) authorizing the Agency to: i) submit grant applications for activities within the jurisdiction of the Agency; and ii) enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget in accordance with the limitations of the Resolution, and undertake other actions necessary to implement the aforementioned; and d) consenting to the Agency's submittal of the annual housing operating budgets and application for Capital Fund Plan funding to HUD; 2) a **Housing Authority Resolution** (Authority) a) approving the 2018 proposed budget for the Housing Authority of the County of Sacramento, b) delegating authority to administer certain federal funds, and c) authorizing the Housing Authority to submit grant applications for activities within the jurisdiction of the Agency, d) authorizing the Executive Director to: (i) submit the annual housing operating budgets to HUD; (ii) submit an application to HUD for Capital Fund Plan funding, and (iii) enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget in accordance with the limitations of the resolution, and undertake other actions necessary to implement the aforementioned; 3) Adopt a **Sacramento Housing Development Corporation Resolution** to: a) approve the 2019 Proposed budget for the Riverview Plaza Residential Project; and b) authorize its Executive Director to: i) obtain flood insurance

and liability insurance; ii) submit grant applications; and iii) enter into contracts, make fund transfers, make payments of debt, amend the budget, and undertake other actions as necessary for the effective management of the property. 4) Adopt a **Board of Supervisors Resolution**: a) adopting a Multi-Family Loan and Mortgage Revenue Bond Application Schedule that correspond with California Tax Credit Allocation Committee and California Debt Limit Allocation Committee application deadlines.

## **BACKGROUND**

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

The proposed 2019 budget provides a plan by which the Agency operates in an efficient manner and in compliance with the regulatory requirements of our funding sources and the Government Accounting Standards Board. The Agency's budget and fiscal year is the calendar year from January 1<sup>st</sup> through December 31<sup>st</sup>. Neither the City nor the County provide any General Funds in support of the Agency's budget. Appropriate financial planning and applicable government regulations require that the Agency have an operating budget and capital budget adopted prior to the start of each new fiscal year. Consequently, the Agency presents its budget to all governing bodies for approval annually.

The Agency proposes a balanced budget in the amount of \$192.7 million representing the operational activities and projects for 2019. The 2019 proposed budget represents a \$2 million or 1.1 percent increase in net appropriations compared with the prior year. This change in annual budget appropriations is primarily the result of an increase in capital projects related to the Twin Rivers Project.

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

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

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

<b>Calendar Year 2019 Proposed Budget (\$\$\$ in Millions)</b>						
	2015 Budget	2016 Budget	2017 Budget	2018 Budget	2019 Budget	Variance (2018 to 2019)
<b>OPERATIONS</b>						
Salaries and Benefits	20.9	22.3	24.7	24.4	27.3	2.9 11.6%
Services and Supplies	15.3	17.0	18.3	17.9	17.8	(0.1) -0.7%
Housing Assistance Payments	108.1	105.6	106.0	100.7	100.3	(0.4) -0.4%
Debt Service	3.2	2.4	3.3	2.2	2.6	0.4 20.2%
Financial Transactions	0.5	0.4	0.7	3.3	0.3	(3.0) -90.0%
Public Services	5.2	5.7	6.0	6.7	5.1	(1.6) -23.6%
<b>Subtotal</b>	<b>\$153.2</b>	<b>\$153.4</b>	<b>\$159.0</b>	<b>\$155.2</b>	<b>\$153.4</b>	<b>(\$1.8) -1.1%</b>
<b>CAPITAL PROJECTS</b>						
Housing Development and Preservation	19.4	16.7	20.7	26.0	14.7	(13.3) -47.7%
Housing Authority Capital Projects	2.8	2.1	3.2	2.9	18.5	15.6 535.3%
Infrastructure and Public Improvements	8.7	7.4	7.6	4.6	6.1	1.5 34.7%
<b>Subtotal</b>	<b>\$30.9</b>	<b>\$26.2</b>	<b>\$31.5</b>	<b>\$35.5</b>	<b>\$39.3</b>	<b>3.8 10.7%</b>
<b>TOTAL</b>	<b>\$184.1</b>	<b>\$179.6</b>	<b>\$190.5</b>	<b>\$190.7</b>	<b>\$192.7</b>	<b>\$2.0 1.1%</b>

The Agency receives 89 percent of its funding from the federal government through the Department of Housing and Urban Development. Though funding for the Housing Choice Voucher (HCV) program increased slightly in 2018, based upon the funding letter received from HUD, there will be an anticipated slight decrease in revenue in 2019.

Public Housing revenues remained constant in 2018 and based on federal budget projections, operating subsidy revenues are expected to dip slightly in 2019.

Federal programs such as Community Development Block Grant (CDBG) and HOME Investment Partnerships Program (HOME) were drastically reduced due to Sequestration cuts in 2013. As a result, the number of housing projects, public services, and infrastructure improvements the Agency could fund were reduced. From 2014 to 2017, appropriation levels remained constant. In 2018, there was an increase in both the CDBG and HOME programs and it is expected that funding levels will be similar in 2019.

Although federal revenues were anticipated to remain fairly constant, prior year reserves consisting of both federal and non-federal funding sources such as loan repayments and interest revenue were utilized to fund projects and other operating expenses.

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

City & County Federal Funding (In Millions)						
FUNDING SOURCES	2014	2015	2016	2017	2018 Est	2019 Est
Community Development Block Grant (CDBG)	\$ 9.09	\$ 9.41	\$ 9.52	\$ 9.57	\$ 10.58	\$ 10.58
HOME Investment Partnerships Program (HOME)	\$ 3.91	\$ 3.64	\$ 3.97	\$ 3.90	\$ 5.81	\$ 5.81
<b>Entitlement Programs Sub-Total:</b>	<b>\$ 13.00</b>	<b>\$ 13.05</b>	<b>\$ 13.49</b>	<b>\$ 13.47</b>	<b>\$ 16.39</b>	<b>\$ 16.39</b>
Public Housing Authority Operating Fund	\$ 10.02	\$ 10.22	\$ 10.47	\$ 11.62	\$ 11.12	\$ 9.85
Public Housing Capital Fund Program	\$ 3.95	\$ 3.91	\$ 4.28	\$ 4.06	\$ 6.08	\$ 4.06
<b>Public Housing Sub-Total:</b>	<b>\$ 13.97</b>	<b>\$ 14.13</b>	<b>\$ 14.75</b>	<b>\$ 15.68</b>	<b>\$ 17.20</b>	<b>\$ 13.91</b>
Housing Choice Voucher Assistance Payments	\$ 101.02	\$ 100.68	\$ 101.98	\$ 96.80	\$ 100.30	\$ 96.10
Housing Choice Voucher Administration	\$ 8.31	\$ 8.75	\$ 9.80	\$ 8.90	\$ 8.75	\$ 8.68
<b>HCV Sub-Total:</b>	<b>\$ 109.33</b>	<b>\$ 109.43</b>	<b>\$ 111.78</b>	<b>\$ 105.70</b>	<b>\$ 109.05</b>	<b>\$ 104.78</b>
Emergency Solutions Grant (ESG)	\$ 0.92	\$ 0.81	\$ 0.85	\$ 0.86	\$ 0.86	\$ 0.86
Shelter Plus Care	\$ 4.80	\$ 4.49	\$ 4.42	\$ 4.34	\$ 4.50	\$ 4.61
Housing Opportunities for Persons With Aids (HOPWA)	\$ 0.87	\$ 0.91	\$ 0.91	\$ 1.04	\$ 1.18	\$ 1.18
<b>Public Services Sub-Total:</b>	<b>\$ 6.59</b>	<b>\$ 6.21</b>	<b>\$ 6.18</b>	<b>\$ 6.24</b>	<b>\$ 6.54</b>	<b>\$ 6.65</b>

**COMMISSION ACTION**

At its meeting of October 17, 2018, the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES:

NOES:

ABSENT:

**POLICY CONSIDERATIONS**

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

This report also recommends adoption of the Agency’s Multi-Family Loan and Mortgage Revenue Bond 2019 Application Schedule and anticipated funding for Agency funded projects. The schedule will allow applicants to apply for funding on certain dates corresponding to the California Tax Credit Allocation Committee (TCAC) and California Debit Limit Allocation Committee (CDLAC) application deadlines.

**ENVIRONMENTAL REVIEW**

California Environmental Quality Act (CEQA): The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities which have the potential to

### ENVIRONMENTAL REVIEW

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

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

### M/WBE/SECTION 3 CONSIDERATIONS

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

### FINANCIAL ANALYSIS

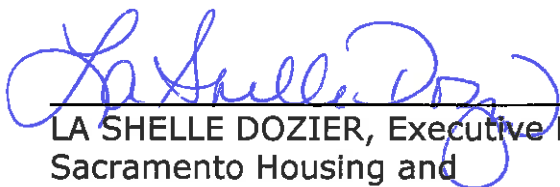
The 2019 proposed budget recommends total expenses of \$192.7 million, with the Housing Assistance Payments budget at \$100.3 million; the Operating budget at \$45.1 million; the Capital Project budget at \$39.3 million; the Public Services budget at \$5.1 million; and, the Debt Service and Financial Transaction budget at \$2.9 million. The 2019 proposed budget of \$192.7 million represents a \$2 million or 1.1 percent increase compared with the total 2018 Adopted budget.

For 2019, the Agency proposes to increase its authorized full-time equivalent (FTE) positions to 236.5 from the 232.5 FTE in 2018. These additional positions will provide staffing to support the Housing Authority related to the Choice Neighborhoods Initiative and a Contract Administrator. Over the next two years, the Housing Authority will implement a strategy utilizing vouchers and public housing units to serve up to 1,755 homeless families and individuals and those on the verge of homelessness, in addition to families on housing assistance wait lists. New initiatives for the Promise Zone include increasing public and private partnerships to support the initiative's goals;

developing and implementing a multidisciplinary strategy for the Performance Partnership Pilots for Disconnected Youth Program (P3) to serve 100 individuals age 18-24 by providing housing with case management; and pursuing grant opportunities to support implementation of the Twin Rivers Redevelopment Project.

Respectfully Submitted,

APPROVED  
NAVDEEP S. GILL,  
County Executive



LA SHELLE DOZIER, Executive Director  
Sacramento Housing and  
Redevelopment Agency

By: \_\_\_\_\_  
ROBERT B. LEONARD  
Deputy County Executive

Attachments:

- RES - Housing Authority Resolution
- EX A - Summary of Changes to the Agency 2019 budget
- EX B -1 - 2019 County Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)
- EX B-2 – HUD Resolution Approving the 2019 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)
- RES – Board of Supervisors Resolution
- EX A - Summary of Changes to the Agency 2019 budget
- RES – SHDC Resolution
- RES – Board of Supervisors Resolution Multi-Family Loan and Mortgage Revenue Bond Application Schedule
- EX A - Multi-Family Loan and Mortgage Revenue Bond Application Schedule
- ATT 1 – Background
- ATT 2 - Proposed 2019 Agency Budget

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

**APPROVAL OF 2019 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITY FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS**

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

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

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

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

Section 1. The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under



the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b), and are exempt under the National Environmental Policy Act (NEPA) per 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 2. The 2019 Operating Budget totaling \$153,436,253 and the 2019 Project Budget totaling \$39,311,160, all as further described in the 2019 Proposed Agency Budget (hereinafter "2019 Agency Budget" or "Budget"), a copy of which is on file with the Agency Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of the Agency for the 2019 fiscal year. The 2019 Agency Budget incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 3. A total of 236.5 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.

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

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

Agency (CRASA) as approved by the CRASA Oversight Board regarding housing successor matters.

Section 6. The Agency is authorized to submit the 2019 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Agency is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects.

Section 7. The proposed expenditures under the 2019 Housing Operating Budget are necessary for the efficient and economical operation of Agency housing to serve low-income families.

Section 8. The housing financial plan set forth in the 2019 Housing Operating Budget is reasonable in that:

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

Section 9. The Housing Authority of the County of Sacramento (Authority or HACOS), staffed by the Agency, is authorized to submit applications to HUD for the Capital Fund Plan and Program funding. If such grants are awarded, the Agency is authorized to accept the grant or grants, execute all related documents, execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements and amend

the Budget accordingly. The Agency is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Agency is authorized to submit the annual statement to HUD, after receiving public comments and resident review and approval of the Sacramento Housing and Redevelopment Agency Commission.

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

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

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

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

approved by the Sacramento Housing and Redevelopment Agency Commission.

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

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

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

Section 17. The Agency is authorized to submit grant applications on behalf of the County of Sacramento for any and all housing and community development activities within the jurisdiction of the Agency. If such grants are awarded, and approved by the governing board if in excess of \$100,000, the Agency is authorized to accept the grant or grants, execute contracts to implement grant activities with the appropriate entities (provided that the activities are fully funded by the grant or within the Budget), execute all related documents and amend the Budget. Budget expenditure and amendments for such grants are permitted for positions, services and supplies, equipment and projects. The Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Such grants may include but are not limited to the following:

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

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

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

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

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

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

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

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

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

Section 26. The Agency is authorized to execute and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to reconcile available revenues as needed to assure receipt of anticipated revenues.

Section 27. The Agency is authorized to exercise default remedies and take other actions to protect the Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. The Agency is authorized to enter into "loan work outs," to the extent reasonably necessary to protect the Agency assets, and in entering such "work outs," the Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made

according to current loan program underwriting criteria. Further, the Agency is authorized to renegotiate existing Agency debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide the Agency with more favorable loan terms.

Section 28. All project appropriations in existence as of December 31, 2018 will be carried over and continued in 2019.

Section 29. All multi-year operating grant budgets in existence as of December 31, 2018 shall be continued in 2019.

Section 30. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2018 may remain in effect in 2019. The Agency is authorized to increase the Budget for valid encumbrances as of December 31, 2018, but only to the extent that the applicable division's 2018 operating budget appropriations exceeded expenditures.

Section 31. The Agency is authorized to incorporate the changes listed on Exhibit A as part of the 2019 Budget.

Section 32. If any entity requires a separate resolution to confirm any action approved within this resolution, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.

Section 33. The Agency is authorized to delegate the authorities as set out in this resolution to the Agency's Executive Director.

Section 34. This resolution shall take effect immediately.

On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this 6th day of November, 2018, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

RECUSAL: Supervisors,

(PER POLITICAL REFORM ACT (§ 18702.5.))

\_\_\_\_\_  
Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

ATTEST: \_\_\_\_\_  
Clerk, Board of Supervisors



**EXHIBIT A**

**SUMMARY OF CHANGES TO SACRAMENTO HOUSING  
AND REDEVELOPMENT AGENCY PROPOSED 2019 BUDGET**

Approved 2019 Total Operating Budget	\$ 153,436,253
Revised Approved 2019 Total Operating Budget	\$0
Approved 2019 New Projects	\$ 39,311,160
Revised Approved 2019 New Projects	\$0
<b>TOTAL AGENCY BUDGET</b>	<b>\$ 192,747,413</b>

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

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

ON DATE OF

**APPROVAL OF 2019 BUDGET FOR THE SACRAMENTO HOUSING AND  
REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS,  
DELEGATIONS, AND IMPLEMENTING AUTHORITIES; INCLUDING  
AUTHORITY FOR HUD SUBMISSIONS, GRANTS AND FUND  
TRANSFERS**

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

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

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

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

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

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

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

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

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

Section 3. The 2019 Operating Budget totaling \$153,436,253 and the 2019 Project Budget totaling \$39,311,160, all as further described in the 2019 Proposed Agency Budget (hereinafter "2019 Agency Budget" or "Budget"), a copy of which is on file with the Agency Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of Agency for the 2019 fiscal year. The 2019

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

Section 4. A total of 236.5 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.

Section 5. Subject to availability under the Budget or limitations on use of any required funds, the Executive Director or her designees is authorized to amend the Budget as necessary to accept funds, expend funds, or transfer funds among operating budgets or project budgets to complete enforceable housing obligations, comply with legal directives of the California State Department of Finance and/or the State Controller's Office, facilitate the dissolution of redevelopment pursuant to AB x1 26 and AB 1484, or to provide staffing services to County Redevelopment Agency Successor Agency (CRASA). Such transactions must comply with applicable laws and regulations and agreements to provide staffing services for CRASA and are subject to CRASA Oversight Board Approval.

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

Section 7. The Executive Director, or designee, is authorized to submit the 2019 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Executive Director, or designee, is authorized to amend the Budget to reflect actual HUD approved

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

Section 8. The proposed expenditures under the 2019 Housing Operating Budget are necessary for the efficient and economical operation of Agency housing to serve low-income families.

Section 9. The housing financial plan set forth in the 2019 Housing Operating Budget is reasonable in that:

- a. It indicates a source of funding adequate to cover all proposed expenditures.
- b. It does not provide for use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
- c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract.
- d. It includes asset management project budgets prepared on an individual basis as shown in the Schedule of Public Housing AMP, Central Office, and Central Services 2019 Budget attached as Exhibit B-1.

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

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

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

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

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

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

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

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

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

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

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

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

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

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



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

Section 22. HACOS finds and declares that the proposed planning and administrative expenses which may be paid for from the former low and moderate income housing fund, pursuant to an approved recognized payment obligation payment schedule, is necessary for the production, improvement and/or preservation of low and moderate income housing during the 2018 Agency Budget year.

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

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

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

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

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

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

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

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

Section 29. The Executive Director, or designee, is authorized to increase or decrease operating Budget appropriations up to \$100,000.

Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

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

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

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

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

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

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

enforceable housing obligations of the former redevelopment agency to assure receipt of anticipated revenues.

Section 36. The Executive Director, or designee, is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. Agency is authorized to enter into "loan work outs," to the extent reasonably necessary to protect Agency assets, and in entering such "work outs," Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria. Further, The Executive Director, or designee, is authorized to renegotiate existing Agency debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide the Agency with more favorable loan terms.

Section 37. All project appropriations in existence as of December 31, 2018 will be carried over and continued in 2019.

Section 38. All multi-year operating grant budgets in existence as of December 31, 2018 shall be continued in 2019.

Section 39. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2018 may remain in effect in 2019. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2018, but only to the extent that the applicable division's 2018 operating budget appropriations exceeded 2018 expenditures.

Section 40. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2019 Budget.

Section 41. If any entity requires a separate resolution to confirm any action approved within this resolution the Sacramento Housing

and Redevelopment Commission is delegated the authority to approve and deliver such resolution.

Section 42. The Agency is authorized to delegate the authorities as set out in this resolution to the Agency's Executive Director.

Section 43. This resolution shall take effect immediately.

On a motion by Member \_\_\_\_\_,  
seconded by Member \_\_\_\_\_, the foregoing Resolution was passed  
and adopted by the Housing Authority of the County of Sacramento, State of  
California, this 8th day of November, 2018, by the following vote, to wit:

AYES:               Members,

NOES:               Members,

ABSTAIN:           Members,

ABSENT:            Members,

\_\_\_\_\_  
Chair of the Housing Authority of  
The County of Sacramento,  
California

SEAL:

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

**EXHIBIT A**

**SUMMARY OF CHANGES TO SACRAMENTO HOUSING  
AND REDEVELOPMENT AGENCY PROPOSED 2019 BUDGET**

Approved 2019 Total Operating Budget	\$ 153,436,253
Revised Approved 2019 Total Operating Budget	\$0
Approved 2019 New Projects	\$ 39,311,160
Revised Approved 2019 New Projects	\$0
<b>TOTAL SHRA BUDGET</b>	<b>\$ 192,747,413</b>

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

### January 1 - December 31, 2019

PHA Code: CA007  
County of Sacramento

	County AMP 1	County AMP 2	County AMP 3	County AMP 5	Total County Public Housing	County COCC Central Office & Central Svc.
Beginning fund equity	\$ 875,219	\$ 549,234	\$ 1,274,415	\$ 1,060,856	\$ 3,759,724	\$ -
Revenues:						
HUD Operating Subsidy	600,000	794,560	1,476,370	953,537	3,824,467	-
Maintenance Charges to Tenants	-	3,000	3,800	5,000	11,800	-
Washer/Dryer Income	-	7,000	4,500	2,000	13,500	-
Rental Income - Dwelling	-	780,000	847,000	570,000	2,197,000	-
Rental Income - Other	-	-	10,500	7,620	18,120	-
Interest Income - Investment	-	2,000	8,500	5,000	15,500	-
Bad Debt Recovery	-	1,000	1,100	4,000	6,100	-
Miscellaneous income	-	6,000	5,800	4,000	15,800	-
Return Check Fee	-	45	75	60	180	-
Management Fee	-	-	-	-	-	1,657,923
IT/Bookkeeping Fee	-	-	-	-	-	70,740
Asset Management Fee	-	-	-	-	-	92,520
Admin Fee (CFP) & (HCV)	-	-	-	-	-	1,875,632
Washer/Dryer Income	-	-	-	-	-	-
Central services fees	-	-	-	-	-	283,795
<b>Total operating revenue</b>	<b>600,000</b>	<b>1,593,605</b>	<b>2,357,645</b>	<b>1,551,217</b>	<b>6,102,467</b>	<b>3,980,610</b>
CFP operating transfers	-	30,000	-	-	30,000	-
CFP Mgmt impr transfers	-	32,411	32,411	31,622	96,444	-
AMP to AMP transfers	(250,000)	250,000	-	-	-	-
<b>Total revenues and transfers in</b>	<b>350,000</b>	<b>1,906,016</b>	<b>2,390,056</b>	<b>1,582,839</b>	<b>6,228,911</b>	<b>3,980,610</b>
Expenditures:						
Employee Services:						
- Management/Maintenance	-	508,593	706,865	433,156	1,648,614	484,240
- Resident Trainees	-	32,411	32,411	31,622	96,444	-
<b>Total Employee Services</b>	<b>-</b>	<b>541,004</b>	<b>739,276</b>	<b>464,778</b>	<b>1,745,058</b>	<b>484,240</b>
Services & Supplies:						
- Management/Maintenance	-	912,372	1,180,517	782,160	2,875,049	3,496,095
Other Charges:						
Financial Transactions	-	1,612	1,858	1,580	5,050	275
- Central Service Fees	-	93,876	104,708	85,210	283,794	-
- Miscellaneous (PILOT, Depr.)	-	44,359	49,905	40,978	135,242	-
Management Fee	-	211,879	236,326	192,321	640,526	-
IT / Bookkeeping Fee	-	23,400	26,100	21,240	70,740	-
Asset Management Fee	-	31,320	32,280	28,920	92,520	-
<b>Total operating expense</b>	<b>-</b>	<b>1,859,822</b>	<b>2,370,970</b>	<b>1,617,187</b>	<b>5,847,979</b>	<b>3,980,610</b>
Ending Balance	\$ 1,225,219	\$ 595,428	\$ 1,293,501	\$ 1,026,508	\$ 4,140,656	\$ -



**PHA Board Resolution**  
Approving Operating Budget

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

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

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

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

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

PHA Fiscal Year Beginning: 01/01/2019 Board Resolution Number: \_\_\_\_\_

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

DATE

- Operating Budget approved by Board resolution on: 11/8/2018
- Operating Budget submitted to HUD, if applicable, on: \_\_\_\_\_
- Operating Budget revision approved by Board resolution on: \_\_\_\_\_
- Operating Budget revision submitted to HUD, if applicable, on: \_\_\_\_\_

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

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

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

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

Print Board Chairperson's Name: Don Nottoli	Signature:	Date:
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**RESOLUTION NO. SHDC \_\_\_\_**

**ADOPTED BY THE SACRAMENTO HOUSING DEVELOPMENT CORPORATION**

ON DATE OF

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

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

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

Section 2. The Budget totaling \$731,795 for the Riverview Plaza Residential project, which is incorporated in the budget of the Sacramento Housing and Redevelopment Agency, all as further described in the "2019 Proposed Budget", a copy of which is on file with the Agency Clerk, is approved as the Operating Budget for the 2019 fiscal year for the Sacramento Housing Development Corporation (2019 Budget).

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

2019 Sacramento Housing and Redevelopment Agency Proposed Budget  
Page 2 of 3  
amounts in the approved 2019 Budget.

Section 4. The Executive Director is authorized to submit grant applications for any and all activities within the authority and jurisdiction of the Sacramento Housing Development Corporation (SHDC). The Executive Director is authorized to accept such grants, to amend the 2019 Budget to receive and allocate the grant funds, and to implement the actions required by the grant for any projects and programs currently within the Sacramento Housing Development Corporation's authorization and jurisdiction, provided that the activities are fully funded by the grant. Such Budget amendments are permitted for, but not limited to, positions, services and supplies, equipment and projects.

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

Section 6. The Executive Director is authorized to make payments on debt incurred by the Sacramento Housing Development Corporation as necessary to comply with the provisions of the Partnership Agreement within which the Corporation serves as the General Partner, and as deemed prudent and necessary by the Executive Director on behalf of the Sacramento Housing Development Corporation and within the 2019 Budget hereby adopted.

Section 7. The Executive Director is authorized to incorporate the changes listed on Exhibit A as part of the 2019 Budget.

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

On a motion by Director \_\_\_\_\_,  
seconded by Director \_\_\_\_\_, the foregoing  
Resolution was passed and adopted by the Sacramento Housing  
Development Corporation, State of California, this 6th day of November,  
2018, by the following vote, to wit:

AYES: Directors,

NOES: Directors,

ABSTAIN: Directors,

ABSENT: Directors,

ABSTAIN: Directors,

(PER POLITICAL REFORM ACT (§ 18702.5.))

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

(SEAL)

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

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

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

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

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

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

Section 1. SHRA is authorized to adopt the 2019 Multifamily Lending and Mortgage Revenue Bond Policies Program Application Schedule as outlined Exhibit A.

On a motion by Supervisor \_\_\_\_\_, seconded by Supervisor \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Board of Supervisors of the County of Sacramento, State of California, this 6th day of November, 2018, by the following vote, to wit:

AYES: Supervisors,

NOES: Supervisors,

ABSENT: Supervisors,

ABSTAIN: Supervisors,

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

\_\_\_\_\_  
Chair of the Board of Supervisors  
of Sacramento County, California

(SEAL)

ATTEST: \_\_\_\_\_  
Clerk, Board of Supervisors

**Sacramento Housing and Redevelopment Agency  
Multifamily Loan and Mortgage Revenue Bond Applications  
2019 Schedule \***

**July 9% TCAC & CDLAC Applications:**

<b>Pre-Application Deadline</b>	<b>January 2, 2019</b>
Application Deadline	March 1, 2019
Environmental Deadline*	April 24, 2019
Sacramento Housing and Redevelopment Commission (SHRC)	June 5, 2019
Board of Supervisors (Board) / City Council (Council)	June 25, 2019
Est. 9% TCAC/CDLAC Application Deadlines	July 1, 2019

**March 9% TCAC & CDLAC Applications:**

<b>Pre-Application Deadline</b>	<b>August 1, 2019</b>
Application Deadline	October 2, 2019
Environmental Deadline **	December 20, 2019
SHRC	February 5, 2020
Board / Council	February 18, 2020
Est. 9% TCAC/CDLAC Application Deadlines	February 26, 2020

**Optional CDLAC Applications:**

(based on funding availability)

<b>Pre-Application Deadline:</b>	<b>October 1, 2019</b>
Application Deadline	December 2, 2019
Environmental Deadline *	February 28, 2020
SHRC	April 15, 2020
Board / Council	May 5, 2020
CDLAC Application Deadline	May 20, 2020

\* Schedule subject to change if needed to align with State or Federal funding program deadlines.

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

**BACKGROUND**

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

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

Revenue under the HCV program is received from HUD in the form of Housing Assistance Payments (HAP) and Administrative Fees (AF). The federal appropriations process dictates the amount of funding that will be allocated to the HCV program on a national level. Jurisdictional funding allocations are performance based, with the funding level determined by the number of authorized vouchers leased. Currently, the Housing Authority has 12,397 vouchers authorized for leasing each month and the program strives to maintain a leasing level between 98-100 percent utilization of all vouchers authorized by HUD. In addition, the Agency also administers 735 vouchers for miscellaneous programs such as the Shelter Plus Care program serving disabled, homeless individuals and families, relocation vouchers for Twin Rivers and certificates for the Moderate Rehabilitation program. In total, between all programs the HCV department houses 13,132 families on an annual basis.

The utilization level of vouchers makes the HCV program eligible for maximum funding from HUD. However, despite being entitled to maximum funding for the program, depending upon federal appropriations, HUD prorates the amount received by each Agency to remain within the parameters of the federal budget. In 2018, the Agency's HAP eligibility was at 98.8 percent. Staff anticipates a similar funding level for 2019 based upon the current proposals moving through Congress. In addition, HUD intentionally provides less funding than required to cover HAP costs in an effort to recapture accumulated HAP reserves from public housing authorities across the country. In 2018 HUD intentionally recaptured HAP reserves leaving the Housing Authority with approximately two weeks of reserves; therefore, managing leasing levels effectively became exceptionally critical.



HCV administrative funding eligibility is based upon the number of units leased within the Housing Authority's authorized voucher allocation, currently 12,397 units per month. Once eligibility is determined, HUD uses a formula to determine administrative fees for the Agency. For 2018, the Agency receives \$92.06 per unit for the first 7,200 unit months leased and \$85.92 per unit on all remaining unit months leased. HUD then applies a proration to the formula to reduce fees paid so that the administrative fees paid to housing authorities' matches the appropriations provided by Congress. In 2017 the proration was 77.5 percent of administrative funding eligibility. This proration was increased to 80 percent of administrative funding eligibility in 2018. The Agency expects funding in 2019 to remain similar to that purposed by the administration and Congress in 2018.

### **Public Housing:**

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

HUD provides an annual operating subsidy to pay the cost of the Public Housing Program not covered by tenant rents which is appropriated annually through the federal budget process. The federal budget process has recently been erratic, with annual appropriations reaching as high as 103 percent of funding eligibility in 2010 to as low as 82 percent in 2013. In 2018, the program was funded at 93 percent of funding eligibility, meaning that the program received only 93 percent of what HUD believes the Agency needs to run the program. This requires that the Public Housing Program cut operating costs whenever possible and utilize operating reserves. The Agency anticipates a similar level of funding for 2019.

### **Local Housing (Non-Federal)**

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

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

The budget for the Sacramento Housing Development Corporation (SHDC), a nonprofit public benefit corporation created to serve as the general partner of Riverview Plaza Associates (RPA) is also included in the Agency budget. SHDC is the General Partner of the Riverview Plaza Associates (RPA) - a California limited partnership created to provide affordable housing to seniors with limited income. One of the governing boards of the Agency (the County Board of Supervisors) serves as the Board of Directors of the general partner. The Housing Authority of the City of Sacramento serves as the limited partner. The 2018 budget of SHDC and its limited partnership is \$731,795 and is approved annually by the County Board of Supervisors sitting as the Board of SHDC.

### **Capital Fund Program (CFP):**

The HUD CFP provides funding specifically intended for the development, financing, modernization, and management improvements needed at properties owned under the HUD public housing program. Funds are allocated annually via a formula. The Agency receives funding for the public housing properties owned by both the City and County Housing Authorities. Between 2003 and 2015, HUD funding for the CFP decreased 36 percent, with the sharpest decrease coming in 2011 at 21 percent. In 2018, the CFP experienced a 50% increase in funding. 2019 HUD funding for the CFP is not expected to remain at the 2018 levels and should be more in line with the 2017 levels. Revenue estimates are based on the current year grant amounts and are adjusted based upon Federal appropriation proposals.

### **Community Development Block Grant (CDBG):**

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

The annual HUD CDBG entitlement budget is allocated to cities and counties based on a formula comprised of several measures. The Agency receives grants for both the City and the County of Sacramento. Since 2010, CDBG appropriations have been cut by as much as 25 percent. However, in 2018 CDBG experienced a 10% increase. Though funding levels are currently unknown, 2019 revenues are projected to be status quo with 2018 levels.

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

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

The annual HUD HOME budget is allocated to participating jurisdictions as formula grants. Since 2010, federal appropriations for the HOME program have declined significantly. In 2018, the HOME program increased 49% due to appropriations from Congress. 2019 federal funding levels are anticipated to be similar to 2018 funding levels.

### **Housing Trust Funds (HTF):**

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

Housing Trust Fund fees dropped dramatically from 2009 to 2012 due to the sharp decline in the number of commercial building permits being issued. Since 2013, there has been a steady increase in revenues due to an increase in building permits and prior year loan repayments.

### **Affordable and Mixed Income Housing Programs:**

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

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

### **Emergency Solutions Grant (ESG):**

The ESG program is designed to directly assist homeless individuals and families by providing funding to support the provision of emergency shelters and rapid rehousing assistance. ESG funding is used for operations and essential social services necessary to support shelter residents and for the rapid re-housing of eligible individuals and families. The ESG program is designed to assist homeless subpopulations within this group, such as victims of domestic violence, youth, people with mental illness, families with children, and veterans. ESG funds can also be used, in narrowly defined situations, to aid people who are imminently at risk of becoming homeless. Revenues for 2019 are projected to be relative status quo with 2018 levels.

### **Housing Opportunities for Persons With AIDS (HOPWA):**

HOPWA funding provides housing assistance and related supportive services in an effort to develop consortium-wide strategies and to form partnerships with area nonprofit organizations. HOPWA funds may be used for a wide range of housing, social services, program planning, and development costs. HOPWA funds may also be used for health care and mental health services, chemical dependency treatment, nutritional services, case management, assistance with daily living, and other supportive services. Revenues for 2019 are projected to be relative status quo with 2018 levels.

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



October 14, 2018

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Transformative Climate Communities (TCC) Program Grant and Memorandum of Understanding (MOU)

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendation outlined in the attached report.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment



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

**Discussion**  
**October 23, 2018**

**Honorable Mayor and Members of the City Council**

**Title: Transformative Climate Communities (TCC) Program Grant and Memorandum of Understanding (MOU)**

**Location/Council District: Citywide**

**Recommendation:** Pass a City Council Resolution: 1) declaring support for the River District Transformation Project; 2) authorizing the Sacramento Housing and Redevelopment Agency (SHRA) to submit an application for \$23 million in grant funds from the Strategic Growth Council and the California Department of Conservation for the Transformative Climate Communities Program; 3) authorizing the City Manager or his designee to execute the Memorandum of Understanding with the grant co-applicants; 4) authorizing SHRA to certify that there are sufficient funds to pay invoices before seeking reimbursement for the state, 5) authorizing the City Manager to verify the City's commitment of any leverage funds, 6) authorizing SHRA to develop specific plans needed to implement the grant, and 7) make related findings.

**Contact:** Tyrone Roderick Williams, Director of Development, (916) 440-1319; Jo Anna Davis, Management Analyst, (916) 440-1309, Sacramento Housing and Redevelopment Agency

**Presenters:** Tyrone Roderick Williams, Director of Development, (916) 440-1319

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue Detail:** Approximately \$23 million per applicant in state grant funds over a five-year funding period is available to implement projects that reduce greenhouse gas (GHG) emissions and implement place-based strategies to provide local economic, environmental, and health benefits to disadvantaged communities through the Strategic Growth Council's (SGC) Transformative Climate Communities (TCC) Program, authorized through AB 2722.

Recently, the SGC invited SHRA and co-applicants including, but not limited to, the City of Sacramento, Sacramento Regional Transit District, McCormack Baron & Salazar Inc., Sacramento Tree Foundation, and the Sacramento Metropolitan Air Quality Management District to apply for the River District Transformation Project. The proposed project has the potential to benefit more than 10,000 residents living in the project area, transform the surrounding community and provide regional benefits.

SHRA, along with more than a dozen co-applicants, leverage partners and other collaborative stakeholders including other local government agencies, community based organizations, and residents have identified several objectives that would better serve individuals and families residing in the project area including: increasing affordable housing and associated infrastructure, increasing access to public transit, expanding active transportation and low-carbon transportation options, enhancing the urban forest, and creating equitable access to healthy food.

As outlined in the Memorandum of Understanding, if the grant is awarded, stakeholders will participate in an extensive community engagement process where residents will have the opportunity to provide input during various phases of the program including the conceptualization, development and implementation of the River District Transformation Plan. Additionally, extensive outreach will be conducted to inform residents about how to access health benefits and economic opportunities including workforce development. The Twin Rivers Public Housing Resident Advisory Board will provide leadership as a part of the collaboration. Community partners, including Sacramento Municipal Utilities District, Breathe California Sacramento Region, WalkSacramento, Alchemist CDC, and Urban Strategies, Inc. will work to maximize outreach efforts to improve health outcomes.

A cross sector partnership including SETA, Samuel Merritt University, GRID Alternatives, and the Greater Sacramento Urban League will focus on increasing employment, business development, healthcare and green businesses through training programs to provide access to high quality jobs.

Sacramento State's Institute for Social Research and Sacramento Metropolitan Air Quality Management District are providing additional support with data management and monitoring and reporting GHG reduction goals for the proposal and limited ongoing assistance.

The full application must demonstrate "readiness" requirements established by the state, including implementation plans for indicator tracking, community engagement, displacement avoidance and workforce development. If awarded, the grant agreement, budgetary and other implementation actions will be subject to City Council approval.

**Policy Considerations:** The proposed project is consistent with the City's policy to promote resiliency with respect to issues such as air quality, food availability, renewable energy, sustainable land use, and the reduction of GHG emissions.

Applying for the TCC grant would also support the City's policy of promoting social equity by encouraging economic and racial integration, fair housing opportunity, and elimination of discrimination. The TCC Program requires applicants to include policies and programs that help avoid the displacement of existing residents and local businesses and help ensure key stakeholders benefit from the investment. This is specific to the project development and does not require the City to approve such a plan. The new Twin Rivers housing development and other projects will also employ Section 3 workers and support the City's new local hire ordinance.

The Project has been reviewed for consistency with the goals, policies, and targets of the 2035 General Plan. The Project will advance the following goals, policies, and targets that will directly or indirectly conserve energy resources and reduce GHG emissions.

#### Land Use

LU 2.6.1 - Sustainable Development Patterns. The City shall promote compact development patterns, mixed use, and higher-development densities that use land efficiently; reduce pollution and automobile dependence and the expenditure of energy and other resources; and facilitate walking, bicycling, and transit use.

LU 2.6.9 - Sustainability Leader. The City shall expand existing partnerships with educational institutions, neighborhood groups, businesses, and community organizations to continue efforts to maintain the City's status as an environmental "green" leader.

LU 4.2.2 – Enhanced Urban Forest. The City shall pursue opportunities to enhance the urban forest in existing suburban neighborhoods by undertaking neighborhood street tree planting programs that introduce more trees into the public right-of-way, rather than depending on trees in private yards.

LU 7.1.2 – Housing in Employment Centers. The City shall require compatible integration of housing in existing and proposed employment centers to help meet housing needs and reduce vehicle trips and commute times, where such development will not compromise the City's ability to attract and maintain employment-generating uses.

#### Mobility Element

M 3.1.12 – New Facilities. The City shall work with transit providers and private developers to incorporate transit facilities into new private development and City project designs including incorporation of transit infrastructure. (i.e., electricity, fiber-optic cable, etc.), alignments for transit route extensions, new station locations, bus stops, and transit patron waiting area amenities

M 4.2.2 – Pedestrian and Bicycle-Friendly Streets. In areas with high levels of pedestrian activity (e.g., employment centers, residential areas, mixed-use areas, schools), the City shall ensure that all street projects support pedestrian and bicycle travel.



### Solid Waste Diversion

U 5.1.25 – Educational Programs. The City shall sponsor public educational programs regarding the benefits of solid waste diversion and recycling and encourage residents and businesses to redistribute reusable materials.

### Public Health and Safety

PHS 4.1.7 – Vulnerable Populations. The City shall support community organizations that address social equity issues related to climate change effects/impacts to assess resilience of low- income communities and guide relevant future policy/program development.

PHS 5.1.8 Climate Change Education. The City shall incorporate climate change effects and impacts into public emergency preparedness education programs, with special consideration given to effective methods to communicate the issue to a general audience.

### Environmental Resources Element

ER 3.1.8 – Public Education. The City shall promote the importance and benefits of trees and of the urban forest through awareness, partnerships, and efforts that educate residents on the best methods of planting and maintaining trees.

ER 6.1.7 – Greenhouse Gas Reduction in New Development. The City shall reduce greenhouse gas emissions from new development by discouraging auto-dependent sprawl and dependence on the private automobile; promoting water conservation and recycling; promoting development that is compact, mixed use, pedestrian friendly, and transit oriented; promoting energy-efficient building design and site planning; improving the jobs/housing ratio in each community; and other methods of reducing emissions.

ER 6.1.15 Air Quality Education. The City shall educate the public about air quality standards, health effects, and efforts they can make to improve air quality and reduce greenhouse gas emissions in the Sacramento region.

**Economic Impacts:** The TCC grant is focused on investing in communities that are the most overburdened by environmental, socioeconomic and health inequities. The project area has been identified as one with a majority of Census Tracts that fall within the top 5 percent of disadvantaged communities, as defined by the California Environmental Protection Agency. Nearly a quarter of the residents in the project area live in poverty (24 percent), twice that of the County (12.7 percent). Unemployment rates in the project area are remarkably high at 25.72 percent compared to the County at 11.8 percent.

Through this grant funding, programs will:

- focus on investments in low-income communities and households;
- utilize leverage funds to effectively catalyze and support innovative community; and climate transformation in disadvantaged communities; and
- identify additional public and private sources of funding to sustain and expand the program.

**Environmental Considerations:** California Environmental Quality Act (CEQA): The application for and administration of grant funds are not considered a project under CEQA pursuant to CEQA Guidelines §15378, as this is a government administrative and fiscal activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

The purpose of the MOU is to memorialize basic terms to govern the planning and implementation of the scope of work included in the Transformation Plan, pass through specific Guideline policies and obligations, implement the Collaborative Stakeholder Structure, create a clear decision-making process, define roles, responsibilities, and requirements for community engagement. Execution of the MOU is exempt under CEQA pursuant to CEQA Guidelines §15378, as this is a government administrative activity which does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

For any specific projects which will utilize TCC grant funds, CEQA review will have to be completed prior to committing to or funding the project.

For projects which fall within the scope of the River District Specific Plan, CEQA review has already been completed. The Sacramento City Council adopted a resolution certifying the Environmental Impact Report (EIR) and adopting the Mitigation Monitoring Program (MMP) for the River District Specific Plan Project on February 15, 2011. No further review under CEQA is required for activities in furtherance of the River District Specific Plan Project.

For projects that fall within the scope of the Twin Rivers Transit-Oriented Development Project, CEQA review has already been completed. The City of Sacramento prepared a combined Initial Study/Environmental Assessment (IS/EA) for the Twin Rivers Transit-Oriented Development Project. Along with site entitlements, the Planning and Design Commission for the City of Sacramento adopted a resolution approving the project, certifying the Mitigated Negative Declaration (MND), and adopting the MMP for the project on July 27, 2017. No further review under CEQA is required for activities in furtherance of the Twin Rivers Transit-Oriented Development Project.

For any projects identified for TCC Program grant funding that fall outside of the scope of the River District Specific Plan Project EIR or Twin Rivers Transit-Oriented Development Project IS/MND, CEQA review will be required prior to funding commitment or any other choice-limiting action.

National Environmental Policy Act (NEPA): The application for and administration of grant funds and related actions is considered an administrative activity and is exempt pursuant to NEPA at 24 CFR 58.34(a) (3).

Execution of the MOU is exempt under NEPA pursuant to 24 CFR §58.34(a) (1) and (3), and does not involve any commitment to any specific project which may result in a potentially significant physical impact on the environment.

If any federal funding sources or federal actions are required to match TCC Program grant funding, NEPA review will have to be completed prior to funding commitment or any other choice-limiting action.

At the time of approval of the River District Specific Plan project, there were no federal funding sources allocated to the project and no federal action was taken, therefore, NEPA review was not required. The TCC Program grant is a State grant and any grant funds allocated to the project will not require NEPA review for activities in furtherance of this project. If federal funds are later identified that will be allocated to the activities in furtherance of the River District Specific Plan Project, NEPA review will be conducted by the Responsible Agency prior to commitment of funds or any other choice limiting action.

For projects that fall within the scope of the Twin Rivers Transit-Oriented Development Project, HUD NEPA review has been completed. The City of Sacramento prepared a combined Initial Study/Environmental Assessment (IS/EA) for the Twin Rivers Transit-Oriented Development Project. The City issued a notice of Finding of No Significant Impact (FONSI) pursuant to NEPA on June 12, 2017. No further review under HUD NEPA is required for activities in furtherance of the Twin Rivers Transit-Oriented Development Project. The Federal Transit Authority is in the process of completing a NEPA review for this project. If any different federal funding sources are allocated for this project, additional NEPA review may be required.

**Sustainability Considerations:** The California Global Warming Solutions Act of 2006 established a Scoping Plan through the California Air Resource Board and establishes the framework for actions implementing GHG reduction. SHRA will receive ongoing technical assistance prior to submitting the grant application and throughout the duration of the program implementation to assist with the methodology for quantification of GHG emissions. Through the initial technical assistance, the River District Transformation Project will identify a level of GHG reduction for goal setting purposes. Additionally, indicators will be used to measure various aspects of climate investment project types and community participation that impacts social determinants.

The grant funding provides an opportunity to transform the project area through climate investments that reduce GHG emissions, protect natural resources and increase public awareness of the benefits and values of environmental conservation through environmental stewardship among residents.

The Project has been reviewed for consistency with the goals, policies, and targets of the 2035 General Plan. The Project will advance the following goals, policies, and targets that will directly or indirectly conserve energy resources and reduce greenhouse gas emissions, in part, from 2035 General Plan (Appendix B: Climate Action Plan).

**Commission Action:** It is anticipated that, at its meeting of October 17, 2018, the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Council in the event this does not occur.

**Rationale for Recommendation:** Long-term exposure to air pollution can contribute to the development and exacerbation of Chronic Obstructive Pulmonary Disease (COPD). Residents in the 95811 zip code are exposed to air pollution and reported higher rates of Emergency Department (ED) room visits due to COPD compared to the County. The highest rate of ED visits due to COPD was found in 95814 at 847.82, more than three times the state rate.

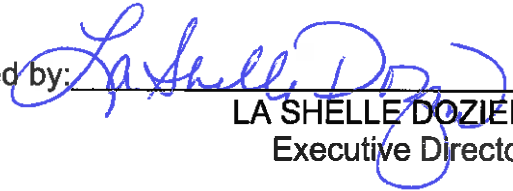
- **Diabetes:** Patients diagnosed with diabetes have an enhanced susceptibility to COPD which is further exacerbated by poor air quality. ZIP code 95814 had the highest rate for both ED visits and hospitalizations due to diabetes. Residents in the 95811 zip code area reported higher hospitalization rates for diabetes compared to the County.
- **Low Birth Weight:** Both zip codes reported high rates of low birth weight births as compared to the county. The project area has a disproportionate amount of infants born with low birth weight, which disproportionately affects African-Americans. The Sacramento County Blue Ribbon Commission Report on Disproportionate African American Child Deaths states African American children comprised 25 percent of all the perinatal condition deaths. Deaths resulting from perinatal conditions include prematurity, low birth weight, placental abruption and congenital infections. Perinatal conditions are often related to maternal health during pregnancy and preconception. Social determinants, economic and environmental factors including low-income, low educational levels, stress, and domestic violence increase the risk of low birth weight.
- **Injuries:** North 12th Street and Richards Boulevard, in the project area, are designated as part of the High Injury Network meaning that there are higher incidences of traffic related injuries and fatalities in the RDTP area.
- **Energy Burden:** Sacramento had the second highest energy burden in the state based on median household income as compared to other metropolitan cities in California.
- **Air Pollution:** The American Lung Association identifies Sacramento as one of the top 10 cities with the worst air pollution. Portions of the 95811 zip code had census tracts with scores in the second highest quintiles for air pollution. The effect of exposure to pollution may contribute to the high rates of respiratory illness experienced by residents in the RDTP area.
- **Homeless Population:** This population is significant in the project area and racial and health disparities are exemplified by the disproportionate number of African-American deaths which accounted for 50 percent of homeless accidental deaths. People of color accounted for 80 percent of homeless homicides.

**Financial Considerations:** If awarded, approximately \$23 million dollars of funding will be available for California Climate Investment fundable projects, community engagement, and workforce development initiatives. The application requires a commitment of at least 50 percent matching funds, which will come from sources including Community Development Block Grant, Choice Neighborhoods Implementation funds, state active transportation funding, and in-kind contributions from partner agencies.

SHRA, plans to leverage \$48.86 million from federal Choice Neighborhoods Initiative Implementation, Community Development Block Grant funds, and a Section 108 Loan as grant match. Potential fiscal impacts to the City include staff time for oversight for active transportation projects, participation in stakeholder meetings and community engagement activities. Fiscal impacts to SHRA will include staff time for administering the grant, oversight of stakeholder meetings and community engagement, which should be reimbursed through the grant.

**LBE - M/WBE and Section 3 requirements:** Not applicable to this report.

Respectfully Submitted by:



LA SHELLE DOZIER  
Executive Director

**Attachments**

- 1-Description/Analysis
- 2-Resolution
- 3-Exhibit A Memorandum of Understanding
- 4-Project Area Map

# **RESOLUTION NO. 2018 -**

**Adopted by the Sacramento City Council**

On date of

## **APPROVING THE APPLICATION FOR GRANT FUNDS FOR THE TRANSFORMATIVE CLIMATE COMMUNITIES PROGRAM AND EXECUTION OF ALL NECESSARY AGREEMENTS; ENVIRONMENTAL FINDINGS**

### **BACKGROUND**

- A. Cities across California and the U.S. are developing efforts addressing climate change that prioritize policies, resources, and tailor regulatory tools to specific areas experiencing high levels of cumulative pollution and negative health impacts to advance environmental justice and community revitalization, and that are each unique and crafted based on community-identified concerns and solutions.
- B. In cities across California and the U.S., low-income, disadvantaged communities experience significant economic and health disparities as well as face disproportionate impacts of pollution, urban blight, and the adverse effects of climate change.
- C. The Sacramento Housing and Redevelopment Agency (SHRA) is a nationally recognized, award-winning, joint powers authority helping to revitalize the Sacramento community, provide affordable housing opportunities for low-income residents, and serve as the Housing Authorities for the City and County of Sacramento.
- D. On March 3, 2015, the City Council adopted the Sacramento 2035 General Plan, which included cross-cutting strategies to promote smart growth and sustainability such as bicycle and pedestrian-friendly neighborhoods, infill development, green infrastructure and goals and policies supporting equitable distribution of housing and services.
- E. The City of Sacramento has demonstrated a legacy of leadership against the threat of climate change, having adopted goals in the General Plan of a 15 percent reduction in community-wide GHG emissions and a 22 percent reduction in municipal GHG emissions below 2005 levels by 2020, and a commitment to strive towards a 49 percent and 83 percent reduction by 2035 and 2050, respectively.

- F. On July 18, 2017, the City Council adopted Resolution 2017-0281, "Reaffirmation of Adopted Climate Goals and Supporting Paris Agreement," re-affirming the City's commitment to reduce climate pollution and resolving to stand with cities and other public and private sector partners to advance climate action.
- G. On August 3, 2017, the City Council adopted Resolution 2017-0311 entitled "Directives to Work with Electrify America for Expedited Implementation of Volkswagen's Zero Emission Vehicle Investments In Sacramento;" to support Green City programs, including support for comprehensive community engagement, and partnership programs to expand public awareness and increase public understanding of ZEV feasibility and benefits, with programs that involve local groups, community and business organizations, neighborhood associations, and other stakeholders.
- H. On August 21, 2018, the City Council adopted Resolution 2018-0348 to create a Local Hire and Community Workforce Training Program and launch a Local Business Involvement Pilot Program applicable to the Sacramento Convention Center and Community Center Theaters renovation projects.
- I. The Legislature and the Governor of the State of California have provided funds for the State's Strategic Growth Council's Transformative Climate Community program to utilize climate investments to improve health and economic disparities through funding from the Cap and Trade Greenhouse Gas Reduction Fund.
- J. SHRA along with co-applicants including the City of Sacramento, Sacramento Regional Transit, Sacramento Municipal Utility District, Sacramento Metropolitan Air Quality District, Sacramento Regional Transit, and McCormack, Baron, and Salazar, and other community based organizations are jointly submitting a grant application for the River District Transformation Project.
- K. If selected, agreements with the State of California Strategic Growth Council and the Department of Conservation will be needed and SHRA will be responsible for compiling and submitting all invoices and reporting requirements for the River District Transformation Project, whose goals, progress metrics, and environmentally conscious strategies promote health and economic development.
- L. The application for and administration of grant funds are not considered a project under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines §15378, and execution of the MOU is exempt under CEQA pursuant to CEQA Guidelines §15378.
- M. For any specific projects which fall under the scope of the River District Specific Plan Project or the Twin Rivers Transit-Oriented Development Project, CEQA review has been completed and no further review under CEQA is required.

- N. For all other projects which will utilize TCC grant funds and do not fall under the scope of the River District Specific Plan Project or the Twin Rivers Transit-Oriented Development Project, CEQA review will have to be completed prior to committing to or funding the project.
- O. The application for and administration of grant funds and related actions is exempt pursuant to the National Environmental Policy Act (NEPA) at 24 CFR 58.34(a)(3), and execution of the MOU is exempt under NEPA pursuant to 24 CFR §58.34(a)(1) and (3).
- P. If any federal funding sources or federal actions are required to match TCC Program grant funding, NEPA review will have to be completed prior to funding commitment or any other choice-limiting action.
- Q. For projects that fall within the scope of the Twin Rivers Transit-Oriented Development Project, HUD NEPA review has been completed. If any different federal funding sources are allocated for this project, additional NEPA review may be required.

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

- Section 1. The City Council declares its support for the River District Transformation Project to promote equity, prevent displacement, support economic development, and strengthen the health of communities that face social, political, and economic vulnerability.
- Section 2. The Sacramento Housing and Redevelopment Agency is authorized to submit an application for \$23 million in grant funds from the Strategic Growth Council and the California Department of Conservation for the Transformative Climate Communities Program for the River District Transformation Project. Resolution 2017-0455 November 28, 2017.
- Section 3. The City Manager or his designee is authorized to execute the attached Memorandum of Understanding for the River District Transformation Project for the City as a co-applicant.
- Section 4. The River District Transformation Project focus will be on the needs of those community members who are over-burdened and live in low-wealth areas, as well as people of color, youth, and people with disabilities, low-income residents, and elders. Efforts will include community engagement and investment in community initiatives that are innovative and involve coordination with other local and regional plans.



- Section 5. If financial assurances and certifications are required for the grant application, SHRA is authorized to certify that, pursuant to the Memorandum of Understanding, SHRA and all of the co-sponsors will have sufficient funds to pay invoices before seeking reimbursement from the state.
- Section 6. The City Manager or his designee is authorized to verify the City's commitment of any leverage funds that may be put toward the implementation of the projects in the River District Transformation Project grant application in the form of a letter detailing the commitment and whether the funds are contingent on grant award.
- Section 7. It is certified that the activities authorized herein will advance state planning priorities (Government Code Section 65041.1), which are intended to promote equity, strengthen the economy, protect the environment, and promote public health and safety in the state, through appropriate reuse and redevelopment of previously developed, underutilized land that is presently served by transit, streets, water, sewer, and other essential services, particularly in underserved areas, and to preserving cultural and historic resources.
- Section 8. If the grant is awarded, SHRA is directed to create an indicator tracking plan, a displacement avoidance plan, community engagement plan, and a workforce development plan specific to implement the grant.

Table of Contents  
Exhibit A - MOU

**MEMORANDUM OF UNDERSTANDING BETWEEN  
SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
(LEAD APPLICANT) AND ITS  
CO-APPLICANTS, DATA, NON-DISPLACEMENT AND SPECIAL LEVERAGE PARTNERS FOR  
THE RIVER DISTRICT TRANSFORMATIVE CLIMATE COMMUNITIES PLAN AND PROJECT  
IMPLEMENTATION**

**MEMORANDUM OF UNDERSTANDING BETWEEN  
SACRAMENTO AND REDEVELOPMENT AGENCY (LEAD APPLICANT) AND ITS  
CO-APPLICANTS, DATA, NON-DISPLACEMENT AND SPECIAL LEVERAGE PARTNERS  
FOR THE RIVER DISTRICT TRANSFORMATIVE CLIMATE COMMUNITIES PLAN  
AND PROJECT IMPLEMENTATION**

This Memorandum of Understanding ("MOU") is dated as of October\_, 2018 and is entered into by and between Sacramento Housing and Redevelopment Agency ("SHRA" or "Lead Applicant" or "Grantee") and the City of Sacramento, Sacramento Regional Transit, McCormack, Barron, and Salazar, Sacramento Tree Foundation, WalkSacramento, Breathe California Sacramento Region, Sacramento City Unified School District, Urban Strategies, The Food Factory, Sacramento Regional Conservation Corps, (collectively "Co-Applicants"), Alchemist Community Development Corporation, GRID Alternatives, Sacramento Area Bike Advocates, ("Partners"), Sacramento, Sacramento State Institute for Social Research (Data Partner), Sacramento Municipal Utilities District, (Special Leverage Partners) and together with SHRA, the "Parties") for the purpose of implementing a Transformative Climate Communities grant ("TCC Grant" or "Grant") from the Sustainable Growth Council for the River District Neighborhood ("River District" or "River District Neighborhood"). The MOU is entered into pursuant to requirements of the 2018 Transformative Climate Communities Program Final Guidelines (the "Guideline" or "Guidelines") and the River District Transformative Climate Communities Plan ("River District TCC Plan" or "Transformation Plan") and to memorialize basic terms to govern the planning and implementation of the scope of work included in the Transformation Plan, pass through specific Guideline policies and obligations, implement the Collaborative Stakeholder Structure, create a clear decision-making process, define roles, responsibilities, and requirements for community engagement.

## **RECITALS**

**WHEREAS**, SHRA is a public body, corporate and politic, duly created, established and authorized to transact business and exercise powers under and pursuant to the provision of the Housing Authorities Law, consisting of Chapter 1 of Part 2 of Division 24 of the California Health and Safety Code; and

**WHEREAS**, the Co-Applicants and Partners are organizations or public entities, authorized and missioned under their own Articles of Incorporation or relevant statutes to lead community-based projects, and have the individual wherewithal and expertise to competently execute their proposed project or program, fund (and thereafter receive reimbursement, if

applicable), monitor and report on their progress; and incorporate community interests and voices in their process; and

**WHEREAS**, the Lead Applicant, Co-Applicants and Partners desire to improve the community of the River District and have individually and collectively engaged the residents and stakeholders of the River District in multiple visioning and planning processes over the past decade, culminating in the public workshops which created the River District TCC Plan; and

**WHEREAS**, the Lead Applicant, Co-Applicants and Partners believe the River District TCC Plan can accomplish a positive and effective transformation of the River District and achieve strong public health and economic goals along with taking strides to reduce significantly Greenhouse Gas emissions; and

**WHEREAS**, the Lead Applicant, Co-Applicants and Partners have developed the Projects included in the River District TCC Plan, their respective budgets and schedules with the understanding of the River District TCC Plan program requirements; and

**WHEREAS**, the Lead Applicant, Co-Applicants and Partners are prepared to lead and participate for the term of the Grant and for five years after, as applicable, in monitoring and evaluating the programs and projects implemented to create evidence-based outcomes; and

**WHEREAS**, the Lead Applicant, Co-Applicants and Partners desire to enter into this MOU for the purpose of setting forth basic terms to govern the implementation and necessary decision making related to the River District TCC Plan implementation, define expectations and responsibilities of the Parties and the Collaborative, address legal and financial considerations, define a decision-making process, and describe the community engagement process.

**NOW, THEREFORE**, in consideration of the foregoing recitals and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties agree as follows:

## **TERMS AND CONDITIONS**

### **Section 1. Lead Applicant**

As the Lead Applicant, SHRA commits to all duties and responsibilities corresponding to the Lead Applicant role under the River District TCC Plan for the term of the River District TCC Grant.

Specifically, those duties and responsibilities include the following:

I. Basic Commitments to all Co-Applicants and Partners:

A. Commitment to the Transformation Plan and Implementation Schedule.

SHRA acknowledges that it:

i) has reviewed the FY2018 Transformative Climate Communities Grant Program NOFA, Final Guidelines and related guidance from the State of California's Strategic Growth Council;

ii) has participated in the preparation of the River District TCC Plan and Application; and

iii) is fully committed to the goals and requirements of the NOFA, the River District TCC Plan, the Application, the requirements of the Grant, and this MOU and agrees to take all actions necessary to effectuate the requirements of the Transformation Plan in accordance with State of California requirements.

B. Commitment to Work Collaboratively. SHRA commits to work collaboratively with Co-Applicants, and other Partners and stakeholders throughout the term of the Grant.

C. Leverage of Available Funds. SHRA will leverage, as appropriate, or assist in leveraging available federal, state, local, and private funds as available with additional public and private funding to support integrated strategic investment for transformation of the River District and its immediate surrounds.

D. Incorporation of NOFA and Grant Agreement Requirements. SHRA is entering into the Lead Applicant role in furtherance of the River District TCC Plan, and as required by Section II.A.1 and II.I of the Guidelines. SHRA intends that this MOU shall conform to and satisfy all requirements of the NOFA and Guidelines. In the event of any inconsistency between any Final Guideline requirement and the provisions of this MOU, or in the event of a failure to include a provision necessary to satisfy such requirements, then if necessary, SHRA, only with the consent of Co-Applicants and Partners, will execute in writing an amendment to this MOU. In addition, SHRA agrees to initiate any amendments with agreement from Co-Applicants and Partners necessary for this MOU to comply with the provisions of the Contract should a Grant be awarded.

II. Responsibilities of SHRA as Lead Applicant:

A. Lead Applicant. SHRA shall be the Lead Applicant for the Grant and will carry out all responsibilities required of the Lead Applicant as described in the NOFA and the Grant Agreement. SHRA agrees that it will be responsible for performance of the Grant.

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B. Lead Applicant Responsibilities. As the Lead Applicant, SHRA will be principally responsible for:

- i) Coordinating all components of the Transformation Plan and for processing the approval of the Transformation Plan through the Strategic Growth Council as may be necessary or appropriate;
- ii) Facilitating resident and neighborhood involvement in planning for and implementing the Transformation Plan for the River District neighborhood, including coordinating and supporting resident involvement in major decisions and developing and managing a coalition of stakeholders in support of the Transformation Plan;
- iii) Overseeing and coordinating the Equitable Housing and Neighborhoods, Urban Greening, Transit and Mobility Access, and Health and Well-being Initiatives, all Co-Applicants, and the Data, Non-Displacement and Special Leverage Partners with respect to the River District TCC Plan and will hold regular review meetings to discuss the current status and planned activities in connection with implementation efforts. SHRA will enter into any necessary agreements with the Co-Applicants and Partners outside of the MOU for the implementation of the River District TCC Plan;
- iv) Maintaining sole access to the River District TCC Plan Program funding through the Strategic Growth Council and administering the funds disbursed from the Strategic Growth Council under the Grant Agreement. SHRA shall comply with all of the accounting, disbursement, and recordkeeping requirements set forth in the Grant Agreement;
- v) Preparing and disbursing the Grant funds to Co-Applicants as reimbursement for eligible predevelopment, development, administration, and services within 30 days of submission of full and complete disbursement requests by Co-Applicants, subject to State review and approval;
- vi) Reporting and submitting all required documents and reports to the Strategic Growth Council or other governmental agencies, including financial, management and project status activity reports;
- vii) Providing staff support during the entirety of the Grant term;
- viii) Applying for State, Federal or other funding as opportunities arise; and

C. **Build Equitable Policies.** SHRA will engage other public partners, residents and community stakeholders to participate in the implementation process to ensure support for equitable development and to shape and enforce good policy around the opportunities and projects embedded in the River District TCC Plan.

D. **Site Control.** SHRA, through its constituent entity the Housing Authority of the County of Sacramento, is the owner of the Twin Rivers public housing site and will lease the site to be used for the development of affordable housing contemplated under the Transformation Plan.

E. **Commitment of funds.** SHRA will abide by its commitment of funds described in the Commitment letter to leverage the TCC funding for administration and projects.

F. **Governance.** SHRA commits to establishing, coordinating and working with the River District TCC Plan Leadership Council and Working Groups within the proposed governance structure to ensure successful implementation of the Transformation Plan.

G. **Sustainability.** SHRA will work with the Co-Applicants and other key partners to implement a sustainability plan to ensure long term viability of the improvements made under this River District TCC Plan for current and future residents.

H. **Relocation Responsibilities.** SHRA will be responsible for all Relocation Activities in the Twin Rivers Relocation Plan adopted by its Governing Board of of the Housing Authority of te County of Sacramento in August 2017 and required for the construction of the Transformation Projects incorporated in the River District TCC Plan.

I. **Additional Responsibilities.** In addition, SHRA will be responsible for:

i) assisting with the involvement and capacity building of the residents and stakeholders in the Transformation Plan;

ii) providing staff support during the implementation of the Transformation Plan;

iii) providing lead support for the involvement of the public housing residents of the River District in the implementation of the Transformation Plan;

iv) working with relevant stakeholders to increase the involvement of neighborhood residents, businesses, non-profits, grassroots and faith-based organizations in the Transformation Plan;

- v) imposing and monitoring Section 3 Local Hire goals as outlined in SHRA's Section 3 Guide and Compliance Policy on all Co-Applicants;
- vi) ensuring the approved Engagement and Non-Displacement Plans are being properly implemented by all Co-Applicants and addressing issues or oversights of either plan with expediency when they arise;
- vii) working with the Data Partner and Co-Applicants to develop the Indicator Plan and local Monitoring guidelines, design and implement data collection tools for all Co-Applicants, and develop a project dashboard to track progress and outcomes.
- viii) developing and approving all community outreach tools to be utilized by all Co-Applicants, including a website, fact sheets, and public presentations.
- ix) working with the Non-Displacement Partner to anticipate needs of the community, focus on key educational opportunities and encourage advocacy and accountability on behalf of residents and businesses.

**Section 2. Co-Applicants**

By execution of this MOU, the Co-Applicants agree that they serve as Co-Applicants, with SHRA serving as the Lead Applicant, for the submission of the TCC Grant for the River District. Co-Applicants will participate in one or more of the Initiative based on the categorization of the Project(s) for which they are responsible and may agree to lead an Initiative, taking on the relative duties required of that position. As Co-Applicant and potential Initiative leads, the Co-Applicants commit to all duties and responsibilities corresponding to the Co-Applicant role and the execution of the respective goals and strategies associated with their projects under the River District TCC Plan for the length of the River District Transformative Climate Communities Implementation Grant term. Specifically, those duties and responsibilities include the following:

1. Basic Commitments for all and Co-Applicants:

A. Commitment to the Transformation Plan and Implementation Schedule. The Co-Applicants acknowledge they:

- i) have reviewed the FY2018 Transformative Climate Communities Grant Program, NOFA, Final Guidelines and related guidance from the State of California's Strategic Growth Council;
- ii) have participated in the preparation of the River District Transformation Plan and Application; and



iii) are fully committed to the goals and requirements of the NOFA, the River District Transformation Plan, the Application, the requirements of the Grant, and this MOU and agrees to take all actions necessary to effectuate the requirements of the Transformation Plan in accordance with State of California requirements.

B. **Commitment to Work Collaboratively.** The Co-Applicants commit to work collaboratively with the SHRA, other Co-Applicants, Partners, stakeholders, government entities, and other key individual partners (or sub-consultants) they have selected to assist in implementation of their respective project(s) as well as residents and stakeholders throughout the entirety of the Grant.

C. **Commitment that projects, activities, and practices shall be free from discrimination based on actual or perceived race, color, ancestry, national origin, ethnic group identification, age, religion, marital or parental status, physical or mental disability, sex, sexual orientation, gender, gender identity, or gender expression; or on the basis of a person's association with a person or group with one or more of these actual or perceived characteristics.**

D. **Leverage of Available Funds.** The Co-Applicants will leverage, as appropriate, or assist in leveraging available federal, state, local, and private funds as available with additional public and private funding to support integrated strategic investment for transformation of the River District Neighborhood. **Additional Leverage Partners will be identified and added to an amendment of this MOU.**

E. **Incorporation of NOFA and Grant Agreement Requirements.** The Co-Applicants are entering into the Co-Applicant role in furtherance of the Application, and as required by Section II.A.2 and Section II.I of the Guidelines. The Co-Applicant intends that this MOU shall conform to and satisfy all requirements of the NOFA and Guidelines. In the event of any inconsistency between any Guideline requirement and the provisions of this MOU, or in the event of a failure to include a provision necessary to satisfy such requirements, if necessary, the Co-Applicant reserves the right to review, edit or reject any amendments to this MOU prior to execution. In addition, the Co-Applicant agrees to amend this MOU to comply with the provisions of the River District Transformative Climate Communities Grant Agreement should a grant be awarded.

## 2. Responsibilities as Co-Applicant:

A. **Co-Applicant.** Co-Applicants agree that they will be jointly and severally liable with SHRA, as Lead Applicant, for their specific performance on any project for which they are lead under the Grant. The Co-Applicant will also serve as a key member of the Leadership Council, responsible for providing guidance and oversight for the transformation plan.

B. **Coordination of Co-Applicant Activities.** Co-Applicants will take the lead with the assistance of SHRA in obtaining all government approvals or discretionary reviews required for implementation of the Co-Applicant's projects and coordinate any permits, approvals,

funding or review by City, County and/or related agencies required in the appropriate and legal implementation of their projects under the Transformation Plan.

C. **Commitment of Funds:** Co-Applicants will ensure that all public and private funds stated as Leverage or Match funding for its respective project(s) will be made available and used appropriately to implement the projects for which they are lead. River District TCC Plan funds shall not be used to supplant any Leverage or Match commitment. Co-Applicant will be held solely liable for abiding by any specific requirements of these leveraged sources and ensuring that there are no conflicts between policies or restrictions on all sources of funds needed to complete their project.

3. **Responsibilities of the Co-Applicant as Implementing Entity and Initiative Participant.**

A. **Implementation Entity.** The Co-Applicants will implement their respective project components of the Transformation Plan and will be responsible for implementing day-to-day improvement activities associated with the Transformation Plan. The Co-Applicant may contract with various non-profits, sub-consultants and sub- contractors who will provide needed administrative, design, engagement or implementation support to coordinate and oversee initiation and completion of specific Initiative projects.

i. The Co-Applicant reaffirms its understanding of and commitment to the standards of the River District TCC Plan and Transformative Climate Communities Guidelines, including that the Transformation Plan is intended to create the conditions necessary for public and private investment in the River District Neighborhood to offer the kinds of amenities and assets, including increased public safety, quality educational facilities, improved infrastructure, increased mobility, reduced carbon emissions, more affordable housing and housing stability, new local jobs, opportunities for business incubation and other critical quality of life values that are critical to creating a healthy and vibrant community.

ii. The Co-Applicant agrees to participate and incorporate the following implementation policies, as appropriate to their project: the Community Engagement Plan, Non-Displacement Plan and abide by the local contracting and hire goals in SHRA's Section 3 Guide and Compliance Plan for contracting any portion of work associated with Co-Applicants project and hiring any related temporary or permanent positions unless Co- Applicant is a public entity, in which case, it is required to comply with applicable hiring and contracting statutes.

iii. The Co-Applicant specifically commits to undertake the following activities, as detailed in the Application:

(1) Coordinating the services and activities included in their Project Type Work Plan, Indicator Plan and Budget. Achieving the vision for any Project will require the involvement of many entities and stakeholders as outlined in the Transformation Plan. Each Co-Applicant will be responsible for coordinating the work of these entities to implement their Initiatives and should inform and coordinate with their activities in order to maximize efficiency, utilize existing relationships and leverage the impact of multiple projects to garner improved response and collaboration from outside entities.

(2) Oversee the implementation of their Projects as defined by the Grant Agreement and incorporated in Attachment C, addressing any change in schedule, design or outcome immediately with Lead Applicant and Leadership Council, as appropriate, to determine if such change will require State review and/or change the GHG calculation of the Project. Prepare and propose solutions and an action plan to address any issues as they arise, working collaboratively with sub-consultants, Partners and other Co-Applicants to ensure Projects do not deviate from intended purpose and expectations of the residents and stakeholders of the River District.

(3) Look for opportunities to build on Co-Applicant projects to develop and administer new programs or projects that directly impact neighborhood quality and align with the vision of the River District TCC Plan.

(4) Apply for funding opportunities as applicable as they may arise during the course of the implementation period that may benefit the River District TCC Plan.

(5) Collect and input data for planning, tracking, and evaluation of the Co-Applicant's projects in accordance with Indicator Plan and in collaboration with Data Partner and Lead Applicant. Develop and submit regular monthly and/or quarterly reports to the Lead Applicant and Leadership Council; update any joint dashboard on project schedule and objectives on a routine basis; and provide appropriate photos, stories, meeting and event notices in a timely fashion to Lead Applicant and Leadership Council.

(6) Prepare regular reports to the Lead Applicant and Leadership Council on progress towards objectives and participate in responding to requests for any specific reports from the State or the Lead Applicant.

(7) Acknowledge and commit to Co-Applicant's responsibility for front-funding all TCC-reimbursable expenses in order to advance the Project and receive TCC funding on a reimbursable basis.

(8) Prepare timely disbursement requests with all required back up documentation and submit to SHRA no more than once a month for review and submittal to the State. Respond to SHRA requests for further documentation, as necessary, or inquiries from the State on expenditures on a timely basis.

(9) Maintain all records in accordance with State requirements under the Grant Agreement and make available to the public, auditors and the State as requested. Allow SHRA the opportunity to inspect and have full and complete copies of all records related to the implementation of the Project, including but not limited to all public engagement documentation, receipts, contracts, data, correspondence, and reports.

(10) Allow for assignment of applicable professional, construction and engagement contracts to Lead Applicant and include Lead Applicant as additional insured on all required insurance. Provide SHRA with copies of all contracts for review prior to execution to ensure that contracts meet all scope of work, programmatic and policy requirements.

(11) Acknowledge duty to perform and accept all responsibility associated with such duty.

(12) Develop an individual Engagement Plan for Project that best meets the needs of the Project and incorporates at least three engagement strategies from Table 4 of the Guidelines.

B. Initiative Participation. The Co-Applicant will participate in one of more Working Groups or Initiatives, based on the Project Types they intend to implement. Participation in an Initiative requires attendance at regular meetings; coordination with organizations doing like projects in the Initiative; joint problem-solving and resource-sharing; coordination of community engagement and outreach activities, joint development and input on data tools and metrics; submitting their data on time for the Initiative Report to the Leadership Council and preparation of Initiative materials for public dissemination.

### **Section 3. Role of Data Partner**

1. The Transformation Plan implementation is focused on collecting and utilizing data to 1) improve project delivery and quality; and 2) to hold the Lead and Co-Applicants accountable for specific impact goals. Sacramento State University Institute for Social Research (“ISR”) will serve as the Lead Data Partner for developing overall data collection methods and goal-related indicators outside of non-GHG data for the Transformation Plan.

2. ISR faculty will work closely with SHRA, the Leadership Council, and Co-Applicants to identify specific indicators that will be tracked over time to understand project quality and to **assess** public health, economic development and other project-specific outcomes.

3. ISR will inventory and analyze how indicators are used for decision making or quality improvements, which indicators are governed by funder or regulatory requirements, how data variables are defined (i.e. a data dictionary). This process will allow ISR to recommend common variables for easy data integration.

4. ISR in collaboration with SHRA will guide Co-Applicants on how to collect and report on data to meet State requirements and overall Grant goals.

5. ISR specifically commits to undertake the following activities, as detailed in the Application:

A. Annual resident and neighborhood survey data collection will also be centralized with ISR.

B. ISR and SHRA will identify publicly available data (e.g., Census, Bureau of Labor Statistics) for tracking neighborhood and community-level metrics that are identified by the stakeholders. Examples of potential metrics include: **stress** levels, rates of chronic diseases, and community cohesion.

5. ISR and SHRA will lead the development of data share agreements that allow Co-Applicants to participate in a centralized data portal for inputting and accessing data and monthly data reports. The collaboration will create a data dashboard that provides monthly, quarterly, and annual reports on key indicators that the group defines.

6. ISR will lead quarterly discussions with the Leadership Council on review of dashboard indicators to track individual Co-Applicants against their performance goals and to understand initiative-wide progress toward goals.

A. If metric targets are not met, the Leadership Council will discuss potential issues, challenges, or barriers to success, and make recommendations for technical assistance, programmatic adjustments, or other interventions.

B. Underperforming Co-Applicants will be asked to develop a program improvement plan that identifies specific and measurable goals, outcomes, and indicators of success within a specific timeline.

#### **Section 4. Non-Displacement Partner**

1. In addition to ensuring that all Co-Applicants and Partners are abiding by the Displacement Plan, the River District TCC Plan incorporates supplemental services to existing programs offering housing counseling and eviction prevention for both residents and businesses.

2. Valley Vision will work under contract with SHRA to prevent displacement by actively assisting the River District's residents in matters of Foreclosure avoidance and tenant's rights.

3. Valley Vision will specifically commit to undertake the following activities, as detailed in the Application:

A. will maintain its active certification with HUD;

B. Assist households with foreclosure prevention;

C. Provide tenant advocacy and referrals to low cost legal representation. Staff will conduct intake, evaluations, help with transportation, translation and general advocacy obligations;

D. Conduct a series of workshops focusing on financial education, homeownership, tenant's rights, and local resources.

E. Keep a database of all clients and the services they receive and will provide quarterly updates to the Leadership Council.

F. Valley Vision will lead efforts to implement the Displacement Plan, analyze the effectiveness of existing policies and programs on residents and businesses; make modifications as necessary; and report regularly to the Leadership Council on related Non-Displacement efforts.

#### **Section 5. Special Leverage Partners**

1. Special Leverage Partners are responsible for delivering non-Initiative projects that compliment and are critical to the River District TCC Plan. These Projects are not funded through TCC but fulfill the River

District TCC Plan goals, providing public health benefits, economic benefits and reducing Greenhouse Gas Emissions.

2. Special Leverage Partners are responsible for the design and implementation of their Projects during the term of the Grant in accordance with their Work Plans, and Budgets. All metrics for their success incorporated in their Project Indicator Plans shall be reported to SHRA and incorporated into the data Dashboard presented to the Leadership Council and the State of California.
3. Special Leverage Partners are expected to incorporate the principles of the implementation policies attached to this MOU including the Engagement Plan and Non-Displacement Plan into their projects, as applicable.
4. Special Leverage Partners will coordinate any hiring opportunities in their respective projects through the Sacramento Employment Training Agency and incorporate Section 3 Local Hire goals unless such goals conflict with other funding requirements imposed by their respective institutions, grantors and investors.
5. Special Leverage Partners are a part of the Collaborative Structure and are invited and encouraged to attend and participate in the Leadership Council and any relevant Initiatives or Working Groups and are asked to designate a representative to sit on the Council for the term of the Grant. These Partners are expected to coordinate and leverage opportunities throughout the term of the Grant with Co-Applicants to improve outcomes for the River District Neighborhood.

## **Section 6. Collaborative Structure**

### **1. Collaborative Stakeholder Structure**

The River District Collaborative Stakeholder Structure will use the framework attached in the Organizational Chart to govern the implementation of the Grant and make decisions related to the Grant and changes to the Transformation Plan needed during Grant implementation.

### **2. Leadership Council**

A. **Membership.** The River District Collaborative Leadership Council ("Council" or "Leadership Council") is an advisory body that will be convened and administratively supported by SHRA. Membership on the Leadership Council will be held by the Lead Applicant, Co-Applicants, Project leads for projects in Equitable

Housing and Neighborhoods, Urban Greening, Transit and Mobility Access, and Health and Well-being initiatives. Additional seats will be held by the other key project implementation Partners such as the Workforce Working Group, Breathe Sacramento and the River District PBID. Additionally, Co-Applicants can recommend a Sub-contractor, with a maximum of one per Project Type, to sit on the Council. The Council also includes a representative of the Mayor's office, a representative from the local Councilperson's office, the Data Partner, the Non- Displacement Partner; and up to eight open seats for interested residents and community stakeholders. Individuals or Organizations may petition to sit on the Council by sending in a letter of interest to the Lead Applicant. If all seats are filled, a new seat can be created by two-thirds vote of the existing Leadership Council. Leadership Council members must commit to occupy their seat for three years or Grant close out, whichever is the later. It is a volunteer membership but will require committed participation. Invitations to be on the Leadership Council will be made by SHRA and Co-Applicants.

B. Meeting and Purpose. The Council will meet once a month for the first six months of Grant establishment, starting within a month of notice of Grant Award. The Council will determine if it needs to continue to meet monthly after six months or move to a regular quarterly calendar. Once all Initiatives, Working Groups and communication processes are fully established, the Council will meet on a quarterly basis to discuss progress on all aspects of TCC plan implementation, provide guidance on approach, develop parameters for success; and ensure that the projects and programs integrate with each other and connect with additional efforts in the neighborhood. The Leadership Council brings together key community stakeholders that can help to address issues that arise from both a policy perspective as well as provide insight into the grassroots needs of the community. These organizations represent the ability to problem-solve with financing, legislation and human capital.

This Council is built to provide guidance and resources to ensure the Projects funded by TCC are on track and outcomes are achieved or exceeded. If Projects are stalling or organizations are not performing, these issues will be raised with the Council and the Council is expected to evaluate the situation and provide options for resolution.

All meetings of the Leadership Council shall be publicly noticed to interested stakeholders from the community. Agendas for each meeting shall be posted and distributed beforehand to ensure residents and businesses in the River District Neighborhood and Leadership Council members are informed and able to participate in the decision-making process. Translation of agendas and presentation materials into Spanish will be available upon request.

### 3. Responsibility

A. Process Responsibility. SHRA with assistance from the Co-Applicants is ultimately responsible for the success of the activities embodied in the River District TCC



Plan. Within these organizations, high level staff have been assigned to manage the project. SHRA and Co-Applicants will participate in the Working Groups developed to manage the Equitable Housing and Neighborhoods, Urban Greening, Transit and Mobility Access, and Health and Well-being Initiatives as well as the Workforce Working Group, Engagement Working Group and any other Working Groups established by the Leadership Council; allowing them to monitor the day-to-day work program and be aware of roadblocks, conflicts or performance issues.

B. Communication. SHRA and Co-Applicants leading these efforts are in regular communication and hold regular meetings to ensure cohesive oversight and management of all TCC projects, programs and events. SHRA will take the primary lead for communicating with the State.

SHRA and Co-Applicants will consult with their implementing partners as well as the Leadership Council to ensure clear messaging and communication on goals and requirements; address conflicts and roadblocks as they arise; and ensure that decisions are well-informed and made quickly to guarantee success. The Working Groups and Initiatives as well as the Leadership Council provide forums for discussion, information-sharing and advice but ultimately decision-making regarding changes in direction, lead agencies, implementing partners will lie with the Lead Applicant. All program or project shifts made within the Initiatives must be done in consultation and with the approval of SHRA as the Lead Applicant.

#### 4. Initiative Implementation

A. Purpose and Organization. Because the work of each Initiative is so complex and involves its own set of implementing partners and constituencies, each Initiative should have its own organizational structure, with one or two Co-Applicants agreeing to act as Initiative Lead. These Initiative Leads may receive minor compensation under the administrative budget, if required, to organize meetings, take meeting notes, ensure community participation in Initiative meetings, and report back to the Leadership Council. The Initiative Leads are required to commit to managing the Initiative for a minimum of one year. Unless the Initiative establishes co-leads, if more than one organization wants to lead the Initiative, then the Co-Applicants in the Initiative will vote and the organization receiving the majority vote will become the Initiative Lead. Although, most of the work will be done within the setting of the individual Initiatives, the leadership within each Initiative is connected directly back to SHRA, the Co-Applicants and the Leadership Council thereby ensuring consistency in messaging, access to the same high-level advice, funding and tools and expediency in implementation.

B. Sub-Contractor Participation. In addition to the applicable Co-Applicants, all sub-consultants are strongly encouraged to participate in the Initiative meetings. Sub-contractors play a critical role in assisting the Co-Applicants in reaching their goals and should be part of the cross-pollination process.

C. Initiative Categories. The River District TCC Plan will initiate its operation with four Working Group Initiatives. These are: 1) Equitable Housing and Neighborhoods, 2) Urban Greening, 3) Transit and Mobility Access, and 4) Health and Well-being. Any recommendation to change the number or type of Initiatives should be taken to and advised by the Leadership Council.

D. Should the grant be awarded, each Initiative will be convened initially by SHRA, as Lead Applicant, and shall establish its meeting schedule, meeting guidelines, agenda, and structure.

E. Initiative meetings will be publicly noticed and community members and residents are encouraged to attend to observe, participate and provide feedback. SHRA, as Lead Applicant will ensure that the meetings meet all Limited English Proficiency (LEP) requirements and will provide administrative support to all Initiatives and Working Groups, as needed.

#### **Section 7. Decision Making Process & Technical Support**

A. All substantive changes or material issues related to implementing the TCC Plan shall be presented to the Leadership Council, in a public forum where all Leadership Council members have an opportunity to speak on the topic and members of the public are invited to listen and provide comment. As an Advisory Body, the Leadership Council will make recommendations and suggest alternatives. SHRA and all impacted Co-Applicants must consider these recommendations and present them to the State if issues or modifications require State intervention or a modification to the Contract or Scope of Work. Although Advisory, SHRA and all Co-Applicants must take recommendations seriously. If the Leadership Council is deeply divided on an issue, SHRA should pursue conflict resolution and address the division before moving forward. It is the goal of the process to have the majority of recommendations or advisory statements to be supported by the majority of council members.

B. Every opportunity shall be made to ensure decisions are made at regular, or specially scheduled meetings. Notwithstanding the above, the Partners recognize in some circumstances decisions and changes related to TCC implementation may require more expedient action. In the case of an emergency decision, discussion and notification can be made via email to the Leadership Council members and a recommendation can be made with the necessary affirmative votes via email. Such decisions will be reported and revisited at the next regular Leadership Council meeting.

C. Engagement Working Group

In order to support coordination on Community Engagement, the Leadership Council may choose to develop an Engagement Working Group that can coordinate and plan outreach activities, craft communication messages, and provide input on website and other social media design, ensure participation in larger River District community events, and recruit grassroots organizations and networks to assist in disseminating information and notices.

**D. Workforce Working Group**

The Workforce Working Group administered by Urban Strategies will be utilized by all Co-Applicants and Partners as necessary for advice and coordination on all training and hiring opportunities within each Project Type. The Workforce Working Group will assist in job mapping, local labor force referrals, developing and advising on training modules, and connecting Co-Applicants and Partners to education and workforce partners.

**Section 8. Governance and Meeting Facilitation Procedures**

Upon successful award of a TCC Grant, the Leadership Council at its first meeting shall discuss governance procedures and set key priorities for managing future meetings.

Also, at the first meeting, the Leadership Council shall appoint Partners to serve as Chair, Vice Chair, and Secretary of the Council. The Treasurer shall be SHRA, as the Lead-Applicant and responsible party.

Each meeting shall have an agenda with sufficient time dedicated to each agenda item for full consideration and participation from the Council. Meetings shall be run in regular order with the Chair recognizing speakers to allow for an organized exchange of ideas. Meetings will be scheduled at convenient times (e.g., after work) and convenient and accessible locations, with translation and services for people of all ages and abilities, and childcare as necessary. Meeting agendas, materials and summaries/minutes will be posted on a user-friendly project web page and be available at certain locations (e.g., Twin Rivers community center, SHRA library, etc.). Council meetings will be held at a minimum twice a year and work group meetings will be held at a minimum of four times a year.

**Section 9. Process to Ensure Community Stakeholder Representation**

SHRA will consult with implementing partners as well as Leadership Council members regularly to ensure clear messaging and communication on goals and requirements; address conflicts and roadblocks as they arise; and ensure that decisions are well-informed and made quickly to guarantee success. The Working Groups, Initiatives as well as the Leadership Council provide forums for discussion, information-sharing and advice but ultimately decision-making powers regarding changes in direction, lead agencies, implementing partners will lie with the Leadership Council, where implementing partners are able to participate in the discussion and decision-making process. All program or project shifts made within the Initiatives must be done in

consultation with SHRA, the Leadership Council and be approved by the State of California.

SHRA staff leading these efforts are in regular communication and hold bi-monthly meetings to ensure cohesive oversight and management of all River District Initiative projects, programs and events. SHRA will take the primary lead for communicating with the State of California.

Leadership Council meetings shall be open to the public and the agenda shall provide for a period of public comment on TCC implementation generally, not specific to an agenda item. SHRA shall use existing local community groups and resident organizations to publicize meetings, similarly the Leadership Council shall reasonably rely on its project Partners to assist in community outreach and engagement.

The determination and implementation of some Projects (specifically in the Urban Greening and Access Mobility Initiatives) require more design, and project Partners have committed to robust community participation in design and location. Allowing community residents and stakeholders a voice in what improvements look like and where they are located in their community is a critical aspect of the River District TCC Plan.

#### **Section 10. Plan for Accountability**

SHRA shall work with Project Partners and stakeholders to engage them on what measures the community would like to see to ensure accountability throughout the process. In order to be accountable to the community, SHRA and the Co-Applicants commit to regular tracking of project metrics by third parties including ISR. All projects include strong levels of community engagement and input and are required to report out to their respective Initiative Partners, allowing for peer-to-peer accountability and evaluation as well as direct community accountability. ISR will engage residents and businesses in a survey geared towards developing communitywide indicators that can be tracked to determine if the TCC investments are changing attitudes, behavior, health and circumstance for the River District. Leadership Meetings will be open to the public, broadly publicized with clear agendas, minutes and a record of attendance to ensure regular accountability. SHRA is responsible for ensuring the accountability of its Co-Applicants, Partners and Working Groups to meet their responsibilities and implement their Projects in a timely fashion, in accordance with their Work Plan and within their budget allocation. SHRA will dedicate staff to monitor all Projects, participate in Initiatives and Working Groups and track progress through data dashboards and utilization of specific project management software and smart sheets and allow for task collaboration. Utilizing this software allows SHRA to measure progress and determine early on when tasks and timelines are not being met. SHRA, as Lead Applicant, will meet with Co-Applicants when items begin to get flagged as late and develop appropriate work plans to

address issues as they arise. SHRA and Initiative Leads will engage in site visits to visually inspect progress and build out of all projects.

#### **Section 11. Term of the MOU & Termination**

A. Term of MOU. This MOU shall run for the duration of the River District TCC Plan Proposal implementation period to be further specified once a Grant Contract has been executed.

B. Termination of MOU. The Lead Applicant reserves the right to terminate this MOU for convenience upon 30 days written notice to the Co-Applicants. Co-Applicants reserve the right to terminate their participation in this MOU for convenience upon 30 days written notice to SHRA. This MOU will automatically terminate if the River District TCC Application does not receive a grant award based on its response to the FY2018 River District TCC Plan NOFA.

C. Co-Applicant Substitution. Lead Applicant may remove and substitute individual Co-Applicants to this MOU on an as needed basis, without the prior approval of other Co-Applicants.

D. Co-Applicant Shall Deliver Work Product in Event of Termination. In the event that this MOU is terminated under this Section 10, the Co-Applicant agrees that it shall promptly deliver to SHRA, or cause to be delivered to the SHRA, without warranty or representation, any concrete, transferable, and useable third-party work product generated in connection with the planning or implementation of the Project that has been paid for in whole by TCC funds. Co-Applicant may submit a final request for reimbursement within 60 days of termination. SHRA shall review and seek reimbursement for all Co-Applicant sums for services actually performed and properly accounted for prior to the effective date of termination. No reimbursement submittals will be processed if received more than 60 days after termination.

#### **Section 12. Indemnification**

A. The Partners shall indemnify and hold harmless SHRA and its respective commissioners, directors, officers, agents, employees and affiliates hereunder from any loss, cost, damage, claim, demand, suit, liability, judgment and expense (including reasonable attorneys' fees actually incurred and other costs of litigation) ("Claims") arising out of or relating to any injury or death of persons, or damage to or loss of property to the extent resulting from any material breach of this MOU or the active negligence or intentional wrongful acts of the Co-Applicants, Partners or their member entities, agents, partners, employees or Co-Applicant or Partner-hired third-party contractors arising or occurring after the date hereof, excluding Claims arising from the active negligence or willful misconduct of SHRA.

B. SHRA shall indemnify and hold harmless the Co-Applicants, Partners and their directors, officers, members, partners, agents, employees and affiliates hereunder from any Claims arising out of or relating to any injury or death of persons, or damage to or loss of property to the extent resulting from any material breach of this MOU or the active negligence or intentional wrongful acts by SHRA or its employees arising or occurring after the date hereof, excluding Claims arising from the active negligence or willful misconduct of the Co-Applicants, Partners or Co-Applicant/Partner- hired third party contractors.

**Section 13. Mutual Cooperation**

The Parties hereto agree that they will each cooperate with the other, shall provide such information and documentation as is reasonably necessary to fulfill the intent of this MOU and shall make diligent response to inquiries and requests for information from the other Party. The Parties agree to provide all Project-related information and documents as requested by the other Party or the State of California, including all grant related reporting and documentation.

**Section 14. Insurance**

A. Pursuant to Grant Agreement and this MOU, at its own cost and expense, Co-Applicants will procure and maintain insurance or provide evidence of self-insurance for the following types of insurance upon the execution of a Grant Agreement:

- i. Statutory Workers' Compensation, as required by the California Labor Code, and listing SHRA as a Certificate holder; and
  - ii. Comprehensive General Liability, with limits not less than \$1,000,000 per claim and 2,000,000 annual aggregate with SHRA as an additional insured; and
  - iii. Comprehensive Automobile Liability insurance with limits not less than \$500,000 per occurrence for all owned and non-owned vehicles, with SHRA as an additional insured on the policy, as appropriate, based on Project Type and activities; and
  - iv. All Partners utilizing volunteers and working with youth need to provide evidence of any specific additional insurance required or increased limits.
- B.
- i. For those Partners utilizing individuals personal identification information, Cyber Liability coverage with limits of no less than \$1,000,000 per claim and \$2,000,000 annual aggregate, covering all acts, errors, omissions, negligence, and including

infringement of intellectual property in the performance of services for SHRA or on behalf of SHRA. Contractor's policy will provide for Data Security & Privacy "Cyber" coverage (including coverage for unauthorized access and use, failure of security, breach of confidential information, alleged or actual theft, dissemination, and/or use of personal or confidential information and any related forensic costs, crisis management costs, investigation, and costs of regulatory/governmental investigations).

All such insurance shall be from a company or companies rated A:VII or better by A.M. Best and shall be maintained in force at all times during the term of the agreement and for a period of two years thereafter for services completed during the term of the agreement. SHRA shall be given at least 30 days notice of the cancellation or expiration of the aforementioned insurance for any reason. All evidence of insurance coverage required to be submitted in accordance with this MOU shall be delivered to the attention of the Director of Development for SHRA at 801 12<sup>th</sup> St., Sacramento, CA 95814. SHRA shall make the final determination as to whether the documentation submitted conforms to the requirements of this MOU.

#### **Section 15. Effect of MOU**

A. The Parties acknowledge and agree that nothing contained in this MOU shall be deemed a covenant, promise or commitment by either (i) SHRA, or (ii) Related to SHRA, to enter into any other agreement on any particular terms or conditions, in furtherance of any the Projects in the TCC Proposal if not selected for TCC funding. The Partners further understand and agree that the State of California retains the ultimate discretion to approve or deny TCC funding. Each Party's execution of this MOU is merely an agreement to the terms of the collaborative stakeholder structure, contingent upon TCC funding and award.

B. This MOU is the complete and total understanding of the Parties with regard to the subject matter hereof. Any changes, modifications or addendums to this MOU must be in writing, approved by SHRA, the Board and by the Partners, and signed by SHRA and the Partners.

C. Nothing contained in this MOU shall be construed to require, or have the effect of requiring, SHRA to take any action inconsistent with any applicable law, rule or regulation which governs the SHRA's actions.

#### **Section 16. State Disclaimer**

The Parties acknowledge that while SHRA has discussed the Project with the Strategic Growth Council, the State has not stated the conditions, if any, on which it would approve any approach to be funded pursuant to this MOU. All terms and conditions stated in this MOU or any other document regarding the Lead, Co-Applicant's or Partner's participation in the Project shall be modified as needed to meet all State requirements.

**Section 17. Assignment and Assumption**

Neither SHRA nor any Co-Applicant or Partner shall assign any of their interests or obligations under this MOU to any other party, without the prior written consent of the other.

**Section 18. Binding Upon Successors**

All provisions of this MOU shall be binding upon and inure to the benefit of the heirs, administrators, executors, successors in interest, transferees, and assigns of each of the Parties; provided, however, that this section does not waive the prohibition on assignment of this MOU by either Party.

**Section 19. Effect of Legal Judgments**

Should any covenant, condition, or provision herein contained be held to be invalid by final judgment in any court of competent jurisdiction, the invalidity of such covenant,

condition, or provision shall not in any way affect any other covenant, condition, or provision herein contained.

**Section 20. Notices**

Any notices to be given pursuant to this MOU shall be in writing, and such notices may be delivered by email or by U.S. mail to the party for whom intended as follows. Any other document to be delivered shall be delivered by personal service or by deposit in the United States mail, postage prepaid, and addressed to the party for whom intended as follows:

1. Sacramento Housing and Redevelopment Agency  
801 12<sup>th</sup> Street, Sacramento, CA  
Attention: La Shelle Dozier
  
2. City of Sacramento



915 I Street, 4<sup>th</sup> Floor, Sacramento, CA 95814  
Attention: Rachel Hazlewood

3. Sacramento Regional Transit  
1400 29th St Sacramento, CA 95812  
Attention: Henry Li
  
4. McCormack Baron Salazar, Inc.  
801 S Grand Ave # 780, Los Angeles, CA 90017  
Attention: Dan Falcon
  
5. Sacramento Metropolitan Area Quality Management District  
777 12th St, Sacramento, CA 95814  
Attention: Alberto Ayala
  
6. SETA  
925 Del Paso Blvd, Sacramento, CA 95815  
Attention: Kathy Kossick
  
7. Alchemist Community Development Corporation  
909 12th St #200, Sacramento, CA 95814  
Attention: Tiffany Rosso
  
8. Sacramento Tree Foundation  
191 Lathrop Way suite d, Sacramento, CA 95815  
Attention: Ray Trethway
  
9. Sacramento Regional Conservation Corps  
6101 27th St, Sacramento, CA 95822  
Attention: David DeMers
  
10. Urban Strategies  
1110 Egbert Ave, San Francisco, CA 94124  
Attention: Isaac Dozier

11. SMUD  
6301 S St Sacramento, CA 95817  
Attention: Arlen Orchard
  
12. WalkSacramento  
909 12th St #203, Sacramento, CA 95814  
Attention: Kiran Kumar
  
13. Breathe CA Sacramento region  
909 12th St, Sacramento, CA 95814  
Attention: Stacey Springer
  
14. River District Property and Business Improvement District  
PO Box 630 Sacramento, CA 95812  
Attention: Patty Kleinknecht
  
15. Sacramento State Institute for Social Research (ISR)  
Attention: Shannon Williams

Either party may, from time to time, by written notice to the other, designate a different address, which shall be substituted for the one above specified. Notices, payments and other documents shall be deemed delivered upon receipt by personal service or upon deposit in the United States mail.

**Section 21. Amendments and Modifications**

Any amendments or modifications to this MOU must be in writing, and shall be binding only if executed by SHRA, Co-Applicants and the Partners, and approved by the State of California.

**Section 22. Governing Law**

This MOU shall be interpreted under and be governed by the laws of the State of California, except for those provisions relating to choice of law or those provisions preempted by federal law. This MOU is made, entered into and executed in Sacramento County, California, and any action filed for the interpretation, enforcement or other action with respect to the terms, conditions or covenants referred to herein shall be filed in the applicable court in Sacramento County, California.

**Section 23. Costs**

Each Party agrees that it shall not be liable to the other Party for any costs incurred related to the negotiation of this MOU.

**Section 24. Counterparts**

This MOU may be executed in counterparts, each of which shall be deemed to be an original.

**Section 25. Time is of the Essence**

Time is of the essence in the performance of each and every obligation of the Parties under this MOU.

**Section 26. Drafting**

Each of the Parties hereto agree that this MOU is the product of joint draftsmanship and negotiation and that should any of the terms be determined by a court, or in any type of quasi-judicial or other proceeding, to be vague, ambiguous and/or unintelligible, that the same sentences, phrases, clauses or other wordage or language of any kind shall not be construed against the drafting party in accordance with California Civil Code Section 1654, and that each such Party to this MOU waives the effect of such statute.

**Section 27. Merger**

The Parties acknowledge and agree that all prior discussion, negotiations, letters of intent and any other writings by and between the Parties shall be deemed to be superseded and replaced by the terms of this MOU.

**Section 28. Entire Agreement**

This MOU, including all exhibits and other documents incorporated herein or made applicable by reference, if any, constitutes the entire agreement of the Parties concerning the subject matter hereof and supersedes all prior agreements, understandings and commitments, whether oral or written.

## **River District Collaborative**

### **INVESTMENT WITHOUT DISPLACEMENT POLICY**

Projects incorporated in the River District Collaborative Transformative Climate Communities Plan have been developed to promote investments that strengthen and stabilize the River District as a community vulnerable to gentrification and displacement. Collaborative Partners concur that investment without displacement is not only vital to the survival of low-income communities and communities of color, but essential to reducing greenhouse gas emissions and increasing economic vitality.

The residents of the River District are already leading environmentally sustainable lives: using public transit frequently, living in a dense neighborhood with compact homes, and living near where they work, shop, learn, worship, and socialize. The River District TCC Plan builds upon and strengthens this strong foundation, rather than undermining it.

River District Collaborative Co-Applicants and Partners agree that achieving investment without displacement will require coordinated local and citywide actions. The River District Collaborative Projects are grounded in localized neighborhood needs as identified by River District residents and businesses, because they are the experts on what they need to thrive. The River District Collaborative has ensured that its approach embraces a well-funded neighborhood engagement component from development through implementation.

To achieve development that benefits vulnerable communities, while bringing economic and environmental gains, the River District Collaborative has worked together to ensure that its Plan incorporates:

#### **Meaningful Resident Leadership and Influence in Planning Processes and Outcomes**

The Leadership Council, Initiative Model and Project engagement plans are designed to place decision-making power about core implementation issues into the hands of the affected in a way that directly influences outcomes; guarantees that all planning processes will be linguistically accessible, transparent, and understandable to local residents; will demonstrate that resident priorities and recommendations have been incorporated meaningfully into planning outcomes.

#### **Investment in Community Assets to Meet the Needs of Low-Income Families in the River District**

The Projects proposed to be implemented will promote cultural and community cohesion, recognize and strengthen existing community assets, and prioritizes localized needs, community benefits, and priorities previously identified through multiple inclusive neighborhood-based Planning efforts.

The River District Transformation Plan intends to build a “complete community” in the River District by creating improved access to essential resources such as healthy food and improved infrastructure such as crosswalks, bike paths, transit stations, and community gathering and recreation areas. These Projects will be coupled with leveraged funding to enhance services to protect tenants, low-income homeowners and develop more affordable housing.

### **Protecting Tenants and Promoting Affordable Housing**

Maintain existing homes that are affordable to low-income households by providing low- or no- cost energy and cost-savings measures to homeowners through the Solar and Energy Efficiency Projects and foreclosure prevention services, ensuring long term building habitability and limiting foreclosures.

Safeguard the rights of tenants to remain in their homes through education and enforcement of just cause/fair rent laws and tenant protections.

Confirm that the Projects will not cause temporary or permanent displacement outside of the River District. In the Twin Rivers Project, the adopted Relocation Plan protects tenants with the right to return, no rescreening requirements, and the cost of all move expenses paid for.

The leverage funds in the River District TCC Plan create security for low-income tenants and homeowners by funding tenant counseling services, rental and utility assistance programs, and counseling and assistance to help low-income homeowners at risk of foreclosure secure fair and affordable loan modifications.

Tie affordability levels of new housing to the existing needs of River District residents and workers, with the majority of units targeted to families who are extremely-low and very-low-income.

### **Tailor Economic Investments to Local Workforce and River District Needs**

The Projects proposed in the River District TCC Plan prioritize opportunities for local hire, with a goal of ensuring that at least 30% of all new hires are River District residents and providing job training and educational programs for adults and youth to improve economic opportunities for existing residents and maximize the potential of the existing workforce.

The Projects incorporate infrastructure improvements along business corridors to make them more accessible to River District residents and Projects won't displace or relocate existing businesses.

Promote economic development that supports environmental sustainability and includes green job training and placement opportunities.

The Projects will provide opportunities for qualified local businesses to assist in available contracting opportunities and will work with Urban Strategies and SETA to source existing small businesses and contractors.

**Improve Transportation Access**

Prioritize transportation investments to provide frequent, affordable, and reliable local-serving transit to support neighborhood social networks for the River District. Ensure that Projects bringing new transportation options to the community or improving existing options focus on zero-emission vehicles to reduce GHG and promote improved environmental health in the community.

# COMMUNITY ENGAGEMENT POLICY

## River District Collaborative

### COMMUNITY ENGAGEMENT POLICY

The River District Collaborative Co-Applicants and Partners are committed to a strong Collaborative-wide and localized Community Engagement process that works for the community of the River District and its unique and diverse constituency. We believe the strong community engagement which took place over a decade through a variety of grassroots and formal planning efforts has helped solidify neighborhood involvement in the River District and buy-in that will carry over into subsequent implementation phases and future improvement efforts in the River District Community Engagement Plan.

Collaborative-wide Community Engagement will be led by SHRA and the Leadership Council which will be made up of neighborhood residents, local business owners, non-profit organizations, anchor institutions and community leaders who provide input on every aspect of the process with guidance and information provided to them by the Lead and Co-Applicants, academic partners and the respective "Initiatives." Leadership Council members will act as a shared advisory body and as conduits between the River District TCC Plan and their respective community-based groups. In addition to its quarterly meetings, the Leadership Council will hold an annual open meeting or open house which will be publicized via social media and through flyers distributed during door-to-door canvassing. The open house will be open to anyone interested in learning more about the River District TCC Plan and will be a time to showcase progress, answer questions, and gain additional public input. In addition, during implementation a website will be developed to provide ongoing progress of project milestones and other indicators being tracked that will allow ability for public comment and additional engagement. River District Collaborative Partners commit to provide content for the website and social media on an as needed basis, participate actively in the Leadership Council and additional collaborative events, as applicable.

Co-Applicants and the Initiatives commit to designing their own unique engagement approaches that are meaningful and most appropriate to their unique set of projects, timelines and readiness. Partners will work with a variety of constituencies that might have a specific interest in their Project and will employ or participate in at least three strategies for engagement during the design, implementation and evaluation of their respective Projects.

These engagement approaches should allow for the community to collaborate in the Project in a meaningful way and not just be used to convey information. Engagement approaches can include things like learning activities, focus groups, public workshops, surveys, door-to-door canvassing, housing meetings, and use of social media and should be appropriate for the audience partners are trying to engage.

River District Collaborative partners will look for opportunities to share outreach efforts when targeting the same communities or groups of residents in order to ensure quality participation over quantity of participation.

It is important to consider that 'one size does not fit all' when it comes to the River District stakeholders and the type of community engagement that should be undertaken.

Engagement techniques, cultural protocols and linguistic barriers must be considered when developing engagement activities. Consider opportunities to cross-pollinate ideas by bringing diverse age groups, cultures and interests together around a common goal or activity.

The River District Collaborative realizes it is essential to provide the River District community with feedback and reports on community engagement activities and any associated outcomes based on their participation. This is to ensure the communities' ongoing interest, trust and involvement with the Projects or any future engagement activities. Partners should consider the best way to provide project-level feedback to the community or particular stakeholder groups either through maintaining a database of participants, posting images and graphics on results and progress on the River District website, or disseminating notes or minutes for more formal meetings. It is imperative to maintain privacy and confidentiality in any reporting and feedback. The names of individuals or other identifying information must be removed, unless you have written consent of each participant to publish or release their personal opinions or other information.

When activating Project-based Engagement activities, please maintain the following protocols:

### **Community Engagement Plans**

- Community Engagement Plans will be developed for all projects, activities and issues that require the communities' participation.
- Community Engagement Plans need to be shared with the Lead Applicant and Leadership Council for review and feedback.
- Utilize River District-based community organizations, non-profits, pre-existing grassroots groups, and social networks to help develop and implement engagement activities whenever possible.



### **Media Releases**

- **Media Releases** specifically for Projects that are included in the River District Collaborative's TCC Plan should indicate the Projects association with the River District Collaborative by including the River District logo or other appropriate methods.
- **Media Alerts or Releases** should be provided to the Lead Applicant for review before being distributed.

### **Brochures, fact sheets and leaflets**

- All information for distribution should be submitted to the Lead Applicant as part of your regular reporting and record-keeping. As a best practice, Co-Applicants and Partners should provide these materials to the Lead Applicant and Leadership Council and/or Initiative for input and review to ensure that there are not any engagement conflicts, branding is consistent, and content is clear prior to distribution.
- Material should be easy to understand and available in to reach a broad audience in the River District.

### **Community Surveys**

- Community survey questions and methodology should be overseen by ISR as the data partner if they are a part of your engagement strategy.

### **Community Meetings (public meetings, charrettes, workshops, etc.)**

- The Initiatives and Leadership Council should maintain a calendar of community meetings, workshops and charrettes related to all River District TCC Plan projects. SHRA as Lead Applicant will maintain the calendar based on input from all Co-Applicants and partners.
- The Community Engagement calendar should be checked when arranging meetings to avoid clashes with other events.

### **Conflict Resolution & Concerns**

- Any complaints or conflicts that may arise during Community Engagement activities should be shared with the Lead Applicant for collaboration on response and approach.
- General conflicts or complaints that do not involve individual or personality conflicts should be shared constructively with the Leadership Council for input and proposals for changes in approach and resolution.

### **River District Website**

- A Community Engagement calendar will be publicly available on the website listing past and current community engagement activities. Details of these engagement activities will also be included.

- This Community Engagement Policy will be available for public viewing and download via the website.



October 11, 2018

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

**SUBJECT:**

Update to Housing Authority Asset Repositioning Plan Strategy to Allow for Conversion of the Public Housing Property Portfolio to the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs, and Authorization to Submit Conversation Applications to the United States Department of Housing and Urban Development (HUD)

**SUMMARY**

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

**RECOMMENDATION**

Staff recommends approval of the recommendation outlined in the attached report.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment



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

**Discussion**  
**October 30, 2018**

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

**Title: Update to Housing Authority Asset Repositioning Plan Strategy to Allow for Conversion of the Public Housing Property Portfolio to the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs, and Authorization to Submit Conversation Applications to the United States Department of Housing and Urban Development (HUD)**

**Location/Council District: All**

**Recommendation: Pass a Housing Authority Resolution:** 1) approving updates to the Housing Authority Asset Repositioning Plan to allow for conversion of the public housing portfolio under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs, 2) authorizing the Executive Director to submit RAD and Section 18 applications to the United States Department of Housing and Urban Development (HUD), 3) authorizing the Executive Director to execute applicable award agreements if the RAD and Section 18 applications are accepted, and 4) making related findings.

**Contact:** La Shelle Dozier, Executive Director, (916) 440-1319, Sacramento Housing and Redevelopment Agency

**Presenters:** La Shelle Dozier, Executive Director, (916) 440-1319; LaTanna Jones, Assistant Director of Housing, (916) 440-1334

**Department:** Sacramento Housing and Redevelopment Agency

**Description/Analysis**

**Issue Detail:** In Sacramento there are currently 2712 units of public housing (1699 of which are in the City of Sacramento) which are managed by the Sacramento Housing and Redevelopment Agency (SHRA). These units are vital to providing critical housing for low and very low income residents. However, the units have significant issues that affect their long term sustainability. The housing stock is rapidly aging, the Federal government has not adequately funded public housing programs over the last seventeen years, and the local demand for affordable housing continues to increase. Sacramento's issues are not unique. Many Public Housing Authorities (PHAs) across the nation are struggling to maintain their public housing inventory. To meet these

challenges, the Housing Authority of the City of Sacramento (Housing Authority), staffed by SHRA, must take new innovative approaches to preserve and maintain this valuable affordable rental housing portfolio.

SHRA staff contracted with CSG Financial Services to update the PHA Asset Repositioning Plan, approved by the Housing Authority Board in 2007 (Housing Authority Resolution No. HA-2007-010), in an effort to evaluate the best strategy for its public housing portfolio. The update involved analysis and review of the physical condition of all properties via physical needs assessments, financial records, property budgets, and historical property data. In addition, they reviewed HUD programs and requirements which would address deferred maintenance and capital improvement needs backlog.

The analysis determined that the Housing Authority should convert its entire housing portfolio from the current Public Housing Program to either the Rental Assistance Demonstration (RAD) Program or Project Based Section 8 via HUD's Demolition and Disposition Program. Both programs will increase the Housing Authority's ability to stabilize its properties and address long term deferred maintenance needs while preserving long term affordability for the residents.

CSG has prepared a detailed analysis and recommendations regarding the following factors related to the proposed conversions: 1) feasibility analysis, 2) conversion phasing, 3) financial impact, and 4) guiding principles.

### FEASIBILITY ANALYSIS

Based on the review of the current public housing stock, there are two possible conversion approaches. The strategy used depends on the size of the property. One strategy addresses properties with five or more units and the other strategy focuses on properties with four or less units. Details on the two strategies are outlined below.

*Strategy 1 - Portfolio Conversion - Rental Assistance Demonstration (RAD)* Properties with five or more units are proposed be converted to the RAD Program. RAD was initiated by HUD in 2012 to help PHAs convert properties to a more sustainable program. Converting properties gives the PHAs the ability to use private debt and equity because PHAs are able to transition to long-term project-based Section 8 rental assistance contracts instead of the burdensome contracts required for public housing. A key feature of RAD is that repositioned properties are economically sustainable without adverse impacts to the residents.

Full conversion of the City portfolio would allow the Housing Authority to leverage funds to obtain the \$129 million needed to complete deferred maintenance activities. The Housing Authority will have the ability to use noncompetitive four percent low income housing tax credits, capital funds, supportable mortgages, and surplus cash generated from property conversions to leverage funds needed for capital improvements. Financial projections reveal that conversion may generate positive cash returns from some of the properties. The positive revenue could then be used to offset gap financing for other properties. As a result, the feasibility analysis concluded that the RAD conversions could be accomplished primarily within the cash returns and capital funds generated

from Housing Authority financing. This assumption is based on upfront deferred maintenance work being confined to the critical needs required in the current physical

needs assessments completed by EMG Consultants. CSG also concluded that pursuing nine percent Low-Income Tax Credits may be beneficial for some properties. However, should those not be available, all financial scenarios work with noncompetitive four percent tax credits. A list of the properties proposed for conversion to RAD is included as Exhibit A.

Strategy Two - Scattered Sites – Section 18 Disposition Properties with four or less units are categorized as Scattered Site properties and are recommended to be converted to Project Based Section 8 properties under the Section 18 Demolition and Disposition Program (Section 18 Disposition). The program has no requirement to complete upfront deferred maintenance work. In cases where the Housing Authority determines rehabilitation work is necessary, that work can be performed with the enhanced revenues generated as a result of the conversion. A benefit of the Scattered Site conversions under Section 18 Disposition is the addition of Section 8 vouchers that can either be used to relocate tenants as necessary or to convert the properties to Project Based Section 8 properties to guarantee long-term affordability. No additional drain on the Housing Authority's current voucher program is created by these conversions. A list of the properties proposed for conversion to Section 18 status is included as Exhibit B.

### CONVERSION PHASING

HUD requires PHAs to develop a phasing plan for conversion. The properties would be phased in accordance with a schedule that is based on minimizing requirements for gap funding. After initiation of the application process for each conversion, HUD allows PHAs up to two years to complete conversions and initiate deferred maintenance activities, if required. Conversion takes place prior to any construction of deferred maintenance activity. Based on our preliminary projections, the Housing Authority plans to submit applications to HUD to reserve RAD conversion for the entire portfolio by early 2019. Attachment 1 contains the priority of property conversions.

Staff proposes that applications for the conversion of Scattered Site properties (1-4 units) be submitted to HUD before the end of 2018. All conversions under this program will be granted with new Section 8 Vouchers that are provided on a first come, first served basis. Because of the popularity of this program and the ability to obtain additional vouchers, it is important that the Housing Authority submit applications to convert the Scattered Sites as soon as possible. Staff recommends submission of applications for Scattered Sites under the Section 18 program before the end of 2018.

If the Housing Authority pursues the four percent tax credit program for the property rehabilitations needed, the timeline will likely be 10-12 years. However, if the Housing Authority is successful in pursuing nine percent tax credits for some of the properties, the rehabilitation timeline could be reduced by approximately 3-4 years.

**FINANCIAL IMPACT**

As previously mentioned, the purpose of conversion is to attract private equity and capital to the public housing portfolio to address much needed deferred maintenance. The additional equity and supportable mortgage leveraged for the City Housing Authority properties are estimated to total approximately \$129 million which will cover the deferred maintenance identified in the CSG Study. Under RAD and Section 18, the rental subsidy received from HUD would increase by approximately 30 percent. Based on three-year average revenues for 2015, 2016 and 2017, the newly converted properties would increase overall revenue between the City and County properties by over \$1 million dollars.

**GUIDING PRINCIPLES**

As part of the initial Asset Repositioning Strategy, Guiding Principles that were adopted as the policy direction for each reposition activity. The general parameters of those principles were to prevent loss of units to extremely low income households, decrease reliance on federal funds, incorporate smart growth principles into development opportunities, reinvest proceeds of sale into Housing Authority replacement units, foster partnerships with entities to position development efforts for success, and to pursue actions that would generate fees and other revenue for the Authority. In 2018 these principles still hold true. However, due to changes in HUD conversion programs, the Housing Authority is proposing the following modifications to three of the Guiding Principles as outlined below. The complete text of the Guiding Principles is included in Attachment 2.

<b>Description of Modification</b>	<b>Justification</b>
20 year vs. 30 year upgrade standards	HUD’s RAD Program has modified Physical Needs Certifications and standards to 20 year assessments. All reporting and criteria for the program guidelines have been updated to this timeframe.
Preserve and enhance housing stock via rehabilitation and new construction vs. demolition	In accordance with Section 18 standards, no City Housing Authority property is currently eligible for demolition. Rehabilitation and completion of deferred maintenance are the allowable paths of conversion under current program guidance
Conversion to Section 8 Platform vs. remaining part of the standard public housing program	The Rental Assistance Demonstration and Section 18 Disposition Program are designed for Authorities to convert to the more stable Project Based Section 8 platform.

**Policy Considerations:** This report is consistent with the recently updated Public Housing Authority Plan to transition and convert public housing properties under the Rental Assistance Demonstration and Section 18 Demolition and Disposition Programs. The efforts are also consistent with the Housing Authority's mission to promote self-sustaining housing opportunities for extremely low-income residents in the City of Sacramento.

In concert with the PHA Plan and the mission of the Housing Authority, Staff is maximizing its efforts to provide information and updates to the residents regarding the intended conversion program. The Resident Advisory Board has been consulted throughout the process, and affected residents have been notified and invited to informational meetings. During the week of October 15, 2018, additional correspondence was sent to residents regarding the RAD and Scattered Site conversion programs respectively. Staff is also working to assemble resident representatives, stakeholders, and community advocates to be involved in a RAD consortium on an ongoing basis to bolster advocacy, accountability, and to ensure the consistent dissemination of information regarding all conversion efforts. This body will also be used to help market workforce development opportunities to Section 3 residents and businesses within Sacramento.

Relocation may be required with conversion of the units to the RAD and/or Section 18 Programs. If required, relocation assistance will be provided in accordance with the Uniform Relocation Assistance Act. Residents will not be required to move or pay additional rent due to this action.

**Economic Impacts:** Not applicable.

**Environmental Considerations:** California Environmental Quality Act (CEQA): The proposed application for RAD Conversion is an administrative activity and does not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b). Environmental Review for specific projects under the RAD Program will be completed prior to any discretionary action(s) being carried out with regard to such projects.

National Environmental Policy Act (NEPA): The proposed application for RAD Conversion is an administrative activity and does not make any commitments to, or give approvals for, specific projects or activities and is exempt under the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.34(a)(3). Environmental Review for specific projects under the RAD Program will be completed prior to any choice limiting action(s) being carried out with regard to such projects.



**Sustainability Considerations:** Not applicable.

**Commission Action:** It is anticipated that, at its meeting of October 17, 2018 the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Board in the event this does not occur.

**Rationale for Recommendation:** This report recommends that the Housing Authority submit applications to HUD to convert the Public Housing portfolio to the Project Based Section 8 platform under the RAD and Section 18 programs. This will convert the portfolio to a long-term sustainable financial model and allow for physical improvements to be made at the properties with no rental increase for the residents.

**Financial Considerations:** This report recommends that Housing Authority submit applications to HUD to convert the Public Housing portfolio to the Project Based Section 8 platform. A detailed analysis and update to the Housing Authority Asset Repositioning Plan is included at Attachment 3. Conversion, if granted, would terminate the Authority's reliance on Public Housing Subsidy and Capital Funds to operate and maintain public housing properties. Alternatively, the Housing Authority would receive Section 8 vouchers in the same or slightly higher amount plus leveraged funds from private investors to facilitate property operations. Upon approval to convert public housing properties, the Housing Authority will need to consider the use of existing capital funds to finance predevelopment, development and other activities that promotes long term investment in the existing portfolio. The preliminary financial projects are included in the Asset Repositioning Strategy. Financing plans will be developed for each property prior to conversion and will be brought back to the Board for consideration and approval.

**LBE - M/WBE and Section 3 requirements:** Not applicable

Respectfully Submitted by: \_\_\_\_\_



LA SHELLE DOZIER  
Executive Director

**Attachments**

- 1 - Description/Analysis
- 2 - Housing Authority Resolution
- 3 - Exhibit A
- 4 - Exhibit B
- 5 - Attachment 1 – RAD Conversion Priority
- 6 - Attachment 2 – Guiding Principles
- 7 - Attachment 3 – Asset Repositioning Strategy

## **RESOLUTION NO. 2018 -**

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

on date of

### **APPROVING THE UPDATED ASSET REPOSITIONING PLAN STRATEGIES AND AUTHORIZATION TO SUBMIT APPLICATIONS TO THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT TO REPOSITION AND CONVERT CITY PUBLIC HOUSING PROPERTIES UNDER THE RENTAL ASSISTANCE DEMONSTRATION AND SECTION 18 DEMOLITION AND DISPOSITION PROGRAMS**

#### **BACKGROUND**

- A. The Housing Authority of the City of Sacramento (Authority) faces many issues with its public housing portfolio such as aging housing stock, underfunding by the US Department of Housing and Urban Development (HUD), and high demand for affordable housing.
- B. In 2007 the Authority worked with CSG Advisors to compose an Asset Repositioning Study to develop strategies to reposition and sustain many of the Authorities assets.
- C. Although the Authority completed some of the strategies suggested in the Asset Repositioning Study, the element of time, available funding and changing HUD programs have not allowed the Authority to complete the initiatives at a sufficient pace to keep up with the deteriorating housing stock.
- D. The Authority must continue to pursue innovative approaches to preserve its housing portfolio to address the growing housing demand for housing available to very low and low income individuals.
- E. The Authority is proposing an update to the Asset Repositioning Study that deems it prudent to convert all Public Housing properties to a more stable Project Based Section 8 Platform under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition Programs (Section 18).
- F. Congress implemented RAD and modified regulations under Section 18 to provide greater efficiencies and a mechanism for Public Agencies to address the growing backlog of deferred maintenance in nationwide public housing properties.
- G. The Authority is proposing to submit applications to HUD to convert all City Public Housing properties under the RAD and Section 18 programs.
- H. Consultation with the Resident Advisory Board has occurred, the Commission and Housing Authority's governing board. These consultations with the residents will continue on an on-going basis.

- I. The proposed action is administrative and does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations (CCR) section 15378 (b). Environmental Review for specific projects under the RAD Program will be completed prior to any discretionary action(s) being carried out with regard to such projects.
- J. The proposed action is administrative and is exempt from environmental review under the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations (CFR) section 58.34(a)(3). Environmental Review for specific projects under the RAD Program will be completed prior to any choice limiting action(s) being carried out with regard to such projects.

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

- Section 1. The above recitals, including the environmental determinations, are determined to be true and correct.
- Section 2. The proposed updates to the Housing Authority Asset Repositioning Strategy to allow for conversion of the City Public Housing Properties under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs is hereby approved.
- Section 3. The Executive Director or her designee is authorized to submit Rental Assistance Demonstration Program and Section 18 Demolition and Disposition Program Applications to the U.S. Department of Housing and Urban Development and to execute any and all documents as may be required for submission and approval by HUD for the RAD and Section 18 Program applications for the properties listed in Exhibits A and B hereto and, if necessary, certifying an agreement to comply with all requirements of the program.
- Section 4. The Executive Director is authorized to execute applicable award agreements if the RAD and Section 18 applications are accepted and approved by HUD.

**Table of Contents:**

- Exhibit A: List of Properties – 5 units or more
- Exhibit B – List of Properties – 4 units or less

**City Properties - 5 units or more**

**Exhibit A**

<b>Property</b>	<b>Address</b>	<b>Number of units</b>	<b>Council District</b>
Gibson Oaks	480 Redwood Ave	80	CITY DIST 2
Gran Casa Linda	3725 Cypress St	40	CITY DIST 2
Folsom Blvd	4921 Folsom Blvd	10	CITY DIST 3
Capitol Terrace	1820 Capitol Ave	84	CITY DIST 3
Comstock	1725 K Street	80	CITY DIST 3
Pine Knoll	917 38th Street	30	CITY DIST 3
Connie Drive	2532 Connie Drive	14	CITY DIST 3
West Silvereagle	425 West Silvereagle Rd.	10	CITY DIST 3
Big Trees	2516 H Street	29	CITY DIST 3
Edge Water Apartments	626 I Street	108	CITY DIST 4
River View apartments	600 I Street	124	CITY DIST 4
Marina Vista	Inclusive of all units in the Marina Vista Asset Management Property	391	CITY DIST 4
Alder Grove	Inclusive of all units in the Marina Vista Asset Management Property	360	CITY DIST 4
Alkali Flat Family	907-923 F Street	9	CITY DIST 4
William Land Villa	1043 43rd Ave	28	CITY DIST 5
Vista Arms	19 4th Ave., 3245 3rd Ave.,	25	CITY DIST 5
Glen Haven	3649-3651 2nd Ave	8	CITY DIST 5
Sherman Oaks	3543 1st Ave	32	CITY DIST 5

**City Properties - 5 units or more**

**Exhibit A**

Rio Lane	1000 Rio Lane	20	CITY DIST 5
Lincoln Manor	2845 37th St	18	CITY DIST 5
Townhomes	2910-2912 35th Street	20	CITY DIST 5
Colonial Heights	1 Clauss Ct	80	CITY DIST 5
24th Street	6552-6566 24th Street	8	CITY DIST 5
Fairgrounds	100 Fairgrounds	24	CITY DIST 6
Coral Gables	89-137 Coral Gables Ct	14	CITY DIST 8
Mandy	7280-7290 Mandy Drive	13	CITY DIST 8
Meadowgate	269-7281 Meadowgate Drive	11	CITY DIST 8
	<b>Total</b>	<b>1670</b>	

## City Scattered site units (4 units or less)

Exhibit B

Site Address	Street	City	Zip	Unit	City Council District
3836	HAYWOOD ST	Sacramento	95838	1	2
3249	WESTERN AV	Sacramento	95838	1	2
3255	WESTERN AV	Sacramento	95838	1	2
3319	WESTERN AV	Sacramento	95838	1	2
3840	CLAY ST	Sacramento	95838	1	2
100	FAIRBANKS AV	Sacramento	95838	1	2
44	FORD RD	Sacramento	95838	1	2
48	FORD RD	Sacramento	95838	1	2
637	GRAND AV	Sacramento	95838	1	2
3183	WESTERN AV	Sacramento	95838	1	2
3203	WESTERN AV	Sacramento	95838	1	2
3287	WESTERN AV	Sacramento	95838	1	2
3301	WESTERN AV	Sacramento	95838	1	2
74	ARCADE BLVD	Sacramento	95815	1	2
3937	BELDEN ST	Sacramento	95838	1	2
1731	Bowling Green DR	Sacramento	95815	1	2
375	LINDLEY DR	Sacramento	95815	1	2
200	REDONDO AV	Sacramento	95815	1	2
1142-1144	GRAND AV	Sacramento	95838	2	2
309-311	GRAVES AV	Sacramento	95838	2	2
530	LAMPASAS AV	Sacramento	95815	2	2
272	ARCADE BLVD	Sacramento	95815	1	2
150	BARTON WAY	Sacramento	95838	1	2
237	HAGGIN AV	Sacramento	95833	1	3
734	RIO TIERRA AV	Sacramento	95833	1	3
1571	34th STREET	Sacramento	95816	1	3
412-414	13th St	Sacramento	95814	2	4
1226-1228	D ST	Sacramento	95814	2	4
1512	D ST	Sacramento	95814	3	4
2773-2779	3rd ST	Sacramento	95818	4	4
4114	3rd AV	Sacramento	95817	1	5
3605	22nd AV	Sacramento	95820	1	5
3922	39th STREET	Sacramento	95820	1	5
2943	42nd STREET	Sacramento	95817	1	5
3254	SANTA CRUZ WY	Sacramento	95817	1	5
6129	HERMOSA ST	Sacramento	95822	1	5
2221-2223	16th AV	Sacramento	95822	2	5
3421-23	19th AV	Sacramento	95820	2	5
4058-4060	SUMAC LANE	Sacramento	95820	2	5
3250	W Street	Sacramento	95817	3	5
2970	2nd Avenue	Sacramento	95817	4	5
3509-3515	36th Street	Sacramento	95817	4	5

## City Scattered site units (4 units or less)

Exhibit B

4556-4568	10th Avenue	Sacramento	95820	4	5
3685	5th Avenue	Sacramento	95817	4	5
3635	5th Avenue	Sacramento	95817	4	5
4114	3rd AVE	Sacramento	95817	1	5
3661	4th AVE	Sacramento	95817	1	5
4439	6th AVE	Sacramento	95820	1	5
3804	21st AVE	Sacramento	95820	1	5
3421	21st AVE	Sacramento	95820	1	5
2931	24th AVE	Sacramento	95820	1	5
3405	24th AVE	Sacramento	95820	1	5
4001	32nd ST	Sacramento	95817	1	5
6508	GOLF VIEW DR	Sacramento	95822	1	5
4100	47th STREET	Sacramento	95820	1	5
5409	56th STREET	Sacramento	95820	1	6
5110	BRADFORD DR	Sacramento	95820	1	6
7604	VALLECITOS WAY	Sacramento	95828	1	6
7736	VALLECITOS WAY	Sacramento	95828	1	6
6021	WILKINSON ST	Sacramento	95824	1	6
6071	WILKINSON ST	Sacramento	95824	1	6
7748	40th STREET	Sacramento	95824	1	6
7612	51st AVE	Sacramento	95828	1	6
7221	FRUITRIDGE RD	Sacramento	95820	1	6
5550	EMERSON RD	Sacramento	95820	1	6
5064	10th Avenue	Sacramento	95820	1	6
7826	SHRADER CIRCLE	Sacramento	95832	1	7
7832	SHRADER CIRCLE	Sacramento	95832	1	7
7838	SHRADER CIRCLE	Sacramento	95832	1	7
7844	SHRADER CIRCLE	Sacramento	95832	1	7
3449	GATES WAY	Sacramento	95832	1	7
7557	18th ST	Sacramento	95822	1	8
7434	COSGROVE WY	Sacramento	95822	1	8
7458	COSGROVE WY	Sacramento	95822	1	8
2131	62nd AV	Sacramento	95822	1	8
6142	Belleau Wood LN	Sacramento	95822	1	8
7462	COSGROVE WY	Sacramento	95822	1	8
7466	COSGROVE WY	Sacramento	95822	1	8
7786	DETROIT BLVD	Sacramento	95832	1	8
2148	FLORIN RD	Sacramento	95822	1	8
1713	NEIHART AV	Sacramento	95832	1	8
3672	REEL CIRCLE	Sacramento	95832	1	8
7743	REENEL WY	Sacramento	95832	1	8
4231-4237	23rd ST	Sacramento	95822	2	8
1780-1786	71st AV	Sacramento	95822	2	8
1781- 1785	71st AV	Sacramento	95832	2	8





## Priority of RAD Conversions

Property	Number of Units	Area	Location	Priority
Pilot RAD Units	124 units	City/ County	<ul style="list-style-type: none"> <li>• 4500 Perry Ave – Located in South Sacramento, Off MLK Jr Blvd</li> <li>• 4930 El Paraiso Ave – Located in South Sacramento, near El Paraiso Estates</li> <li>• 8223 Walerga Rd – Located in Antelope</li> <li>• 9353 Elk Grove Florin Rd – Located in Elk Grove</li> <li>• 4921 Folsom Blvd – Located off of 50 Freeway, close to East Sacramento</li> <li>• 1043 43<sup>rd</sup> Ave – Located in South Land Park</li> </ul>	1
Oak Park I	114 units	City	<p><b>Oak Park</b></p> <ul style="list-style-type: none"> <li>• 2970 2<sup>nd</sup> Ave – Located in Curtis Park, near Franklin Blvd</li> <li>• 3685 5<sup>th</sup> Ave – Located in Oak Park, near McClatchy Park</li> <li>• 4556-4568 10<sup>th</sup> Ave – Located in Central Oak Park off of Stockton Blvd</li> <li>• 3509-3515 36<sup>th</sup> Street – Located in Oak Park, between 99 Freeway and MLK Blvd</li> </ul> <p><b>Vista Arms</b></p> <ul style="list-style-type: none"> <li>• 3123 2<sup>nd</sup> Ave – Located in North Oak Park, east of the 99 Freeway and south of the 50 Freeway</li> <li>• 3143 3<sup>rd</sup> Ave – Located in North Oak Park, east of the 99 Freeway and south of the 50 Freeway</li> <li>• 3635 5<sup>th</sup> Ave – Located in North Oak Park, near Broadway and McClatchy Park</li> <li>• 3819 4<sup>th</sup> Ave - Located in Oak Park, near Broadway, east of McClatchy Park</li> <li>• 3245 3<sup>rd</sup> Ave – Located in North Oak Park, near the 99 Freeway</li> </ul>	2

			<p><b>Fairgrounds</b></p> <ul style="list-style-type: none"> <li>• 100 Fairgrounds – Located in the Elmhurst neighborhood, east of Oak Park, north of West Tahoe Park</li> </ul> <p><b>Glenhaven</b></p> <ul style="list-style-type: none"> <li>• 3649-3651 2<sup>nd</sup> Ave – Located in North Oak Park, east of the 99 Freeway, south of 50 Freeway</li> </ul> <p><b>Sherman Oaks</b></p> <ul style="list-style-type: none"> <li>• 3543 1<sup>st</sup> Ave – Located in North Oak Park, east of the 99, south of the 50 Freeway</li> </ul> <p><b>Rio Lane</b></p> <ul style="list-style-type: none"> <li>• 1000 Rio Lane – Located in the area known as Little Pocket, west of South Land Park, located between the Sacramento River and the 5 Freeway</li> </ul> <p><b>Other Housing</b></p> <ul style="list-style-type: none"> <li>• 2845 37<sup>th</sup> Street – Located in North Oak Park, east of 99 and Broadway, south of the 50 Freeway.</li> <li>• 4001 32<sup>nd</sup> Street – Located in South Oak Park, east of 99, south of 12<sup>th</sup> Ave.</li> <li>• 3922 39<sup>th</sup> Street - Located in Nichols Park, east of MLK Blvd, south of 14<sup>th</sup> Ave</li> <li>• 5409 56<sup>th</sup> Street – Located in Tallac Village, east of Stockton Blvd, north of Fruitridge Rd</li> </ul>	
Senior Downtown I	232 units	City	<p><b>Edgewater</b></p> <ul style="list-style-type: none"> <li>• 626 I Street – Located in Downtown</li> </ul> <p><b>Riverview Plaza</b></p> <ul style="list-style-type: none"> <li>• 600 I Street – Located in Downtown</li> </ul>	3
Marina Vista	391 units	City	<p><b>Marina Vista</b></p> <ul style="list-style-type: none"> <li>• 240 Seavey Circle – Located in Upper Land Park, east of the 5 Freeway, west of 5<sup>th</sup> Street</li> </ul>	4
Oak Park II	33 units	City	<p><b>Oak Park</b></p> <ul style="list-style-type: none"> <li>• 2845 37<sup>th</sup> Street – Located in North Oak Park, east of the 99 and south of 55</li> </ul>	5

			<ul style="list-style-type: none"> <li>• 3819 4<sup>th</sup> Ave (Also listed under Vista Arms)</li> <li>• 3245 3<sup>rd</sup> Ave (Also listed under Vista Arms)</li> </ul>	
Senior Downtown II	84 units	City	<b>Capital Terrace</b> <ul style="list-style-type: none"> <li>• 1820 Capital Ave – Located in Midtown, east of 16<sup>th</sup> Street, north of the 50/business 80 Freeway</li> </ul>	6
Point Lagoon	170 units	County	<b>48<sup>th</sup> Avenue</b> <ul style="list-style-type: none"> <li>• 3929 48<sup>th</sup> Ave – Located in South Sacramento, area known as Capitol Gardens, west of the 99 and east of Franklin Blvd</li> </ul> <b>Mulberry Commons</b> <ul style="list-style-type: none"> <li>• 3520 -3562 41<sup>st</sup> Ave and 3541-3563 42<sup>nd</sup> Ave – Located in South Sacramento, west of 99 and east of Franklin Blvd.</li> </ul> <b>Dewey – Southwest</b> <ul style="list-style-type: none"> <li>• 5731 Dewey Blvd and 5100 Southwest Avenue – Located in South Sacramento, south of Fruitridge Rd, west of Stockton Blvd.</li> </ul> <b>Laguna Creek</b> <ul style="list-style-type: none"> <li>• 9240 Bruceville Road – Located in Elk Grove</li> </ul> <b>Cassandra Way</b> <ul style="list-style-type: none"> <li>• 9561 – 9601 Cassandra Way – Located South of 50 highway, North of 16 Freeway, and east of Bradshaw Rd</li> </ul> <b>Christa Manor</b> <ul style="list-style-type: none"> <li>• 6601 Pomegranate Avenue – Located in South Sacramento, west of Stockton Blvd, east of 99 Freeway</li> </ul> <b>Other Properties</b> <ul style="list-style-type: none"> <li>• 6433 Lang Ave – Located in South Sacramento, south of 47<sup>th</sup> Ave, east of 99 Freeway</li> <li>• 5730 Nina Way – Located in South Sacramento, south of Fruitridge Rd, west of Stockton Blvd</li> </ul>	7

Meadow Commons	126 units	City	<p><b>Colonial Heights</b></p> <ul style="list-style-type: none"> <li>• 1 Clauss Court – Located in South Sacramento North of Fruitridge Rd, West of Stockton Blvd.</li> </ul> <p><b>Coral Gables</b></p> <ul style="list-style-type: none"> <li>◦ 89-137 Coral Gables Ct. – Located in the Meadowview area, north of Meadowview Rd, between 5 and 99 Freeway</li> </ul> <p><b>Meadowgate/Mandy</b></p> <ul style="list-style-type: none"> <li>• 7280-7290 Mandy Drive and 7269-7281 Meadowgate Drive – Located in the Meadowview area, south of Florin, west of Franklin Blvd, north of Meadowview Rd.</li> </ul> <p><b>Other Properties</b></p> <ul style="list-style-type: none"> <li>• 1781-1785 71<sup>st</sup> Ave – Located in the Meadowview area, south of Meadowgate Drive, east of Freeport Blvd.</li> <li>• 1500-1522 Armington Ave – Located in the Meadowview area, south of Meadowgate Drive, east of Freeport Blvd.</li> <li>• 7857 Detroit Blvd – Located in the Meadowview area, south of Meadowgate Drive, west of Morrison Creek.</li> <li>• 1713 Neihart Ave – Located in the Meadowview area, south of Meadowgate Drive, east of Freeport Blvd.</li> <li>• 2854 – 2864 Provo Way and 2855 - 2865 Provo Way (2 duplexes) – Located in the Meadowview area, south of Florin Rd, north of Meadowgate Drive</li> <li>• 2850-2860 Utah Ave. and 2851-2861 Utah Ave. (2 duplexes) – Located in the Meadowview area, south of Florin Rd, north of Meadowgate Drive</li> </ul>	8
Senior	139	City	Comstock	9

Midtown	units		<ul style="list-style-type: none"> <li>• 1725 K Street – Located in Midtown, east of 16<sup>th</sup> Street, north of business 80, east of 5</li> </ul> <p><b>Big Trees</b></p> <ul style="list-style-type: none"> <li>• 2516 H Street – Located near Midtown, close to Sutter's Fort, south of the American River, north of the 50</li> </ul> <p><b>Pine Knoll</b></p> <ul style="list-style-type: none"> <li>• 917 38<sup>th</sup> Street – Located in East Sacramento, off of H Street.</li> </ul>	
Alder Grove	360 units	City	<p><b>Alder Grove</b></p> <ul style="list-style-type: none"> <li>• 816 Revere Street – Located in Upper Land Park, south of Broadway, west of Riverside Blvd.</li> </ul>	10
The Mill	153 units	City	<p><b>Alkali Flat Family</b></p> <ul style="list-style-type: none"> <li>• 412-414 13<sup>th</sup> Street – Located in Alkali Flat, between 16<sup>th</sup> Street and Highway160</li> <li>• 1512 D Street – Located in Alkali Flat, between 16<sup>th</sup> Street and Highway160</li> <li>• 1226-1228 D Street – Located in Alkali Flat, east of 12 Street and west of 16<sup>th</sup> street.</li> <li>• 909-923 F Street – Located in Alkali Flat, east of the 5 Freeway and west of 16<sup>th</sup> Street.</li> </ul> <p><b>Connie</b></p> <ul style="list-style-type: none"> <li>• 2532 Connie Drive – Located North of El Camino Ave, East of Capital City Freeway, south of Marconi</li> </ul> <p><b>Gibson Oaks</b></p> <ul style="list-style-type: none"> <li>• 480 Redwood Ave – Located in Old North Sacramento, south of El Camino Ave and North of Del Paso Blvd.</li> </ul> <p><b>Gran Casa Linda</b></p> <ul style="list-style-type: none"> <li>• 3725 Cypress Street – Located near Del Paso Heights, east of Rio Linda Blvd and South of Grand Ave.</li> </ul> <p><b>West Silver Eagle</b></p> <ul style="list-style-type: none"> <li>• 425 West Silver Eagle Rd – Located in North Sacramento, south of I-80 and west of Northgate Blvd.</li> </ul>	11

Rio Garden	196 units	County	<p><b>Alta Arden Villa</b></p> <ul style="list-style-type: none"> <li>• 3241 Alta Arden Expressway – located in the Arden Terrace Neighborhood in Arden Arcade. North of Alta Arden Expressway, east of Morse Avenue.</li> </ul> <p><b>Little Bell</b></p> <ul style="list-style-type: none"> <li>• 1517-1525 Bell Street – located in Bell Arden area in Arden Arcade. East of Howe Ave and south of Arden Way.</li> </ul> <p><b>Bell Street Commons</b></p> <ul style="list-style-type: none"> <li>• 3050 Bell Street – located in Arden Arcade, south of I-80, north of Marconi.</li> </ul> <p><b>Date Ave Apartments</b></p> <ul style="list-style-type: none"> <li>• 5519 Date Ave – located in the McClellan Park area, west of I-80, south of Palm Ave.</li> </ul> <p><b>Creekside</b></p> <ul style="list-style-type: none"> <li>• 6029 Dry Creek Rd – located in Rio Linda.</li> </ul> <p><b>Crystal Garden</b></p> <ul style="list-style-type: none"> <li>• 6045 Dry Creek Rd – located in Rio Linda.</li> </ul> <p><b>Elkhorn</b></p> <ul style="list-style-type: none"> <li>• 325 Elkhorn Blvd – located in Rio Linda.</li> </ul> <p><b>Evelyn Pines</b></p> <ul style="list-style-type: none"> <li>• 1160 Evelyn Lane – located in Arden Arcade, east of Howe Ave and south of Hurley Way.</li> </ul> <p><b>Gunn</b></p> <ul style="list-style-type: none"> <li>• 2511 Gunn Road – located in Carmichael, north of El Camino Ave.</li> </ul> <p><b>Roseville Rd.</b></p> <ul style="list-style-type: none"> <li>• 7316-7326 Roseville Rd. - located near Larchmont, west of I-80, south of Antelope Rd.</li> </ul> <p><b>Whitney</b></p> <ul style="list-style-type: none"> <li>• 4741 Whitney Ave – located in Carmichael, near American River College.</li> </ul>	12
Sun River	281	County	Coloma	13

	units		<ul style="list-style-type: none"> <li>• 10730 Coloma Rd – located in Rancho Cordova, north of Highway 16</li> </ul> <p><b>El Parque/Bravado</b></p> <ul style="list-style-type: none"> <li>• 2615-2619 Bravado Drive – located in Rancho Cordova, north of Highway 50</li> <li>• 2605 El Parque Circle – located in Rancho Cordova, north of Highway 16, east of the American River</li> </ul> <p><b>Cook Ave.</b></p> <ul style="list-style-type: none"> <li>• 7554 Cook Ave –located in Citrus Heights, east of Auburn Blvd.</li> </ul> <p><b>Englebrook</b></p> <ul style="list-style-type: none"> <li>• 5735 Engle Rd – located in Carmichael, between Garfield Ave and Fair Oaks Blvd.</li> </ul> <p><b>Louis F. Glud Commons</b></p> <ul style="list-style-type: none"> <li>• 6649 Sunrise Blvd – located in Citrus Heights, west of Sunrise Blvd.</li> </ul> <p><b>Manzanita Terrace</b></p> <ul style="list-style-type: none"> <li>• 5810-5820 Manzanita Way – located in Carmichael, south of Auburn Blvd.</li> </ul> <p><b>Mariposa Manor</b></p> <ul style="list-style-type: none"> <li>• 6250 Mariposa Avenue – located in Citrus Heights, north of Greenback Ln, west of Sunrise Blvd.</li> </ul> <p><b>Northcrest</b></p> <ul style="list-style-type: none"> <li>• 6010-6046 Northcrest Circle – located in Carmichael, east of Manzanita Ave.</li> </ul> <p><b>Portsmouth</b></p> <ul style="list-style-type: none"> <li>• 2970 Portsmouth Drive – located in Rancho Cordova, east of Mather Field Drive and south of Folsom Blvd.</li> </ul> <p><b>Sierra Hills</b></p> <ul style="list-style-type: none"> <li>• 6054 Shupe Drive – located in Citrus Heights, south of Greenback Ln, west of San Juan Rd.</li> </ul> <p><b>Sunset Ridge</b></p> <ul style="list-style-type: none"> <li>• 7501 Sunset Avenue – located in Fair Oaks, east of San Juan Rd.</li> </ul> <p><b>South Whiterock</b></p>	
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			<ul style="list-style-type: none"> <li>• 10380 South White Rock Rd – located in Rancho Cordova, west of Data Drive.</li> </ul> <p><b>Tiara Terrace</b></p> <ul style="list-style-type: none"> <li>• 7500 Tiara Way – located in Citrus Heights, west of Sunrise Blvd and south of Old Auburn Rd.</li> </ul> <p><b>Terrell</b></p> <ul style="list-style-type: none"> <li>• 6141-6145 Terrell Drive - located in Citrus Heights, south of Greenback Ln, west of San Juan Ave.</li> </ul>	
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## Guiding Principles

2007 Guiding Principles	2018 Proposed Changes to Guiding Principles
Sustain our commitment to house extremely low income households by adopting a “no net loss policy”, requiring the development of at least an equivalent number of replacement units when units are removed from the baseline inventory.	No Change
Decrease reliance on federal funding sources by leveraging the use of existing sources with private funding (debt and equity) and other sources (grants and local subsidies)	Decrease reliance on federal funding sources by leveraging the use of existing sources with private funding (debt and equity) and other sources (grants and local subsidies). <b>In support of this effort, convert portfolio to the Section 8 platform</b>
Preserve and enhance existing physical housing stock; upgrade stock whenever possible to a 30 year useful life.	Preserve and enhance existing physical housing stock; <b>upgrade stock whenever possible to a 20 year useful life.</b>
Locate new units into sustainable and livable communities that meet the specific needs of residents.	No Change
Incorporate smart growth principles (i.e. energy efficiency, safety/security, quality of life) into project design to the maximum extent possible.	Incorporate smart growth principles (i.e. energy efficiency, safety/security, quality of life) into project design to the maximum extent possible, <b>recognizing that much of the portfolio will be addressed through rehabilitation rather than new construction.</b>
Diversify real estate portfolio in creative ways to support extremely low income units.	No Change
Maximize utilization of existing resources (i.e. vouchers, local funds, the value of HA real estate assets, etc.) to implement development strategies.	No Change
Reinvest proceeds from the sale of Housing Authority properties in the replacement of units.	No Change
Promote and support resident self- sufficiency.	No Change
Seek creative partnership with other agencies, non-profits, community groups, resident advisory boards, and private sector sponsors.	No Change
Generate developer fees, sales proceeds, or other revenues to SHRA that, at a minimum, covers associated costs.	No Change



October 11, 2018

Sacramento Housing and  
Redevelopment Commission  
Sacramento, CA

Honorable Members in Session:

SUBJECT:

Update to Housing Authority Asset Repositioning Plan Strategy to Allow for Conversion of the Public Housing Property Portfolio to the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs, and Authorization to Submit Conversation Applications to the United States Department of Housing and Urban Development (HUD)

SUMMARY

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

RECOMMENDATION

Staff recommends approval of the recommendation outlined in the attached report.

Respectfully submitted,

  
LA SHELLE DOZIER  
Executive Director

Attachment

**COUNTY OF SACRAMENTO  
CALIFORNIA**

For the Agenda of:  
October 30, 2018  
10:30 am

To: Housing Authority of the County of Sacramento

From: Sacramento Housing and Redevelopment Agency

Subject: Update To Housing Authority Asset Repositioning Plan Strategy To Allow For Conversion Of The Public Housing Property Portfolio To The Rental Assistance Demonstration (RAD) And Section 18 Demolition And Disposition (Section 18) Programs, And Authorization To Submit Conversation Applications To The United States Department of Housing And Urban Development (HUD)

Supervisory District(s): Countywide

Contact: LaShelle Dozier, Executive Director, 916-440-1319;  
LaTanna Jones, Assistant Director of Housing, 916-440-1334

**RECOMMENDED ACTION**

Adopt a Housing Authority Resolution: 1) approving updates to the Housing Authority Asset Repositioning Plan to allow for conversion of the public housing portfolio under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs, 2) authorizing the Executive Director to submit RAD and Section 18 applications to the United States Department of Housing and Urban Development (HUD), 3) authorizing the Executive Director to execute applicable award agreements if the RAD and Section 18 applications are accepted, and 4) making related findings.

**BACKGROUND**

In Sacramento there are currently 2712 units of public housing (1013 are in the County of Sacramento) which are managed by the Sacramento Housing and Redevelopment Agency (SHRA). These units are vital to providing critical housing for low and very low income residents. However, the units have significant issues that affect their long term sustainability. The housing stock is rapidly aging, the Federal government has not adequately funded public housing programs over the last seventeen years, and the local

Update To Housing Authority Asset Repositioning Plan Strategy To Allow For Conversion Of The Public Housing Property Portfolio To The Rental Assistance Demonstration (RAD) And Section 18 Demolition And Disposition (Section 18) Programs, And Authorization To Submit Conversation Applications To The United States Department of Housing And Urban Development (HUD)  
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demand for affordable housing continues to increase. Sacramento's issues are not unique. Many Public Housing Authorities (PHAs) across the nation are struggling to maintain their public housing inventory. To meet these challenges, the Housing Authority of the County of Sacramento (Housing Authority), staffed by SHRA, must take new innovative approaches to preserve and maintain this valuable affordable rental housing portfolio.

SHRA staff contracted with CSG Financial Services to update the PHA Asset Repositioning Plan, approved by the Board in 2007 (County Housing Authority Resolution No. HA-2284), in an effort to evaluate the best strategy for its public housing portfolio. The update involved analysis and review of the physical condition of all properties via physical needs assessments, financial records, property budgets, and historical property data. In addition, they reviewed HUD programs and requirements which would address deferred maintenance and capital improvement needs backlog.

The analysis determined that the Housing Authority should convert its entire housing portfolio from the current Public Housing Program to either the Rental Assistance Demonstration (RAD) Program or Project Based Section 8 via HUD's Demolition and Disposition Program. Both programs will increase the Housing Authority's ability to stabilize its properties and address long term deferred maintenance needs while preserving long term affordability for the residents.

CSG has prepared a detailed analysis and recommendations regarding the following factors related to the proposed conversions: 1) feasibility analysis, 2) conversion phasing, 3) financial impact, and 4) guiding principles.

### FEASIBILITY ANALYSIS

Based on the review of the current public housing stock, there are two possible conversion approaches. The strategy used depends on the size of the property. One strategy addresses properties with five or more units and the other strategy focuses on properties with four or less units. Details on the two strategies are outlined below.

Strategy 1 - Portfolio Conversion - Rental Assistance Demonstration (RAD)  
Properties with five or more units are proposed be converted to the RAD Program. RAD was initiated by HUD in 2012 to help PHAs convert properties to a more sustainable program. Converting properties gives the PHAs the ability to use private debt and equity because PHAs are able to transition to

Update To Housing Authority Asset Repositioning Plan Strategy To Allow For Conversion Of The Public Housing Property Portfolio To The Rental Assistance Demonstration (RAD) And Section 18 Demolition And Disposition (Section 18) Programs, And Authorization To Submit Conversation Applications To The United States Department of Housing And Urban Development (HUD)  
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long-term project-based Section 8 rental assistance contracts instead of the burdensome contracts required for public housing. A key feature of RAD is that repositioned properties are economically sustainable without adverse impacts to the residents.

Full conversion of the County portfolio would allow the Housing Authority to leverage funds to obtain the \$19.9 million needed to complete deferred maintenance activities. The Housing Authority will have the ability to use noncompetitive four percent low income housing tax credits, capital funds, supportable mortgages, and surplus cash generated from property conversions to leverage funds needed for capital improvements. Financial projections reveal that conversion may generate positive cash returns from some of the properties. The positive revenue could then be used to offset gap financing for other properties. As a result, the feasibility analysis concluded that the RAD conversions could be accomplished primarily within the cash returns and capital funds generated from Housing Authority financing. This assumption is based on upfront deferred maintenance work being confined to the critical needs required in the current physical needs assessments completed by EMG Consultants. CSG also concluded that pursuing nine percent Low-Income Tax Credits may be beneficial for some properties. However, should those not be available, all financial scenarios work with noncompetitive four percent tax credits. A list of the properties proposed for conversion to RAD is included as Exhibit A.

*Strategy Two - Scattered Sites – Section 18 Disposition* Properties with four or less units are categorized as Scattered Site properties and are recommended to be converted to Project Based Section 8 properties under the Section 18 Demolition and Disposition Program (Section 18 Disposition). The program has no requirement to complete upfront deferred maintenance work. In cases where the Housing Authority determines rehabilitation work is necessary, that work can be performed with the enhanced revenues generated as a result of the conversion. A benefit of the Scattered Site conversions under Section 18 Disposition is the addition of Section 8 vouchers that can either be used to relocate tenants as necessary or to convert the properties to Project Based Section 8 properties to guarantee long-term affordability. No additional drain on the Housing Authority's current voucher program is created by these conversions. A list of the properties proposed for conversion to Section 18 status is included as Exhibit B.

### CONVERSION PHASING

HUD requires PHAs to develop a phasing plan for conversion. The properties would be phased in accordance with a schedule that is based on minimizing requirements for gap funding. After initiation of the application process for each conversion, HUD allows PHAs up to two years to complete conversions and initiate deferred maintenance activities, if required. Conversion takes place prior to any construction of deferred maintenance activity. Based on our preliminary projections, the Housing Authority plans to submit applications to HUD to reserve RAD conversion for the entire portfolio by early 2019. Attachment 1 contains the priority of property conversions.

Staff proposes that applications for the conversion of Scattered Site properties (1-4 units) be submitted to HUD before the end of 2018. The Housing Authority has 63 units under this category. All conversions under this program will be granted with new Section 8 Vouchers that are provided on a first come, first served basis. Because of the popularity of this program and the ability to obtain additional vouchers, it is important that the Authority submit applications to convert the Scattered Sites as soon as possible. Staff recommends submission of applications for Scattered Sites under the Section 18 program before the end of the year in 2018.

If the Housing Authority pursues the four percent tax credit program for all property rehabilitations needed, the timeline will likely be 10-12 years. However, if the Authority is successful in pursuing nine percent tax credits for some of the properties, the timeline to rehabilitate the properties could be reduced by approximately 3-4 years.

### FINANCIAL IMPACT

As previously mentioned, the purpose of conversion is to attract private equity and capital to the public housing portfolio to address much needed deferred maintenance. The additional equity and supportable mortgage leveraged for the County Housing Authority properties are estimated to total approximately \$19 million which will cover the deferred maintenance identified in the CSG Study. Under RAD and Section 18, the rental subsidy received from HUD would increase by approximately 30 percent. Based on three-year average revenues for 2015, 2016 and 2017, the new converted properties would increase overall revenue between the City and County properties by over \$1 million dollars.

**GUIDING PRINCIPLES**

As part of the initial Asset Repositioning Strategy, Guiding Principles that were adopted as the policy direction for each reposition activity. The general parameters of those principles were to prevent loss of units to extremely low income households, decrease reliance on federal funds, incorporate smart growth principles into development opportunities, reinvest proceeds of sale into Housing Authority replacement units, foster partnerships with entities to position development efforts for success, and to pursue actions that would generate fees and other revenue for the Authority. In 2018 these principles still hold true. However, due to changes in HUD conversion programs, the Housing Authority is proposing the following modifications to three of the Guiding Principles as outlined below. The complete text of the Guiding Principles is included in Attachment 2.

<b>Description of Modification</b>	<b>Justification</b>
20 year vs. 30 year upgrade standards	HUD’s RAD Program has modified Physical Needs Certifications and standards to 20 year assessments. All reporting and criteria for the program guidelines have been updated to this timeframe.
Preserve and enhance housing stock via rehabilitation and new construction vs. demolition	In accordance with Section 18 standards, no County Housing Authority property is currently eligible for demolition. Rehabilitation and completion of deferred maintenance are the allowable paths of conversion under current program guidance
Conversion to Section 8 Platform vs. remaining part of the standard public housing program	The Rental Assistance Demonstration and Section 18 Disposition Program are designed for Authorities to convert to the more stable Project Based Section 8 platform.

Update To Housing Authority Asset Repositioning Plan Strategy To Allow For Conversion Of The Public Housing Property Portfolio To The Rental Assistance Demonstration (RAD) And Section 18 Demolition And Disposition (Section 18) Programs, And Authorization To Submit Conversation Applications To The United States Department of Housing And Urban Development (HUD)  
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### Commission Action

It is anticipated that, at its meeting of October 17, 2018 the Sacramento Housing and Redevelopment Commission will approve the staff recommendation for this item. Staff will notify the Board in the event this does not occur.

### Policy Considerations

This report is consistent with the recently updated Public Housing Authority Plan to transition and convert public housing properties under the Rental Assistance Demonstration and Section 18 Demolition and Disposition Programs. The efforts are also consistent with the Housing Authority's mission to promote self-sustaining housing opportunities for extremely low-income residents in the County of Sacramento.

In concert with the PHA Plan and the mission of the Housing Authority, Staff is maximizing its efforts to provide information and updates to the residents regarding the intended conversion program. The Resident Advisory Board has been consulted throughout the process, and affected residents have been notified and invited to informational meetings. During the week of October 15, 2018, additional correspondence was sent to residents regarding the RAD and Scattered Site conversion programs respectively. Staff is also working to assemble resident representatives, stakeholders, and community advocates to be involved in a RAD consortium on an ongoing basis to bolster advocacy, accountability, and to ensure the consistent dissemination of information regarding all conversion efforts. This body will also be used to help market workforce development opportunities to Section 3 residents and Businesses within Sacramento.

Relocation may be required with conversion of the units to the RAD and/or Section 18 Programs. If required, relocation assistance will be provided in accordance with the Uniform Relocation Assistance Act. Residents will not be required to move or pay additional rent due to this action.



### Environmental Review

California Environmental Quality Act (CEQA): The proposed application for RAD Conversion is an administrative activity and does not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b). Environmental Review for specific projects under the RAD Program will be completed prior to any discretionary action(s) being carried out with regard to such projects.

National Environmental Policy Act (NEPA): The proposed application for RAD Conversion is an administrative activity and does not make any commitments to, or give approvals for, specific projects or activities and is exempt under the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.34(a)(3). Environmental Review for specific projects under the RAD Program will be completed prior to any choice limiting action(s) being carried out with regard to such projects.

### M/WBE/SECTION 3 CONSIDERATIONS

Not applicable to this report.

### FINANCIAL ANALYSIS

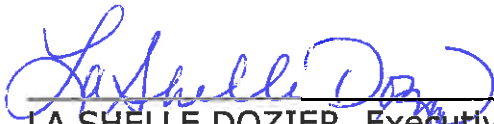
This report recommends that Housing Authority submit applications to HUD to convert the Public Housing portfolio to the Project Based Section 8 platform. A detailed analysis and update to the Housing Authority Asset Repositioning Plan is included at Attachment 3. Conversion, if granted, would terminate the Authority's reliance on Public Housing Subsidy and Capital Funds to operate and maintain public housing properties. Alternatively, the Housing Authority would receive Section 8 vouchers in the same or slightly higher amount plus leveraged funds from private investors to facilitate property operations. Upon approval to convert public housing properties, the Housing Authority will need to consider the use of existing capital funds to finance predevelopment, development and other activities that promotes long term investment in the existing portfolio. The preliminary financial projects are included in the Asset Repositioning

Update To Housing Authority Asset Repositioning Plan Strategy To Allow For Conversion Of The Public Housing Property Portfolio To The Rental Assistance Demonstration (RAD) And Section 18 Demolition And Disposition (Section 18) Programs, And Authorization To Submit Conversation Applications To The United States Department of Housing And Urban Development (HUD)  
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Strategy. Financing plans will be developed for each property prior to conversion and will be brought back to the Board for consideration and approval.

Respectfully Submitted,

APPROVED  
NAVDEEP S. GILL,  
County Executive



LA SHELLE DOZIER, Executive Director  
Sacramento Housing and  
Redevelopment Agency

By: \_\_\_\_\_  
ROBERT B. LEONARD  
Deputy County Executive

Attachments:

- RES – Housing Authority Resolution
- EX A – County Property List (5 units or more)
- EX B – County Property List (4 units or less)
- ATT 1 – RAD Conversion priority
- ATT 2 – Guiding Principles
- ATT 3 – Asset Repositioning Strategy update

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

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

ON DATE OF

**APPROVING THE UPDATED ASSET REPOSITIONING PLAN  
STRATEGIES AND AUTHORIZATION TO SUBMIT APPLICATIONS TO  
THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN  
DEVELOPMENT TO REPOSITION AND CONVERT COUNTY PUBLIC  
HOUSING PROPERTIES UNDER THE RENTAL ASSISTANCE  
DEMONSTRATION AND SECTION 18 DEMOLITION AND DISPOSITION  
PROGRAMS; AND RELATED FINDINGS**

**WHEREAS**, the Housing Authority of the County of Sacramento (Authority) faces many issues with its public housing portfolio such as aging housing stock, underfunding by the US Department of Housing and Urban Development (HUD), and high demand for affordable housing.

**WHEREAS**, in 2007 the Authority worked with CSG Advisors to compose an Asset Repositioning Study to develop strategies to reposition and sustain many of the Authorities assets.

**WHEREAS**, although the Authority completed some of the strategies suggested in the Asset Repositioning Study, the element of time, available funding and changing HUD programs have not allowed the Authority to complete the initiatives at a sufficient pace to keep up with the deteriorating Housing stock.

**WHEREAS**, the Authority must continue to pursue innovative approaches to preserve its housing portfolio to address the growing housing demand for housing available to very low and low income individuals.

**WHEREAS**, the Authority is proposing an update to the Asset Repositioning Study that deems it prudent to convert all Public Housing properties to a more stable Project Based Section 8 Platform under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition Programs (Section 18).

Update To Housing Authority Asset Repositioning Plan Strategy To Allow For Conversion Of The Public Housing Property Portfolio To The Rental Assistance Demonstration (RAD) And Section 18 Demolition And Disposition (Section 18) Programs, And Authorization To Submit Conversation Applications To The United States Department of Housing And Urban Development (HUD)  
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**WHEREAS**, Congress implemented RAD and modified regulations under Section 18 to provide greater efficiencies and a mechanism for Public Agencies to address the growing backlog of deferred maintenance in nationwide public housing properties.

**WHEREAS**, the Authority is proposing to submit applications to HUD to convert all County Public Housing properties under the RAD and Section 18 programs.

**WHEREAS**, consultations with the Resident advisory board have occurred, the Commission and the Housing Authority's governing board. These consultations with the residents will continue on an on-going basis.

**WHEREAS**, the proposed action is administrative and does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to 14 California Code of Regulations (CCR) section 15378(b). Environmental Review for specific projects under the RAD Program will be completed prior to any discretionary action(s) being carried out with regard to such projects.

**WHEREAS**, The proposed action is administrative and is exempt from environmental review under the National Environmental Policy Act (NEPA) pursuant to 24 Code of Federal Regulations (CFR) section 58.34(a)(3). Environmental Review for specific projects under the RAD Program will be completed prior to any choice limiting action(s) being carried out with regard to such projects.

Update To Housing Authority Asset Repositioning Plan Strategy To Allow For Conversion Of The Public Housing Property Portfolio To The Rental Assistance Demonstration (RAD) And Section 18 Demolition And Disposition (Section 18) Programs, And Authorization To Submit Conversation Applications To The United States Department of Housing And Urban Development (HUD)  
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**NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO**

Section 1. The above recitals, including the environmental determinations, are determined to be true and correct.

Section 2. The proposed updates to the Housing Authority Asset Repositioning Strategy to allow for conversion of the County Public Housing Properties under the Rental Assistance Demonstration (RAD) and Section 18 Demolition and Disposition (Section 18) Programs are hereby approved.

Section 3. The Executive Director or her designee is authorized to submit Rental Assistance Demonstration Program and Section 18 Demolition and Disposition Program Applications to the U.S. Department of Housing and Urban Development and to execute any and all documents as may be required for submission and approval by HUD for the RAD and Section 18 Program applications for the properties listed in Exhibits A and B hereto and, if necessary, certifying an agreement to comply with all requirements of these programs.

Section 4. The Executive Director is authorized to execute applicable award agreements if the RAD and Section 18 applications are accepted and approved by HUD.

Update To Housing Authority Asset Repositioning Plan Strategy To Allow For Conversion Of The Public Housing Property Portfolio To The Rental Assistance Demonstration (RAD) And Section 18 Demolition And Disposition (Section 18) Programs, And Authorization To Submit Conversation Applications To The United States Department of Housing And Urban Development (HUD)  
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On a motion by Member \_\_\_\_\_, seconded by Member \_\_\_\_\_, the foregoing Resolution was passed and adopted by the Housing Authority of the County of Sacramento, State of California, this 30th day of October, 2018, by the following vote, to wit:

- AYES:               Members,
- NOES:               Members,
- ABSENT:           Members,
- ABSTAIN:           Members,
- RECUSAL:           Members,  
(PER POLITICAL REFORM ACT (§ 18702.5.))

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

(SEAL)

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

## County Properties - 5 units or more

Exhibit A

<b>Property</b>	<b>Address</b>	<b>Number of units</b>	<b>Board District</b>
Lang	6433 Lang Ave	7	CNTY DIST 1
Perry	4500 Perry Ave	10	CNTY DIST 1
Mulberry Commons	3520-3562 41st Ave.; 3541-3563 42nd Ave.	14	CNTY DIST 2
Dewey	5731 Dewey Blvd.	14	CNTY DIST 2
El Paraiso	4930 El Paraiso Ave	36	CNTY DIST 2
Nina	5730 Nina Way	10	CNTY DIST 2
Christa Manor	6601 Pomegranate Ave	20	CNTY DIST 2
Southwest	5100 Southwest Ave	12	CNTY DIST 2
Young	5201 Young St.; 5259 Young Street, 5251 Young Street	13	CNTY DIST 2
48th Avenue	3929 48th Avenue	24	CNTY DIST 2
Alta Arden	3241 Alta Arden Expwy	52	CNTY DIST 3
Bell Street Commons	3050 Bell Street	20	CNTY DIST 3
Evelyn Pines	1160 Evelyn Lane	20	CNTY DIST 3
Little Bell	1517-1525 Bell Street	9	CNTY DIST 3
Date Avenue	5519 Date Ave	20	CNTY DIST 3
Roseville Rd.	7316-7326 Roseville Rd.	9	CNTY DIST 3
Gunn	2511 Gunn Rd.	8	CNTY DIST 3
Whitney	4741 Whitney Ave.	10	CNTY DIST 3
Cook	7554 Cook Ave	10	CNTY DIST 3
Northcrest	6010 Northcrest Circle	28	CNTY DIST 3
Englebrook	5735 Engle Rd	16	CNTY DIST 3
Fair Oaks	8313 Fair Oaks Blvd.	16	CNTY DIST 3
Sunset Ridge	7501 Sunset Ave.	20	CNTY DIST 3

## County Properties - 5 units or more

Exhibit A

Creekside	6029 Dry Creek Rd.	20	CNTY DIST 4
Crystal Gardens	6045 Dry Creek Rd	16	CNTY DIST 4
Elkhorn	325 Elkhorn Blvd	12	CNTY DIST 4
Walerga	8223 Walerga Rd.	24	CNTY DIST 4
Beech Ave. Commons	6225-6233 Beech Ave	10	CNTY DIST 4
Louis F. Glud	6649 Sunrise Blvd.	15	CNTY DIST 4
Main	6519 Main Ave	24	CNTY DIST 4
Manzanita Terrace	5810-5820 Manzanita	11	CNTY DIST 4
Mariposa Manor	6250 Mariposa Ave	24	CNTY DIST 4
Sierra Hills	6054 Shupe Drive	20	CNTY DIST 4
Tiara Terrace	7500 Tiara Way	20	CNTY DIST 4
El Parque	2605 El Parque Circle	33	CNTY DIST 5
Portsmouth	2970 Portsmouth Dr	9	CNTY DIST 5
Coloma	10730 Coloma Rd	16	CNTY DIST 5
Elk Grove Blvd.	9205 Elk Grove Blvd.	16	CNTY DIST 5
Elk Grove/Florin	9353 Elk Grove Florin Rd	10	CNTY DIST 5
Laguna Creek	9240 Bruceville Rd.	20	CNTY DIST 5
Cassandra	9561-9601 Cassandra Way	20	CNTY DIST 5
Dain Court	2909-2919 Dain Ct	6	CNTY DIST 5
Walnut Grove	14215 Grove Street	8	CNTY DIST 5
	<b>Total</b>	<b>732</b>	



County Scattered Site Units (4 units or less)

Exhibit B

Site Address	Street	City	Zip	Unit	County District
5001	33rd AV	Sacramento	95824	1	2
5250-5248	SOUTHWEST AV	Sacramento	95824	2	2
4410	40th AVE	Sacramento	95824	1	2
6641	DAWSON WAY	Sacramento	95823	1	2
6108	LAURINE WAY	Sacramento	95824	1	2
6305	VISTA AVE	Sacramento	95824	1	2
3909	ALDER STREET	Sacramento	95838	1	2
3812	ALDER STREET	Sacramento	95838	1	2
3913	ALDER STREET	Sacramento	95838	1	2
3832	ALDER STREET	Sacramento	95838	1	2
3820	ALDER STREET	Sacramento	95838	1	2
3640	BELDEN STREET	Sacramento	95838	1	2
3618	BRANCH STREET	Sacramento	95838	1	2
3640	BRANCH STREET	Sacramento	95838	1	2
3533	CYPRESS STREET	Sacramento	95838	1	2
3537	CYPRESS STREET	Sacramento	95838	1	2
3728	CYPRESS STREET	Sacramento	95838	1	2
3718	CYPRESS STREET	Sacramento	95838	1	2
3811-3817	DRY CREEK RD	Sacramento	95838	4	2
3925	DRY CREEK RD	Sacramento	95838	1	2
1245	GRAND AVE	Sacramento	95838	1	2
3725-3735	HAYWOOD ST	Sacramento	95838	4	2
3840-3846	MAY STREET	Sacramento	95838	4	2
3945	PALMETTO STREET	Sacramento	95838	1	2
3940	ROSE STREET	Sacramento	95838	1	2
1041	CARMELITA ST	Sacramento	95838	1	2
3641	CENTINELLA DR	N. Highlands	95660	1	3
6529	JUNEAU WY	N. Highlands	95660	1	3
6444	LA CIENEGA DR	N. Highlands	95660	1	3
5721	SAN MARCOS WY	N. Highlands	95660	1	3
6224	SAN MARTIN ST	N. Highlands	95660	1	3
3937-3939	RENICK WY	N. Highlands	95660	2	3
4037-4039	RENICK WY	N. Highlands	95660	2	3
3833	CENTINELLA DR	N. Highlands	95660	1	3
4116	DEXTER CIRCLE	N. Highlands	95660	1	3
3867	BAINBRIDGE	N. Highlands	95660	1	3
5984	NORTH HAVEN DR	N. Highlands	95660	1	3
6141-6145	TERRELL DR	Citrus Heights	95610	3	4
6412	BOLIN WAY	Rio Linda	95673	1	4
6421	BOLIN WAY	Rio Linda	95673	1	4

**County Scattered Site Units (4 units or less)**

**Exhibit B**

2615-2619	BRAVADO DR	Rancho Cordova	95670	3	5
10380-82	S WHITEROCK RD	Rancho Cordova	95670	4	5
2608-2610	EL PARQUE CIR	Rancho Cordova	95670	2	5
			<b>Total</b>	<b>63</b>	

## Priority of RAD Conversions

Property	Number of Units	Area	Location	Priority
Pilot RAD Units	124 units	City/ County	<ul style="list-style-type: none"> <li>• 4500 Perry Ave – Located in South Sacramento, Off MLK Jr Blvd</li> <li>• 4930 El Paraiso Ave – Located in South Sacramento, near El Paraiso Estates</li> <li>• 8223 Walerga Rd – Located in Antelope</li> <li>• 9353 Elk Grove Florin Rd – Located in Elk Grove</li> <li>• 4921 Folsom Blvd – Located off of 50 Freeway, close to East Sacramento</li> <li>• 1043 43<sup>rd</sup> Ave – Located in South Land Park</li> </ul>	1
Oak Park I	114 units	City	<p><b>Oak Park</b></p> <ul style="list-style-type: none"> <li>• 2970 2<sup>nd</sup> Ave – Located in Curtis Park, near Franklin Blvd</li> <li>• 3685 5<sup>th</sup> Ave – Located in Oak Park, near McClatchy Park</li> <li>• 4556-4568 10<sup>th</sup> Ave – Located in Central Oak Park off of Stockton Blvd</li> <li>• 3509-3515 36<sup>th</sup> Street – Located in Oak Park, between 99 Freeway and MLK Blvd</li> </ul> <p><b>Vista Arms</b></p> <ul style="list-style-type: none"> <li>• 3123 2<sup>nd</sup> Ave – Located in North Oak Park, east of the 99 Freeway and south of the 50 Freeway</li> <li>• 3143 3<sup>rd</sup> Ave – Located in North Oak Park, east of the 99 Freeway and south of the 50 Freeway</li> <li>• 3635 5<sup>th</sup> Ave – Located in North Oak Park, near Broadway and McClatchy Park</li> <li>• 3819 4<sup>th</sup> Ave - Located in Oak Park, near Broadway, east of McClatchy Park</li> <li>• 3245 3<sup>rd</sup> Ave – Located in North Oak Park, near the 99 Freeway</li> </ul>	2

			<p><b>Fairgrounds</b></p> <ul style="list-style-type: none"> <li>• 100 Fairgrounds – Located in the Elmhurst neighborhood, east of Oak Park, north of West Tahoe Park</li> </ul> <p><b>Glenhaven</b></p> <ul style="list-style-type: none"> <li>• 3649-3651 2<sup>nd</sup> Ave – Located in North Oak Park, east of the 99 Freeway, south of 50 Freeway</li> </ul> <p><b>Sherman Oaks</b></p> <ul style="list-style-type: none"> <li>• 3543 1<sup>st</sup> Ave – Located in North Oak Park, east of the 99, south of the 50 Freeway</li> </ul> <p><b>Rio Lane</b></p> <ul style="list-style-type: none"> <li>• 1000 Rio Lane – Located in the area known as Little Pocket, west of South Land Park, located between the Sacramento River and the 5 Freeway</li> </ul> <p><b>Other Housing</b></p> <ul style="list-style-type: none"> <li>• 2845 37<sup>th</sup> Street – Located in North Oak Park, east of 99 and Broadway, south of the 50 Freeway.</li> <li>• 4001 32<sup>nd</sup> Street – Located in South Oak Park, east of 99, south of 12<sup>th</sup> Ave.</li> <li>• 3922 39<sup>th</sup> Street - Located in Nichols Park, east of MLK Blvd, south of 14<sup>th</sup> Ave</li> <li>• 5409 56<sup>th</sup> Street – Located in Tallac Village, east of Stockton Blvd, north of Fruitridge Rd</li> </ul>	
Senior Downtown I	232 units	City	<p><b>Edgewater</b></p> <ul style="list-style-type: none"> <li>• 626 I Street – Located in Downtown</li> </ul> <p><b>Riverview Plaza</b></p> <ul style="list-style-type: none"> <li>• 600 I Street – Located in Downtown</li> </ul>	3
Marina Vista	391 units	City	<p><b>Marina Vista</b></p> <ul style="list-style-type: none"> <li>• 240 Seavey Circle – Located in Upper Land Park, east of the 5 Freeway, west of 5<sup>th</sup> Street</li> </ul>	4
Oak Park II	33 units	City	<p><b>Oak Park</b></p> <ul style="list-style-type: none"> <li>• 2845 37<sup>th</sup> Street – Located in North Oak Park, east of the 99 and south of 55</li> </ul>	5

			<ul style="list-style-type: none"> <li>• 3819 4<sup>th</sup> Ave (Also listed under Vista Arms)</li> <li>• 3245 3<sup>rd</sup> Ave (Also listed under Vista Arms)</li> </ul>	
Senior Downtown II	84 units	City	<b>Capital Terrace</b> <ul style="list-style-type: none"> <li>• 1820 Capital Ave – Located in Midtown, east of 16<sup>th</sup> Street, north of the 50/business 80 Freeway</li> </ul>	6
Point Lagoon	170 units	County	<b>48<sup>th</sup> Avenue</b> <ul style="list-style-type: none"> <li>• 3929 48<sup>th</sup> Ave – Located in South Sacramento, area known as Capitol Gardens, west of the 99 and east of Franklin Blvd</li> </ul> <b>Mulberry Commons</b> <ul style="list-style-type: none"> <li>• 3520 -3562 41<sup>st</sup> Ave and 3541-3563 42<sup>nd</sup> Ave – Located in South Sacramento, west of 99 and east of Franklin Blvd.</li> </ul> <b>Dewey – Southwest</b> <ul style="list-style-type: none"> <li>• 5731 Dewey Blvd and 5100 Southwest Avenue – Located in South Sacramento, south of Fruitridge Rd, west of Stockton Blvd.</li> </ul> <b>Laguna Creek</b> <ul style="list-style-type: none"> <li>• 9240 Bruceville Road – Located in Elk Grove</li> </ul> <b>Cassandra Way</b> <ul style="list-style-type: none"> <li>• 9561 – 9601 Cassandra Way – Located South of 50 highway, North of 16 Freeway, and east of Bradshaw Rd</li> </ul> <b>Christa Manor</b> <ul style="list-style-type: none"> <li>• 6601 Pomegranate Avenue – Located in South Sacramento, west of Stockton Blvd, east of 99 Freeway</li> </ul> <b>Other Properties</b> <ul style="list-style-type: none"> <li>• 6433 Lang Ave – Located in South Sacramento, south of 47<sup>th</sup> Ave, east of 99 Freeway</li> <li>• 5730 Nina Way – Located in South Sacramento, south of Fruitridge Rd, west of Stockton Blvd</li> </ul>	7

Meadow Commons	126 units	City	<p><b>Colonial Heights</b></p> <ul style="list-style-type: none"> <li>• 1 Clauss Court – Located in South Sacramento North of Fruitridge Rd, West of Stockton Blvd.</li> </ul> <p><b>Coral Gables</b></p> <ul style="list-style-type: none"> <li>• 89-137 Coral Gables Ct. – Located in the Meadowview area, north of Meadowview Rd, between 5 and 99 Freeway</li> </ul> <p><b>Meadowgate/Mandy</b></p> <ul style="list-style-type: none"> <li>• 7280-7290 Mandy Drive and 7269-7281 Meadowgate Drive – Located in the Meadowview area, south of Florin, west of Franklin Blvd, north of Meadowview Rd.</li> </ul> <p><b>Other Properties</b></p> <ul style="list-style-type: none"> <li>• 1781-1785 71<sup>st</sup> Ave – Located in the Meadowview area, south of Meadowgate Drive, east of Freeport Blvd.</li> <li>• 1500-1522 Armington Ave – Located in the Meadowview area, south of Meadowgate Drive, east of Freeport Blvd.</li> <li>• 7857 Detroit Blvd – Located in the Meadowview area, south of Meadowgate Drive, west of Morrison Creek.</li> <li>• 1713 Neihart Ave – Located in the Meadowview area, south of Meadowgate Drive, east of Freeport Blvd.</li> <li>• 2854 – 2864 Provo Way and 2855 - 2865 Provo Way (2 duplexes) – Located in the Meadowview area, south of Florin Rd, north of Meadowgate Drive</li> <li>• 2850-2860 Utah Ave. and 2851-2861 Utah Ave. (2 duplexes) – Located in the Meadowview area, south of Florin Rd, north of Meadowgate Drive</li> </ul>	8

Senior Midtown	139 units	City	<p><b>Comstock</b></p> <ul style="list-style-type: none"> <li>• 1725 K Street – Located in Midtown, east of 16<sup>th</sup> Street, north of business 80, east of 5</li> </ul> <p><b>Big Trees</b></p> <ul style="list-style-type: none"> <li>• 2516 H Street – Located near Midtown, close to Sutter’s Fort, south of the American River, north of the 50</li> </ul> <p><b>Pine Knoll</b></p> <ul style="list-style-type: none"> <li>• 917 38<sup>th</sup> Street – Located in East Sacramento, off of H Street.</li> </ul>	9
Alder Grove	360 units	City	<p><b>Alder Grove</b></p> <ul style="list-style-type: none"> <li>• 816 Revere Street – Located in Upper Land Park, south of Broadway, west of Riverside Blvd.</li> </ul>	10
The Mill	153 units	City	<p><b>Alkali Flat Family</b></p> <ul style="list-style-type: none"> <li>• 412-414 13<sup>th</sup> Street – Located in Alkali Flat, between 16<sup>th</sup> Street and Highway160</li> <li>• 1512 D Street – Located in Alkali Flat, between 16<sup>th</sup> Street and Highway160</li> <li>• 1226-1228 D Street – Located in Alkali Flat, east of 12 Street and west of 16<sup>th</sup> street.</li> <li>• 909-923 F Street – Located in Alkali Flat, east of the 5 Freeway and west of 16<sup>th</sup> Street.</li> </ul> <p><b>Connie</b></p> <ul style="list-style-type: none"> <li>• 2532 Connie Drive – Located North of El Camino Ave, East of Capital City Freeway, south of Marconi</li> </ul> <p><b>Gibson Oaks</b></p> <ul style="list-style-type: none"> <li>• 480 Redwood Ave – Located in Old North Sacramento, south of El Camino Ave and North of Del Paso Blvd.</li> </ul> <p><b>Gran Casa Linda</b></p> <ul style="list-style-type: none"> <li>• 3725 Cypress Street – Located near Del Paso Heights, east of Rio Linda Blvd and South of Grand Ave.</li> </ul> <p><b>West Silver Eagle</b></p> <ul style="list-style-type: none"> <li>• 425 West Silver Eagle Rd –Located in North Sacramento, south of I-80 and west of Northgate Blvd.</li> </ul>	11

Rio Garden	196 units	County	<p><b>Alta Arden Villa</b></p> <ul style="list-style-type: none"> <li>• 3241 Alta Arden Expressway – located in the Arden Terrace Neighborhood in Arden Arcade. North of Alta Arden Expressway, east of Morse Avenue.</li> </ul> <p><b>Little Bell</b></p> <ul style="list-style-type: none"> <li>• 1517-1525 Bell Street – located in Bell Arden area in Arden Arcade. East of Howe Ave and south of Arden Way.</li> </ul> <p><b>Bell Street Commons</b></p> <ul style="list-style-type: none"> <li>• 3050 Bell Street – located in Arden Arcade, south of I-80, north of Marconi.</li> </ul> <p><b>Date Ave Apartments</b></p> <ul style="list-style-type: none"> <li>• 5519 Date Ave – located in the McClellan Park area, west of I-80, south of Palm Ave.</li> </ul> <p><b>Creekside</b></p> <ul style="list-style-type: none"> <li>• 6029 Dry Creek Rd – located in Rio Linda.</li> </ul> <p><b>Crystal Garden</b></p> <ul style="list-style-type: none"> <li>• 6045 Dry Creek Rd – located in Rio Linda.</li> </ul> <p><b>Elkhorn</b></p> <ul style="list-style-type: none"> <li>• 325 Elkhorn Blvd – located in Rio Linda.</li> </ul> <p><b>Evelyn Pines</b></p> <ul style="list-style-type: none"> <li>• 1160 Evelyn Lane – located in Arden Arcade, east of Howe Ave and south of Hurley Way.</li> </ul> <p><b>Gunn</b></p> <ul style="list-style-type: none"> <li>• 2511 Gunn Road – located in Carmichael, north of El Camino Ave.</li> </ul> <p><b>Roseville Rd.</b></p> <ul style="list-style-type: none"> <li>• 7316-7326 Roseville Rd. - located near Larchmont, west of I-80, south of Antelope Rd.</li> </ul> <p><b>Whitney</b></p> <ul style="list-style-type: none"> <li>• 4741 Whitney Ave – located in Carmichael, near American River College.</li> </ul>	12
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Sun River	281 units	County	<p><b>Coloma</b></p> <ul style="list-style-type: none"> <li>• 10730 Coloma Rd – located in Rancho Cordova, north of Highway 16</li> </ul> <p><b>El Parque/Bravado</b></p> <ul style="list-style-type: none"> <li>• 2615-2619 Bravado Drive – located in Rancho Cordova, north of Highway 50</li> <li>• 2605 El Parque Circle – located in Rancho Cordova, north of Highway 16, east of the American River</li> </ul> <p><b>Cook Ave.</b></p> <ul style="list-style-type: none"> <li>• 7554 Cook Ave –located in Citrus Heights, east of Auburn Blvd.</li> </ul> <p><b>Englebrook</b></p> <ul style="list-style-type: none"> <li>• 5735 Engle Rd – located in Carmichael, between Garfield Ave and Fair Oaks Blvd.</li> </ul> <p><b>Louis F. Glud Commons</b></p> <ul style="list-style-type: none"> <li>• 6649 Sunrise Blvd – located in Citrus Heights, west of Sunrise Blvd.</li> </ul> <p><b>Manzanita Terrace</b></p> <ul style="list-style-type: none"> <li>• 5810-5820 Manzanita Way – located in Carmichael, south of Auburn Blvd.</li> </ul> <p><b>Mariposa Manor</b></p> <ul style="list-style-type: none"> <li>• 6250 Mariposa Avenue – located in Citrus Heights, north of Greenback Ln, west of Sunrise Blvd.</li> </ul> <p><b>Northcrest</b></p> <ul style="list-style-type: none"> <li>• 6010-6046 Northcrest Circle – located in Carmichael, east of Manzanita Ave.</li> </ul> <p><b>Portsmouth</b></p> <ul style="list-style-type: none"> <li>• 2970 Portsmouth Drive – located in Rancho Cordova, east of Mather Field Drive and south of Folsom Blvd.</li> </ul> <p><b>Sierra Hills</b></p> <ul style="list-style-type: none"> <li>• 6054 Shupe Drive – located in Citrus Heights, south of Greenback Ln, west of San Juan Rd.</li> </ul> <p><b>Sunset Ridge</b></p> <ul style="list-style-type: none"> <li>• 7501 Sunset Avenue – located in Fair Oaks, east of San Juan Rd.</li> </ul>	13
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			<p><b>South Whiterock</b></p> <ul style="list-style-type: none"><li>• 10380 South White Rock Rd – located in Rancho Cordova, west of Data Drive.</li></ul> <p><b>Tiara Terrace</b></p> <ul style="list-style-type: none"><li>• 7500 Tiara Way – located in Citrus Heights, west of Sunrise Blvd and south of Old Auburn Rd.</li></ul> <p><b>Terrell</b></p> <ul style="list-style-type: none"><li>• 6141-6145 Terrell Drive - located in Citrus Heights, south of Greenback Ln, west of San Juan Ave.</li></ul>	
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## Guiding Principles

2007 Guiding Principles	2018 Proposed Changes to Guiding Principles
Sustain our commitment to house extremely low income households by adopting a “no net loss policy”, requiring the development of at least an equivalent number of replacement units when units are removed from the baseline inventory.	No Change
Decrease reliance on federal funding sources by leveraging the use of existing sources with private funding (debt and equity) and other sources (grants and local subsidies)	Decrease reliance on federal funding sources by leveraging the use of existing sources with private funding (debt and equity) and other sources (grants and local subsidies). <b>In support of this effort, convert portfolio to the Section 8 platform</b>
Preserve and enhance existing physical housing stock; upgrade stock whenever possible to a 30 year useful life.	Preserve and enhance existing physical housing stock; <b>upgrade stock whenever possible to a 20 year useful life.</b>
Locate new units into sustainable and livable communities that meet the specific needs of residents.	No Change
Incorporate smart growth principles (i.e. energy efficiency, safety/security, quality of life) into project design to the maximum extent possible.	Incorporate smart growth principles (i.e. energy efficiency, safety/security, quality of life) into project design to the maximum extent possible, <b>recognizing that much of the portfolio will be addressed through rehabilitation rather than new construction.</b>
Diversify real estate portfolio in creative ways to support extremely low income units.	No Change
Maximize utilization of existing resources (i.e. vouchers, local funds, the value of HA real estate assets, etc.) to implement development strategies.	No Change
Reinvest proceeds from the sale of Housing Authority properties in the replacement of units.	No Change
Promote and support resident self- sufficiency.	No Change
Seek creative partnership with other agencies, non-profits, community groups, resident advisory boards, and private sector sponsors.	No Change
Generate developer fees, sales proceeds, or other revenues to SHRA that, at a minimum, covers associated costs.	No Change