

## **RESOLUTION NO. 2008-018**

Adopted by the Housing Authority  
of the City of Sacramento

November 18, 2008

### **APPROVAL OF 2009 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS, AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS**

#### **BACKGROUND**

- A. The Sacramento Housing and Redevelopment Agency (SHRA) is a joint powers agency comprised of six separate legal entities: City of Sacramento, Redevelopment Agency of the City of Sacramento, Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento, and Housing Authority of the County of Sacramento.
- B. SHRA receives annual funding from a combination of federal, state and local sources.
- C. The sources of SHRA revenues require each constituent entity to have an operating budget adopted prior to the start of each new fiscal year.
- D. SHRA's fiscal year is the calendar year from January 1<sup>st</sup> through December 31<sup>st</sup>.

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

- Section 1. The proposed action to adopt the 2009 Proposed SHRA Budget does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4), or undertaking under the National Environmental Policy Act (NEPA), as provided in 24 CFR Section 53.34(a)(3). The Budget includes the allocation of funds for activities (projects) that may have a physical change to the environment; however, none of those projects within the Budget are approved for implementation until each such project has been subject to individual environmental review prior to taking any action in furtherance of such activity.
- Section 2. The 2009 Operating Budget totaling \$198,670,612 and the 2009 Project Budget totaling \$95,465,593, all as further described in the 2009 Proposed SHRA Budget (hereinafter "2009 SHRA Budget or "Budget"), a copy of which is on file with the SHRA Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of SHRA for the 2009

fiscal year. The 2009 SHRA Budget incorporates the budgets of the Redevelopment Agency of the City of Sacramento, the Redevelopment Agency of the County of Sacramento, the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

- Section 3. A total of 291 SHRA positions (reflecting a net decrease of .80 positions from the 2008 Budget), are approved subject to classification review by the Executive Director of SHRA (Executive Director).
- Section 4. The budgeted amount for any item in the Budget may be amended by majority vote of the governing body of each entity actually undertaking and funding the activity. Such an amendment to the Budget so enacted shall be deemed to have been approved by all of the entities that originally adopted the Budget without further action of the remaining entities.
- Section 5. The Executive Director, or designee, is authorized to submit the 2009 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Executive Director, or designee, is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects.
- Section 6. The proposed expenditures under the 2009 Housing Operating Budget are necessary in the efficient and economical operation of SHRA housing to serve low-income families.
- Section 7. The housing financial plan set forth in the 2009 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. All proposed rental charges and expenditures contemplated by the 2009 Housing Operating Budget shall be 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 2009 Budget attached as Exhibit B.
- Section 8. Form HUD-52574 \*08/2005), attached as Exhibit C for signature by the Chair of the Board of the Housing Authority, provides necessary certifications for submission of the Operating Budgets described in Section 7d.

- Section 9. Based on the HUD requirement for public housing authorities to implement Asset Management that includes fee for service, the Budget implements the fee for service provisions and support service costs. The fee for service provision is predicated on the concept that fee revenues will cover the cost of the services provided.
- Section 10. The Executive Director, or designee, is authorized to submit applications to HUD for Capital Fund Plan funding. If such grants are awarded, the Executive Director, or designee, is authorized to accept the grant or grants, execute all related documents and amend the budget accordingly. The Executive Director, or designee, is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Executive Director, or designee, is authorized to submit the Comprehensive Plan or annual statement to HUD, after receiving public comments and resident review.
- Section 11. On an annual basis, HUD requires SHRA to conduct a physical inventory, analyze receivables for collectability and accordingly, reconcile and adjust related financial records. The Executive Director, or designee, is authorized to amend the Budget and financial records as needed for such adjustments.
- Section 12. The Executive Director, or designee, is authorized to obtain flood insurance through the federal flood insurance program as required by HUD for Housing Authority properties and is authorized to purchase liability insurance and enter into agreements with risk retention pools or other similar organizations, provided that the insurance requirements, coverage and terms are commercially reasonable and provided that the cost does not exceed the amounts in the approved Budget.
- Section 13. Subject to availability under the Budget of any required Housing Authority funds, the Executive Director, or designee, is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with adopted SHRA/Housing Authority policy and governing board approvals.
- Section 14. The Executive Director, or designee, is authorized and directed to approve, submit and implement the Comprehensive SHRA Annual Plan, Comprehensive Five-Year Plan, and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998.
- Section 15. The Executive Director, or designee, is authorized to submit to HUD the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for People With AIDS (HOPWA). If such grants are awarded, the Executive Director, or designee, is authorized to accept the grant or grants, execute all related documents and amend the Budget accordingly. The Executive Director, or designee, is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. The

Executive Director, or designee, is authorized to amend by the amount of the difference the Capital Reserve Project in the event that the actual entitlement exceeds, or is less than, that estimated in the Budget.

Section 16. The Executive Director, or designee, is authorized to delegate authority to the County Department of Human Assistance to administer ESG and HOPWA programs and expend funds and to execute contracts with the appropriate entities to carry out the activities contained within the terms of the Action Plan utilizing ESG and HOPWA funds, strictly in accordance with the terms of the Action Plan and funding source requirements.

Section 17. The Executive Director, or designee, is authorized to submit grant applications for any and all activities within the jurisdiction of SHRA. If such grants are awarded, the Executive Director, or designee, is authorized to accept the grant or grants (provided that the activities are fully funded by the grant or within the Budget), execute all related documents and amend the Budget. The Executive Director, or designee, is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Such Budget expenditure and amendments are permitted for positions, services and supplies, equipment and projects, and include but are not limited to the following:

|   |              |
|---|--------------|
| HUD Brownfield Economic Development Initiative        | \$1,000,000  |
| HCD Exterior Accessibility Grants for Renters Program | \$ 500,000   |
| HCD CalHome Grant for Homeowner Loans                 | \$ 1,500,000 |
| HCD BEGIN Homeowner Loan                              | \$ 2,670,000 |

Section 18. The Executive Director, or designee, is authorized to enter into necessary grants and contracts with HUD, the State Housing and Community Development Department (HCD), and other federal and state granting agencies for homeless programs transferred to the County, but for which SHRA was the designated recipient or contracting agency. The Executive Director, or designee, is authorized to accept such grants, amend the Budget accordingly, and transfer program responsibility to the County by entering into contracts and agreements pursuant to governing board approvals and subject to County acceptance of such transfer.

Section 19. 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, SHRA 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 20. The SHRA Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.

- Section 21. The Executive Director, or designee, is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.
- Section 22. 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 23. The Executive Director, or designee, is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 24. The Executive Director, or designee, is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 25. The Executive Director, or designee, is authorized to transfer project appropriations among fund groups (such as among funds within a redevelopment project area).
- Section 26. The Executive Director, or designee, is authorized to amend the Budget to reflect all required debt service payments, pass through payments loan repayments, and other existing obligations based on actual higher tax increment revenues.
- Section 27. The Executive Director, or designee, is authorized to transfer funding of approved capital projects within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable redevelopment laws and regulations.
- Section 28. SHRA is authorized to execute, and implement internal loans between SHRA 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 redevelopment purposes to assure receipt of anticipated redevelopment area tax increment revenues.
- Section 29. The Executive Director, or designee, is authorized to exercise default remedies and take other actions to protect SHRA assets under contracts, loans, disposition and development agreements, owner participation agreements, and other SHRA agreements and to appropriate the associated revenues in the Budget. The Executive Director, or designee, is authorized to enter into "loan work outs," to the extent reasonably necessary to protect SHRA assets, and in entering such "work outs," the Executive Director, or designee, is authorized to rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria (including forgiveness of principal as necessary to reflect underwriting the loan at current fair market value of the subject property).

- Section 30. All project appropriations in existence as of December 31, 2008 will be carried over and continued in 2009.
- Section 31. All multi-year operating grant budgets in existence as of December 31, 2008 shall be continued in 2009.
- Section 32. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2008 may remain in effect in 2009. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2008, but only to the extent that the applicable division's 2008 operating budget appropriations exceeded 2008 expenditures.
- Section 33. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2009 Budget.
- Section 34. If any entity requires a separate resolution for any action approved within this resolution other than resolutions for approval or amendment of projects, programs or the SHRA Budget, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.
- Section 35. The Executive Director, or designee, or designee, is authorized to delegate the authorities as set out in this resolution.
- Section 36. This resolution shall take effect immediately.

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Exhibit A - Summary of Changes to the Agency 2009 Budget

Exhibit B - 2009 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)

Exhibit C - HUD Resolution Approving the 2009 AMP Budgets (form HUD-52574)

Adopted by the Housing Authority of the City of Sacramento on November 18, 2008 by the following vote:

Ayes: Councilmembers Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Waters, and Mayor Fargo.

Noes: None.

Abstain: None.

Absent: Councilmember Tretheway.

  
Chair Heather Fargo

Attest:

  
Shirley Concolino, Secretary

**EXHIBIT A**

**SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND  
REDEVELOPMENT AGENCY PROPOSED 2009 BUDGET**

|  |                      |
|--|----------------------|
| Proposed 2009 Total Operating Budget         | \$198,670,612        |
| Revised Proposed 2009 Total Operating Budget | \$0                  |
| Proposed 2009 New Projects                   | \$95,465,593         |
| Revised Proposed 2009 New Projects           | \$0                  |
| <b>TOTAL SHRA BUDGET</b>                     | <b>\$294,136,205</b> |

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

## January 1 - December 31, 2009

|  | PHA Code: CA005   |                   |                  |                |                |                  |                  |                |                |                   | Total City Public Housing | City/COCC Central Office & Central Svc |
|--|-------------------|-------------------|------------------|----------------|----------------|------------------|------------------|----------------|----------------|-------------------|---------------------------|--|
|  | City AMP 1        | City AMP 2        | City AMP 3       | City AMP 4     | City AMP 5     | City AMP 6       | City AMP 7       | City AMP 8     | City AMP 9     | City AMP 10       |                           |  |
| Beginning fund equity:                 | \$ 384,849        | \$ 165,724        | \$ 30,620        | \$ 29,278      | \$ 90,695      | \$ 54,723        | \$ 29,942        | \$ 87,331      | \$ 18,150      | \$ 891,312        | \$ 300,821                |  |
| <b>Revenues:</b>                       |                   |                   |                  |                |                |                  |                  |                |                |                   |                           |  |
| HUD Operating Subsidy                  | 1,063,392         | 1,254,566         | 534,563          | 374,207        | 401,350        | 521,742          | 382,710          | 253,526        | 231,994        | 5,018,050         | -                         |  |
| Maintenance Charges to Tenants         | 10,000            | 25,000            | 10,000           | 7,000          | 30,000         | 3,000            | 30,000           | 4,000          | 3,000          | 122,000           | -                         |  |
| Washer/Dryer Income                    | 4,000             | -                 | 20,000           | 5,000          | 5,000          | 3,000            | 5,000            | -              | -              | 42,000            | -                         |  |
| Rental Income - Dwelling               | 790,000           | 800,000           | 850,000          | 450,000        | 380,000        | 340,000          | 425,000          | 300,000        | 170,000        | 4,505,000         | -                         |  |
| Rental Income - Commercial             | -                 | -                 | 18,000           | -              | -              | 109,049          | -                | -              | -              | 127,049           | -                         |  |
| Interest Income - Investment           | 3,500             | 3,300             | 2,800            | 1,500          | 2,000          | 2,000            | 1,000            | 3,000          | 1,000          | 20,100            | -                         |  |
| Bad Debt Recovery                      | -                 | -                 | -                | -              | -              | -                | -                | -              | -              | -                 | -                         |  |
| Miscellaneous Income                   | 7,050             | 7,990             | 4,150            | 4,050          | 3,050          | 360              | 1,000            | 2,100          | 1,500          | 30,850            | -                         |  |
| Management Fee                         | -                 | -                 | -                | -              | -              | -                | -                | -              | -              | 1,320,709         | -                         |  |
| IT/Bookkeeping Fee                     | -                 | -                 | -                | -              | -              | -                | -                | -              | -              | 188,497           | -                         |  |
| Asset Management Fee                   | -                 | -                 | -                | -              | -              | -                | -                | -              | -              | 166,280           | -                         |  |
| Admin Fee (CFP)                        | -                 | -                 | -                | -              | -              | -                | -                | -              | -              | 356,462           | -                         |  |
| Central services fees                  | -                 | -                 | -                | -              | -              | -                | -                | -              | -              | 184,026           | -                         |  |
| <b>Total operating revenue</b>         | <b>1,877,942</b>  | <b>2,090,456</b>  | <b>1,439,513</b> | <b>841,757</b> | <b>821,400</b> | <b>979,151</b>   | <b>844,710</b>   | <b>562,626</b> | <b>407,494</b> | <b>9,865,049</b>  | <b>2,215,974</b>          |  |
| CFP operating transfers                | -                 | -                 | -                | 60,006         | 49,833         | 156,918          | 68,460           | 9,391          | 135,742        | 480,350           | -                         |  |
| CFP Mgmt Impr transfers                | 99,442            | 62,714            | 130,618          | 29,239         | 22,855         | 150,068          | 76,943           | 11,514         | 16,697         | 603,090           | -                         |  |
| <b>Total revenues and transfers in</b> | <b>1,977,384</b>  | <b>2,153,170</b>  | <b>1,570,131</b> | <b>931,002</b> | <b>897,088</b> | <b>1,286,137</b> | <b>990,113</b>   | <b>583,531</b> | <b>559,933</b> | <b>10,948,489</b> | <b>2,215,974</b>          |  |
| <b>Expenditures:</b>                   |                   |                   |                  |                |                |                  |                  |                |                |                   |                           |  |
| Employee Services:                     |                   |                   |                  |                |                |                  |                  |                |                |                   |                           |  |
| - Management                           | 194,786           | 280,658           | 166,171          | 151,743        | 164,669        | 97,172           | 171,370          | 43,134         | 43,134         | 1,312,837         | 901,313                   |  |
| - Maintenance                          | 445,695           | 314,862           | 325,783          | 223,865        | 156,016        | 275,259          | 156,016          | 102,227        | 102,227        | 2,101,950         | -                         |  |
| - Resident Trainees                    | 26,009            | 10,019            | 24,046           | 10,017         | 14,027         | 24,046           | 14,027           | 4,008          | 4,008          | 150,247           | -                         |  |
| <b>Total Employee Services</b>         | <b>666,530</b>    | <b>605,539</b>    | <b>516,000</b>   | <b>385,625</b> | <b>334,712</b> | <b>396,477</b>   | <b>341,413</b>   | <b>149,369</b> | <b>149,369</b> | <b>3,545,034</b>  | <b>901,313</b>            |  |
| Services & Supplies:                   |                   |                   |                  |                |                |                  |                  |                |                |                   |                           |  |
| - Management                           | 398,366           | 269,429           | 328,193          | 226,961        | 259,473        | 359,310          | 241,964          | 203,786        | 157,803        | 2,445,285         | 1,312,796                 |  |
| - Maintenance                          | 373,906           | 678,384           | 237,413          | 159,728        | 232,532        | 238,418          | 200,351          | 221,380        | 182,669        | 2,524,781         | -                         |  |
| - Resident Trainees                    | 73,393            | 57,695            | 106,572          | 19,222         | 11,828         | 126,022          | 62,916           | 7,506          | 12,689         | 472,843           | -                         |  |
| <b>Total Services &amp; Supplies</b>   | <b>845,665</b>    | <b>1,000,508</b>  | <b>672,178</b>   | <b>405,911</b> | <b>503,833</b> | <b>723,750</b>   | <b>505,231</b>   | <b>432,672</b> | <b>353,161</b> | <b>5,442,909</b>  | <b>1,312,796</b>          |  |
| Other Charges:                         |                   |                   |                  |                |                |                  |                  |                |                |                   |                           |  |
| - Central Service Fees                 | 32,000            | -                 | 28,924           | 16,987         | 22,591         | 22,721           | 30,904           | 2,500          | 2,500          | 159,127           | -                         |  |
| - Miscellaneous (PILLOT Dept.)         | 60,438            | 65,791            | 53,348           | 29,194         | 25,162         | 40,941           | 28,533           | 28,012         | 16,126         | 347,545           | -                         |  |
| Management Fee (\$51.08 / unit)        | 214,824           | 227,174           | 194,593          | 107,255        | 88,810         | 137,366          | 99,739           | 51,026         | 49,817         | 1,170,604         | -                         |  |
| IT / Bookkeeping Fee (\$7.50 / door)   | 30,660            | 32,422            | 27,773           | 15,308         | 12,675         | 19,605           | 14,235           | 7,283          | 7,110          | 167,071           | -                         |  |
| Asset Management (\$10.00 / door)      | 43,200            | 46,920            | 38,160           | -              | -              | -                | -                | -              | -              | 128,280           | -                         |  |
| <b>Total operating expense</b>         | <b>1,891,317</b>  | <b>1,978,354</b>  | <b>1,530,976</b> | <b>960,280</b> | <b>987,783</b> | <b>1,340,860</b> | <b>1,020,055</b> | <b>670,862</b> | <b>578,083</b> | <b>10,960,570</b> | <b>2,214,109</b>          |  |
| <b>Ending Balance</b>                  | <b>\$ 468,916</b> | <b>\$ 340,540</b> | <b>\$ 69,775</b> | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ -</b>    | <b>\$ -</b>    | <b>\$ 879,231</b> | <b>\$ 302,686</b>         |  |

HUD Resolution Approving the AMP Budgets  
City Resolution  
Approving Operating Budget

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

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

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

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

PHA Fiscal Year Beginning: 01/01/09 Board Resolution Number:

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

DATE

- Operating Budgets (*for COCC and all Projects*) approved by Board resolution on: \_\_\_\_\_
- Operating Budget submitted to HUD, if applicable, on: \_\_\_\_\_
- Operating Budget revision approved by Board resolution on: \_\_\_\_\_
- Operating Budget revision submitted to HUD, if applicable, on: \_\_\_\_\_

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

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

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

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

|   |            |       |
|---|------------|-------|
| Print Board Chairman's Name:<br>Mayor Heather Fargo | Signature: | Date: |
|---|------------|-------|