



**Sacramento
Housing &
Redevelopment
Agency**

**CITY COUNCIL, REDEVELOPMENT AGENCY AND
HOUSING AUTHORITY**

**City of Sacramento
915 I Street, Sacramento, CA 95814-2671
www.CityofSacramento.org**

12

**Public Hearing
November 3, 2009**

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

Title: 2010 Sacramento Housing and Redevelopment Agency Budget

Location/Council District: Citywide

Recommendation: Conduct a public hearing and upon conclusion adopt 1) a **City Resolution** a) approving the 2010 Proposed Budget for the Sacramento Housing and Redevelopment Agency (Agency); and b) authorizing the agency to: i) submit the Comprehensive Plan to United States Department of Housing and Urban Development (HUD); ii) submit to HUD the One-Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), American Dream Down Payment Initiative (ADDI), and Housing Opportunities for People with AIDS (HOPWA); iii) submit grant applications for any and all activities within the jurisdiction of the Agency; and iv) enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget in accordance with the limitations of the Resolution, and undertake other actions necessary to implement the aforementioned; 2) a **Redevelopment Agency Resolution** a) approving the 2010 Proposed Agency budget for the Redevelopment Agency of the City of Sacramento; and b) authorizing the Executive Director to: (i) submit grant applications for any and all 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 3) a **Housing Authority Resolution** a) approving the 2010 Proposed Agency budget for the Housing Authority of the City of Sacramento; and b) authorizing the Executive Director to: (i) submit the annual housing operating budgets to HUD; (ii) submit application to HUD for Capital Fund Plan funding; (iii) submit the Comprehensive Plan to HUD; (iv) submit grant applications for any and all activities within the jurisdiction of the Authority; and (v) enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget in accordance with the limitations of the resolution, and undertake other actions necessary to implement the aforementioned.

Contact: LaShelle Dozier, Executive Director, 440-1333; Don Cavier, Finance Director, 440-1399, ext. 1220

Presenters: LaShelle Dozier, Executive Director, Donald Cavier, Finance Director

Department: Sacramento Housing and Redevelopment Agency

Description/Analysis

Issue: The annual budget of the Sacramento Housing and Redevelopment Agency (Agency) incorporates the budgets of the 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 administration of specific funds on behalf of the City and County of Sacramento. The Proposed 2010 Budget provides a plan by which the Agency, without the benefit of a general fund, operates in an efficient manner and in compliance with the regulatory requirements of our funding sources and the Government Accounting Standards Board. Agency revenue sources require that each constituent entity have an operating budget adopted prior to the start of each new fiscal year. The Agency's budget and fiscal year is the calendar year from January 1st through December 31st.

The Agency proposes a balanced budget in the amount of \$269 million representing the operational activities and projects for 2010. The 2010 budget represents a nine percent decrease in appropriations compared with prior year. One factor reducing the size of the Agency budget is the general decline in redevelopment tax increment revenues attributable to property value reductions imposed by the County Assessor's office and outstanding commercial property appeals. Additionally, in 2009 the Agency budget increased due to the receipt of a one time \$31 million federal grant for Neighborhood Stabilization (NSP) activities.

Another significant impact to the Agency's budget is the State's shift of tax increment to the Supplemental Educational Revenue Augmentation Fund (SERAF). For the second year in a row, the State of California is requiring that a portion of all redevelopment area revenues be transferred to the State to close the budget deficit. Assembly bill 26 4x authorized a two year shift of redevelopment funds totaling \$2.05 billion statewide, with \$1.7 billion of the payment due in FY2009/10. For the Agency's proposed 2010 budget, the anticipated transfer amount is \$19.6 million or 30% of estimated tax increment revenues.

The proposed 2010 budget includes \$94.1 million for housing assistance payments, \$25.9 million for salary and benefits, \$15.9 million for services and supplies, \$38.5 million in debt service payments and \$35.4 million in financial transactions (including \$19.6 million in SERAF payments, pass through payments, community/social service programs, etc.). Funding available for capital projects is \$59.6 million (\$27.1 million in new funding and \$32.4 million in prior year project reprogramming).

The Agency is funded primarily from four sources: the HUD Housing Choice Voucher (HCV) Program, HUD Public Housing/Capital Fund Programs, HUD Community Development Programs (CDBG and HOME), and local redevelopment revenues (Tax Increment). The three federal sources provide approximately two-thirds of our total annual revenues. A discussion of the Agency's major funding programs is detailed below.

Policy Considerations: The actions recommended in this report are consistent with adopted Redevelopment Plan goals, Consolidated Plan goals, the annual Housing Operating Budget, the Capital Fund Plan, and Agency policies. No policy changes are recommended.

Environmental Considerations:

California Environmental Quality Act (CEQA): The proposed action to adopt the Budget does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) per Guidelines Section 15378(b)(4).

Sustainability Considerations: N/A

Other: The proposed action to adopt the Budget does not constitute a project subject to environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3).

Committee/Commission Action: At its meeting October 21, 2009, the Sacramento Housing and Redevelopment Commission considered this item. The votes were as follows:

AYES: Burruss, Chan, Dean, Fowler, Gore, Morgan, Otto, Rosa, Shah, Stivers

NOES: None

ABSENT: Morton

Rationale for Recommendation: The proposed budget provides a fiscal strategy for operations and capital projects during 2010. The budget is in balance and complies with applicable federal, state and local regulations on the use of the funds.

Financial Considerations: The proposed 2010 budget includes \$94.1 million for housing assistance payments, \$25.9 million for salary and benefits, \$15.9 million for services and supplies, \$38.5 million in debt service payments and \$35.4 million in financial transactions (including \$19.6 million in SERAF payments, pass through

payments, community/social service programs, etc.). Funding available for capital projects is \$59.6 million (\$27.1 million in new funding and \$32.4 million in prior year project reprogramming).

The reductions outlined in the proposed 2010 budget do not impact the City of Sacramento's operating and capital budgets.

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

Respectfully Submitted by: 
LA SHELLÉ DOZIER
Executive Director

Recommendation Approved:


RAY KERRIDGE
City Manager

Table of Contents
Report

pg. 1

Attachments

1	Background	pg. 5
2	City Council Resolution	pg. 9
	Exhibit A – Summary of Changes to the Agency 2010 Budget	pg.16
3	Redevelopment Agency of the City of Sacramento Resolution	pg.17
	Exhibit A - Summary of Changes to the Agency 2010 Budget	pg.23
4	Redevelopment agency of the City of Sacramento – SERAF Resolution	pg.24
5	Housing Authority of the City of Sacramento Resolution	pg.26
	Exhibit A - Summary of Changes to the Agency 2010 Budget	pg.33
	Exhibit B -1 - 2010 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)	pg.34
	Exhibit B -2 – Alternate 2010 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)	pg.35
	Exhibit C – HUD Resolution Approving the 2010 AMP Budgets (form HUD-52574)	pg.36
6	PowerPoint Presentation	pg.37
7	Agency Proposed 2010 Budget – separately numbered bound attachment	

BACKGROUND

The annual budget of the Sacramento Housing and Redevelopment Agency (Agency) 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, the Sacramento Housing Development Corporation and the administration of specific funding sources on behalf of the City and County of Sacramento.

Appropriate financial planning and applicable government regulations require the Agency to have an operating budget adopted prior to the start of each new fiscal year. Consequently, the Agency presents its budget to all governing bodies for approval annually.

DISCUSSION

Housing Choice Voucher Program

In 2009 the Housing Choice Voucher (HCV) program achieved close to 99% lease up of all 11,245 vouchers allocated to the Agency by HUD and is expected to maintain this lease up level through 2010. Based on current expenditure trends, housing assistance payments are projected to be \$94 million in 2010 and administration fees are estimated at \$8.6 million. The Agency expects that administration fees for the program will be funded at a level similar to 2009 based upon congressional appropriation recommendations and the Agency's current year leasing level which drives administration fee eligibility.

Public Housing Program

The public housing program continues to make significant progress in reducing the programs ongoing operating deficit. Over the past 4 years, the Agency has reduced the operating deficit from \$3.5 million in 2007 to a projected \$1.1 million for 2010. HUD funds the public housing program using a formula that evaluates rent collections, property types, regional expense levels, etc., and calculates the required "Operating Subsidies" to run the program on a breakeven basis. Instead of funding the operating subsidy in accordance with their own formula, HUD is prorating subsidy at 88% of formula calculation. This creates a structural deficit for the programs that cannot be avoided, but must be managed.

Through a series of actions which began in 2007, the Agency has worked to reduce the operating deficit to a sustainable level. The 2010 proposed public housing budget is \$16.5 million, with rents and HUD operating subsidy covering \$15.4 million of the operating costs. As in prior budgets, the Agency proposes to back fill the projected \$1.1 million operating deficit from Public Housing Capital Fund grants. While the current operating deficit is at a sustainable level, management is continuing to evaluate and

implement strategies to further control expenses and, when available, increase revenues. For example, the public housing program is continuing to move forward with several asset repositioning strategies geared to improve the operating performance of several public housing high-rise properties. As a part of this strategy, the Housing Authority applied for and received a \$10 million competitive grant funded through the American Recovery and Reinvestment Act (ARRA) to help fund the renovation of 626 I Street. The City Housing Authority was the only west coast Housing Authority to be awarded the competitive grant funds. Additionally, public housing received an additional \$7.12 million in capital fund grants under ARRA and will use the proceeds to make capital improvement to offline public housing units and increase the number of public housing units available for lease.

Housing and Community Development Programs

Tax Increment – Revenues from tax increment are expected to decline thirteen percent in 2010 due to \$698 million in property value reductions imposed by the County Assessor's Office and from the \$319 million in commercial appeals for the 2008/09 property tax year. In our redevelopment project areas, the values on some 8,870 residential parcels have been reduced by an average of \$78,729 per parcel. The decline in tax increment will impact near-term debt capacity of virtually all redevelopment project areas and will necessitate a reduction on credit line usage previously planned for North Sacramento and Stockton Boulevard.

In addition to the general decline in tax increment, the State again enacted legislation to shift tax increment to the Supplemental Education Revenue Augmentation Fund (SERAF). However, unlike previous years, the amount is an unprecedented two year shift of \$2.05 billion statewide. The first year payment required by the Agency is \$19.6 million, nearly 5 times that of last year's payment.

The State's shift of tax increment will again be challenged in the courts by the California Redevelopment Association; however, the outcome is unknown and could take years to adjudicate. In the meantime, the Agency must approach the budget with the assumption that the payment will be made. To weather this storm, the Agency must employ a balanced strategy to deal with the financial gap caused by this State mandate. The Agency will implement cost cutting measures and reallocate staffing resources to ensure that our community development objectives, housing programs and priority redevelopment projects continue to move forward despite the challenges to tax increment funding.

Measures to address the impact of the State SERAF shift are as follows:

1. 2010 Tax Increment Funding - Available 2010 tax increment will be appropriated to pay SERAF.
2. Operational Budget Reductions - The Agency will implement strategies to reduce operational costs which will result in tax increment savings. The Agency will employ measures to reduce salary and benefit costs, services & supplies and reallocate staffing resources.

3. Project Funds - Project funds will be utilized for redevelopment areas that cannot make the SERAF payment after payment of all other obligations.
4. Housing Funds - The SERAF legislation permits the borrowing of tax increment housing funds when there are no other funds legally available to make the required payment. Currently, the Merged Downtown project area is the only area in which a borrowing for the housing funds is considered necessary.

CDBG/HOME – The proposed budget anticipates modest five percent increases in CDBG and HOME grants for 2010. Additionally, Congress is proposing competitive grant opportunities in its Neighborhood Stabilization Program (NSP). The Agency received \$31.8 million in 2009 for NSP and \$3.12 million in CDBG-R under the American Recovery and Reinvestment Act (ARRA). The Agency has applied for, and is still awaiting the outcome of applications for the second and third rounds of NSP and other competitive grants offered through ARRA. All NSP funds are targeted to maintain or increase homeownership, and to reduce the number of vacant homes which may blight neighborhoods.

Other Activities

During 2009, the Agency received nearly \$5 million for Homelessness Prevention and Rapid Re-housing (HPRP) awarded under ARRA. The funds will be used to provide homelessness prevention assistance for households who would otherwise become homeless and rapid re-housing assistance for persons who are homeless.

FINANCIAL ANALYSIS

The total number of Agency positions remains unchanged at 291. Two vacant positions were transferred to the Housing Authority HCV program to address staffing requirements of the program; additionally, nine positions that impact tax increment either directly or indirectly have been left unfunded for the 2010 budget. Given the financial uncertainty of the coming year, the Agency will continue to scrutinize all vacancies to ensure that each position filled is critical to the successful delivery of programs and projects.

Total revenue is expected to decline by 18% compared with 2009 due to declines in tax increment and the absence of one time NSP grant funds of 31.8 million received in 2009. The Agency receives funding from Federal, State, and local sources. The federal funds (Public Housing, Housing Choice Voucher, CDBG, HOME, etc.) are anticipated to remain stable or increase slightly from 2009. In addition, the Agency is awaiting the results of several grant applications for the competitive rounds of NSP and ARRA which, if awarded, could infuse additional one time monies into the Agency to facilitate additional projects throughout the City and County of Sacramento.

Redevelopment tax increment is expected to decline approximately 13% compared with 2009 due to the effects of property value roll backs by the County Assessor's Office and by owner appeals of property values

The budget for Agency operations has increased six percent due to the mandatory payment of redevelopment funds to the State authorized by Assembly Bill 26 4x. The State is requiring \$19.6 million of City and County Redevelopment Area funds be transferred to the State's Supplemental Education Revenue Augmentation Fund (SERAF) to assist with the State's budget shortfall.

Additionally, the Agency is currently tracking AB 182, a piece of legislation intended to provide technical clean up of AB 26 4x, the legislation that created the SERAF payment obligation. In its current form, the bill would change the base year for the SERAF calculation from FY 2006/07 to FY 2007/08 which has the potential of increasing the Agency's SERAF payment by \$5.2 million. Staff is monitoring the progress of the bill; however, the outcome of the bill may not be known for many months. If the legislation does pass the Agency will return to the governing boards to discuss resource impacts, options available and submit the necessary amendments to the budget.

The 2010 budget for projects declined by 37 percent from 2009 due primarily to the effect of the one time NSP funding of 31.8 million received in 2009 and the decline in available redevelopment revenues resulting for declines in property values and the State SERAF shift.

RESOLUTION NO. 2009- ____**Adopted by the Sacramento City Council**

ON DATE OF

APPROVAL OF 2010 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS**BACKGROUND**

- A. The Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency 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. Agency receives annual funding from a combination of federal, state and local sources.
- C. The sources of Agency revenues require each constituent entity to have an operating budget adopted prior to the start of each new fiscal year.
- D. Agency's fiscal year is the calendar year from January 1st through December 31st.

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

- Section 1. The proposed action to adopt the 2010 Proposed Agency 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 2010 Operating Budget totaling \$209,856,505 and the 2010 Project Budget totaling \$59,573,059, all as further described in the 2010 Proposed Agency Budget (hereinafter "2010 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 2010 fiscal year. The 2010 Agency Budget incorporates the budgets of the Redevelopment Agency of the City of Sacramento, the Redevelopment Agency of the County of Sacramento, the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

- Section 3. A total of 291 Agency positions (reflecting no change in the number of positions from the 2009 Budget), 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 the 2009-2010 Supplemental Educational Revenue Augmentation Fund payment and is authorized to reappropriate funds allocated to make the 2008-09 Educational Revenue Augmentation Fund payment or the 2009-2010 Supplemental Educational Revenue Augmentation Fund payment to the Agency operating budgets or project budgets should those State mandated payments no longer be required.
- Section 6. Agency is authorized to submit the 2010 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, Agency is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects.
- Section 7. The proposed expenditures under the 2010 Housing Operating Budget are necessary in the efficient and economical operation of Agency housing to serve low-income families.
- Section 8. The housing financial plan set forth in the 2010 Housing Operating Budget is reasonable in that:

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

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

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

Section 11. Agency is authorized to obtain flood insurance through the federal flood insurance program for Agency 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 12. Subject to availability under the Budget of any required funds, Agency is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with adopted Agency/Housing Authority policy and governing board approvals.

- Section 13. Agency is authorized and directed to approve, submit and implement the Public Housing Agency (PHA) Annual Plan and PHA Five-Year Plan and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998.
- Section 14. Agency 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, 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 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 15. Agency 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. Agency is authorized to execute contracts for homeless activities funded in the Agency budget.
- Section 16. Agency is authorized to submit grant applications for any and all activities within the jurisdiction of Agency. If such grants are awarded, Agency is authorized to accept the grant or grants execute contracts to implement grant activities with the appropriate entities (provided that the activities are fully funded by the grant or within the Budget), execute all related documents and amend the Budget. Agency 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:
- Homeless Prevention and Rapid Re-housing Program (HPRP)
 - Neighborhood Stabilization Program
 - Family Unification Program
 - Family Self Sufficiency
 - Veteran's Assistance and Supportive Housing
 - United States Environmental Protection Agency Brownfield Assessment
 - United States Environmental Protection Agency Brownfield Clean Up
 - United States Environmental Protection Agency Brownfield Revolving Loan Fund

- United States Environmental Protection Agency Brownfield Job Training
- California State Water Resources Control Board – Underground Storage Cleanup
- CAL REUSE Cleanup Grant and Loan Program

- Section 17. Agency 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 Agency was the designated recipient or contracting agency. Agency is authorized to accept such grants, execute contracts to implement homeless activities funded in the Budget, 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 18. Agency is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. Agency may allocate and transfer any available fund balances to accounts held for future projects or reduce budget shortfalls in any other fund balances, provided monies so used are not otherwise restricted by law or regulations related to the funding source. Further, Agency is authorized to expend available balances from the payroll fund for the cost of liabilities such as post retirement medical benefits, sick leave, and vacation accruals.
- Section 19. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.
- Section 20. Agency is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.
- Section 21. Agency is authorized to increase or decrease operating Budget appropriations up to \$100,000. Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 22. Agency is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 23. Agency is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

- Section 24. Agency is authorized to transfer project appropriations among fund groups (such as among funds within a redevelopment project area).
- Section 25. Agency is authorized to amend the Budget to reflect all required debt service payments, pass through payments loan repayments and other existing obligations based on actual higher tax increment revenues.
- Section 26. Agency 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 27. Agency is authorized to execute and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed for redevelopment purposes to assure receipt of anticipated redevelopment area tax increment revenues.
- Section 28. Agency is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and development agreements, owner participation agreements, and other Agency agreements and to appropriate the associated revenues in the Budget. Agency is authorized to enter into "loan work outs," to the extent reasonably necessary to protect Agency assets, and in entering such "work outs," Agency is authorized to 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 29. All project appropriations in existence as of December 31, 2009 will be carried over and continued in 2010.
- Section 30. All multi-year operating grant budgets in existence as of December 31, 2009 shall be continued in 2010.
- Section 31. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2009 may remain in effect in 2010. Agency is authorized to increase the Budget for valid encumbrances as of December 31, 2009, but only to the extent that the applicable division's 2009 operating budget appropriations exceeded 2009 expenditures.
- Section 32. Agency is authorized to incorporate the changes listed on Exhibit A as part of the 2009 Budget.

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

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

Section 35. This resolution shall take effect immediately.

Table of Contents:

Exhibit A - Summary of Changes to Sacramento Housing and Redevelopment Agency Proposed 2010 Budget

EXHIBIT A**SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY PROPOSED 2010 BUDGET**

Proposed 2010 Total Operating Budget	\$209,856,505
Revised Proposed 2010 Total Operating Budget	\$0
Proposed 2010 New Projects	\$59,573,059
Revised Proposed 2010 New Projects	\$0
TOTAL SHRA BUDGET	\$269,429,564

RESOLUTION NO. 2009 - ____**Adopted by the Redevelopment Agency of the City of Sacramento**

ON DATE OF

APPROVAL OF 2010 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS, AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS**BACKGROUND**

- A. The Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency 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. Agency receives annual funding from a combination of federal, state and local sources.
- C. The sources of Agency revenues require each constituent entity to have an operating budget adopted prior to the start of each new fiscal year.
- D. Agency's fiscal year is the calendar year from January 1st through December 31st.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

- Section 1. The proposed action to adopt the 2010 Proposed Agency 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 2010 Operating Budget totaling \$209,856,505 and the 2010 Project Budget totaling \$59,573,059, all as further described in the 2010 Proposed Agency Budget (hereinafter “2010 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 2010 fiscal year. The 2010 Sacramento Housing and Redevelopment Agency Budget incorporates the budgets of the Redevelopment Agency of the City of Sacramento, the Redevelopment Agency of the County of Sacramento, the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.
- Section 3. A total of 291 Sacramento Housing and Redevelopment Agency positions (reflecting no change in the number of positions from the 2009 Budget), are approved subject to classification review by the Executive Director, or designee, of Agency (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 amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the 2009-2010 Supplemental Educational Revenue Augmentation Fund payment.
- Section 6. The Executive Director, or designee, is authorized to submit grant applications for any and all activities within the jurisdiction of Agency. 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:
- Homeless Prevention and Rapid Re-housing Program (HPRP)
 - Neighborhood Stabilization Program
 - Family Unification Program

- Family Self Sufficiency
- Veteran's Assistance and Supportive Housing
- United States Environmental Protection Agency Brownfield Assessment
- United States Environmental Protection Agency Brownfield Clean Up
- United States Environmental Protection Agency Brownfield Revolving Loan Fund
- United States Environmental Protection Agency Brownfield Job Training
- California State Water Resources Control Board – Underground Storage Cleanup
- CAL REUSE Cleanup Grant and Loan Program

Section 7. 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 Agency was the designated recipient or contracting agency. The Executive Director, or designee, is authorized to accept such grants, execute contracts to implement homeless activities funded in the Budget, 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 8. The proposed expenditure of tax increment housing funds for activities serving the homeless, including providing subsidies to, or for the benefit of, extremely low income households through either site specific rental assistance or tenant based rental assistance, as set out in the budget, will not cause or exacerbate racial, ethnic or economic segregation and will be beneficial to all Redevelopment Project Areas as set forth in City Redevelopment Agency Resolution 2004-062 and County Redevelopment Agency Resolution RA-0757, by facilitating the production of affordable housing and provides housing for a population which remains in or frequents the Redevelopment Project Areas and is perceived as a blighting influence by business owners, property owners, workers and residents, and as a result impedes redevelopment of the Project Areas.

- Section 9. The expenditure of tax increment housing funds from the Project Areas to provide subsidies to, or for the benefit of, extremely low income households through either site specific rental assistance or tenant based rental assistance, increasing, improving, and preserving the community's supply of low and moderate-income housing available at an affordable housing cost to persons and families that are extremely low, very low, low or moderate income households for proposed projects located outside of a Project Areas but within another Project Area or in the other portions of the Agency's jurisdiction, will be of benefit to all the Project Areas.
- Section 10. The proposed planning and administrative expenses paid for from the low and moderate income housing fund are necessary for the production, improvement and/or preservation of low and moderate income housing during the 2010 Agency Budget year.
- Section 11. The Executive Director, or designee, is authorized to obtain flood insurance through the federal flood insurance program for Agency 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 12. 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 13. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.
- Section 14. The Executive Director, or designee, is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.
- Section 15. 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 16. The Executive Director, or designee, is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 17. 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 18. The Executive Director, or designee, is authorized to transfer project appropriations among fund groups (such as among funds within a redevelopment project area).
- Section 19. 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 20. 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 21. The Executive Director, or designee, is authorized to execute and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed for redevelopment purposes to assure receipt of anticipated redevelopment area tax increment revenues.
- Section 22. 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. The Executive Director, or designee, is authorized to enter into "loan work outs", to the extent reasonably necessary to protect Agency 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 23. All project appropriations in existence as of December 31, 2009 will be carried over and continued in 2010.
- Section 24. All multi-year operating grant budgets in existence as of December 31, 2009 shall be continued in 2010.
- Section 25. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2009 may remain in effect in 2010. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2009, but only to the extent that the applicable division's 2009 operating budget appropriations exceeded 2009 expenditures.
- Section 26. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2010 Sacramento Housing and Redevelopment Agency Budget.
- Section 27. If any entity requires a separate resolution for any action approved within this resolution other than resolutions for approval or amendment of projects, programs or the Agency Budget, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.
- Section 28. The Executive Director, or designee, is authorized to delegate the authorities as set out in this resolution.
- Section 29. This resolution shall take effect immediately.

Table of Contents:

Exhibit A: Summary of Changes to Sacramento Housing and Redevelopment Agency Proposed 2010 Budget

EXHIBIT A**SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY PROPOSED 2010 BUDGET**

Proposed 2010 Total Operating Budget	\$209,856,505
Revised Proposed 2010 Total Operating Budget	\$0
Proposed 2010 New Projects	\$59,573,059
Revised Proposed 2010 New Projects	\$0
TOTAL SHRA BUDGET	\$269,429,564

RESOLUTION NO. 2009 -

Adopted by the Redevelopment Agency of the City of Sacramento

on date of

2009-2010 SUPPLEMENTAL EDUCATION REVENUE AUGMENTATION FUND (SERAF) PAYMENT; AUTHORIZATION TO AMEND 2009-2010 BUDGET AS NECESSARY AND RELATED FINDINGS; AUTHORIZATION TO EXTEND TIME LIMIT OF REDEVELOPMENT PLANS AND REPAYMENT OF DEBT UPON FULL AND TIMELY SERAF PAYMENT

BACKGROUND

- A. Faced with a historical economic downturn, the State of California has looked to local government to help balance the State budget. AB 26 (4th Ex. Sess.); Chapter 21 Statutes of 2009-10 Fourth Extraordinary Session, requires the Redevelopment Agency of the City and the Redevelopment Agency of the County (hereafter Agency) to submit payment pursuant to Health and Safety Code 33690 (a). The payment is to be deposited in the county "Supplemental Educational Revenue Augmentation Fund" (SERAF) to be distributed to meet the State's Proposition 98 obligations to schools.
- B. AB 1389 Chapter 751, Statutes of 2008 required the Agency to make a payment to the Educational Revenue Augmentation Fund (ERAF) for the 2008-2009 fiscal year. The California Redevelopment Association successfully challenged the constitutionality of that ERAF payment
- C. The Agency is jointly administered by the Sacramento Housing and Redevelopment Agency (SHRA) and faces an unprecedented tax increment shift of \$19.6 million in FY 2009-10 and another \$4 million in FY 2010-11.
- D. For the 2009-2010 SHRA fiscal year, the Agency has insufficient non housing tax increment funds to meet the SERAF obligation and the reduction of funds to the Agency Low Moderate Income Housing Fund(s) caused by the suspension or borrowing of those funds will not impair existing executed contracts. Health and Safety Code Sections 33334.2 (k) and 33690 (c) authorizes the Agency to suspend or borrow all or part of its required 2009-2010 allocation of Low and Moderate Income Housing Fund(s) to make the SERAF payment.
- E. "Existing indebtedness" means bonds, notes, interim certificates, debentures, credit lines or other obligations of the Agency whether funded, refunded, assumed or otherwise, loans or moneys advanced to the Agency from federal, state, local agencies or private entities, contractual obligations that if breached

could subject the Agency to damages or liability or any other obligation that has been entered into prior to the effective date of AB 26 (4th Ex. Session).

- F. The requirement to make the SERAF payment is an obligation and payment which is subordinate to the lien of any pledge of collateral securing the payment of bonds of the Agency, or any other "existing indebtedness" incurred prior to the effective date of AB 26 (4th Ex. Session).
- G. Should the 2009-2010 SERAF obligation of the Agency be timely paid in full, Health and Safety Code Section 33331.5 authorizes the Agency through a streamlined plan amendment process to extend by one year the effective date of the redevelopment plan and the time limit to repay debt for each of its project areas.
- H. The proposed action to make the 2009-2010 SERAF payment does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in the CEQA guidelines Section 15378 (b)(4).

BASED ON THE FACTS AS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY RESOLVES AS FOLLOWS:

- Section 1. All the evidence presented having been duly considered the findings, including the environmental findings regarding this action, as stated above are approved.
- Section 2. The Agency considers existing indebtedness, as defined above, obligated prior to the effective date of AB 26 (4th Ex. Session), to be superior to the 2009-2010 SERAF payment.
- Section 3. The Executive Director, or designee, is authorized to amend the SHRA budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the 2009-2010 SERAF payment.
- Section 4. The Executive Director, or her designee, is authorized to re-appropriate funds allocated to make the 2008-2009 ERAF payment or the 2009-2010 SERAF payment to SHRA operating budgets or project budgets, should those State mandated payments no longer be required.
- Section 5. Upon a full and timely 2009-2010 SERAF payment, the Executive Director, or designee, is directed to take all necessary action to amend Agency redevelopment plans to extend by one year the effective date of the redevelopment plan and the time limit to repay debt for each of its project areas.

RESOLUTION NO. 2009- ____**Adopted by the Housing Authority of the City of Sacramento**

ON DATE OF

APPROVAL OF 2010 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS, AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS**BACKGROUND**

- A. The Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency 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. Agency receives annual funding from a combination of federal, state and local sources.
- C. The sources of Agency revenues require each constituent entity to have an operating budget adopted prior to the start of each new fiscal year.
- D. Agency's fiscal year is the calendar year from January 1st through December 31st.

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 2010 Proposed Agency 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 2010 Operating Budget totaling \$209,856,505 and the 2010 Project Budget totaling \$59,573,059, all as further described in the 2010 Proposed Agency Budget (hereinafter "2010 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 2010 fiscal year. The 2010 Agency Budget incorporates the budgets of the Redevelopment Agency of the City of Sacramento, the Redevelopment Agency of the County of Sacramento, the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.
- Section 3. A total of 291 Agency positions (reflecting no change in the number of positions from the 2009 Budget), are approved subject to classification review by the Executive Director of Agency (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 2010 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Executive Director, or designee, is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects. See Exhibits B-1 and B-2 for a summary of the public housing operating budget.
- Section 6. The proposed expenditures under the 2010 Housing Operating Budget are necessary in the efficient and economical operation of Agency housing to serve low-income families.
- Section 7. The housing financial plan set forth in the 2010 Housing Operating Budget is reasonable in that:
- It indicates a source of funding adequate to cover all proposed expenditures.
 - It does not provide for use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
 - It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract

- It includes asset management project budgets prepared on an individual basis as shown in the Schedule of Public Housing AMP and Central Office 2010 Budget attached as Exhibit B-1.
- Should HUD approve the Agency request to reconfigure housing units into a smaller number of AMPs, then the Schedule of Public Housing AMP and Central Office 2010 Budget attached as Exhibit B-2 will be applicable.

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

Section 11. On an annual basis, HUD requires Agency to conduct a physical inventory, analyze receivables for collectability and accordingly, reconcile and adjust related financial records. The Executive Director, or designee, is authorized to amend the Budget and financial records as needed for such adjustments.

Section 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 Agency/Housing Authority policy and governing board approvals.
- Section 14. The Executive Director, or designee, is authorized and directed to approve, submit and implement the Public Housing Agency (PHA) Annual Plan and the PHA Five-Year Plan, and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998.
- Section 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 Agency. 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:
- Homeless Prevention and Rapid Re-housing Program (HPRP)
 - Neighborhood Stabilization Program
 - Family Unification Program

- Family Self Sufficiency
- Veteran's Assistance and Supportive Housing
- United States Environmental Protection Agency Brownfield Assessment
- United States Environmental Protection Agency Brownfield Clean Up
- United States Environmental Protection Agency Brownfield Revolving Loan Fund
- United States Environmental Protection Agency Brownfield Job Training
- California State Water Resources Control Board – Underground Storage Cleanup
- CAL REUSE Cleanup Grant and Loan Program

- 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 Agency was the designated recipient or contracting agency. The Executive Director, or designee, is authorized to accept such grants execute contracts to implement homeless activities funded in the Budget, 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, 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 20. The Agency 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. The Executive Director, or designee, is authorized to execute, and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed 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 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 Executive Director, or designee, is authorized to enter into "loan work outs," to the extent reasonably necessary to protect Agency 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, 2009 will be carried over and continued in 2010.
- Section 31. All multi-year operating grant budgets in existence as of December 31, 2009 shall be continued in 2010.
- Section 32. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2009 may remain in effect in 2010. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2009, but only to the extent that the applicable division's 2009 operating budget appropriations exceeded 2009 expenditures.
- Section 33. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2010 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 Agency 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.

Table of Contents:

- Exhibit A: Summary Of Changes To Sacramento Housing and Redevelopment Agency Proposed 2010 Budget
- Exhibit B -1 - 2010 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)
- Exhibit B -2 – Alternate 2010 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)
- Exhibit C – HUD Resolution Approving the 2010 AMP Budgets

EXHIBIT A**SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY PROPOSED 2010 BUDGET**

Proposed 2010 Total Operating Budget	\$209,856,505
Revised Proposed 2010 Total Operating Budget	\$0
Proposed 2010 New Projects	\$59,573,059
Revised Proposed 2010 New Projects	\$0
TOTAL SHRA BUDGET	\$269,429,564

City Public Housing AMP, Central Office and Central Services Budget

January 1 - December 31, 2010

PHA Code: CA005
City of Sacramento

	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	Total City Public Housing	City COCC Central Office & Central Svc
Beginning fund equity	\$ 546,182	\$ 702,405	\$ 357,631	\$ 68,791	\$ 54,675	\$ 62,788	\$ 53,295	\$ 219,671	\$ 29,792	2,095,230	\$ 407,163
Revenues:											
HUD Operating Subsidy	1,059,962	1,284,712	683,201	359,326	402,003	519,532	376,183	403,271	202,048	5,290,238	-
Maintenance Charges to Tenants	13,000	23,000	15,000	11,000	13,000	5,000	8,000	7,000	2,000	97,000	-
Washer/Dryer Income	4,000	-	17,000	5,000	3,000	2,000	5,000	-	-	36,000	-
Rental Income - Dwelling	800,000	750,000	840,000	400,000	350,000	350,000	430,000	200,000	190,000	4,310,000	-
Interest Income - Investment	8,000	8,000	4,000	2,000	3,000	2,000	1,000	2,700	1,000	31,700	7,032
Miscellaneous income	8,000	9,000	4,000	4,000	3,000	1,000	2,000	2,000	2,000	35,000	-
Management Fee	-	-	-	-	-	-	-	-	-	-	1,389,259
IT/Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	192,150
Asset Management Fee	-	-	-	-	-	-	-	-	-	-	154,320
Admin Fee (CFP)	-	-	-	-	-	-	-	-	-	-	345,768
Central services fees	-	-	-	-	-	-	-	-	-	-	227,694
Total operating revenue	1,892,962	2,074,712	1,563,201	781,326	774,003	879,532	822,183	614,971	397,048	9,799,938	2,316,223
CFP operating transfers	-	-	-	98,180	84,755	165,854	-	-	10,347	359,136	-
CFP Mgmt impr transfers	72,425	108,640	190,117	54,320	27,157	117,691	90,534	9,051	18,107	688,042	-
Total revenues and transfers in	1,965,387	2,183,352	1,753,318	933,826	885,915	1,163,077	912,717	624,022	425,502	10,847,116	2,316,223
Expenditures:											
Employee Services:											
- Management	259,273	224,809	181,995	147,737	165,958	143,596	155,818	15,391	15,391	1,309,968	880,792
- Maintenance	322,298	383,429	352,550	235,458	157,968	265,904	155,968	60,748	61,248	1,995,571	-
- Resident Trainees	23,145	34,720	60,757	17,360	8,677	37,611	28,934	2,891	5,787	219,882	-
Total Employee Services	604,716	642,958	595,302	400,555	332,603	447,111	340,720	79,030	82,426	3,525,421	880,792
Services & Supplies:											
- Management	513,513	556,438	370,879	247,131	243,795	343,901	222,643	193,972	165,745	2,858,017	1,274,079
- Maintenance	393,368	351,700	171,631	144,003	200,130	110,625	150,403	135,540	94,190	1,751,590	-
- Resident Trainees	49,280	73,920	129,360	36,960	18,480	80,080	61,600	6,160	12,320	468,160	-
Total Services & Supplies	956,161	982,058	671,870	428,094	462,405	534,606	434,646	335,672	272,255	5,077,767	1,274,079
Other Charges:											
Financial Transactions	896	731	298	177	180	94	57	118	88	2,639	202
- Central Service Fees	41,592	44,901	37,457	20,442	17,015	28,712	19,851	7,444	10,280	227,694	-
- Miscellaneous (PILOT, Depr.)	52,168	56,786	46,046	25,198	21,718	35,337	24,628	24,177	13,919	299,977	-
Management Fee (\$51.08 / unit)	229,068	247,289	206,177	112,581	93,709	158,135	109,328	40,998	56,616	1,253,901	-
IT / Bookkeeping Fee (\$7.50 / door)	31,680	34,200	28,530	15,570	12,960	21,870	15,120	5,670	7,830	173,430	-
Asset Management (\$10.00 / door)	43,200	47,040	38,160	-	-	-	-	14,040	11,880	154,320	-
Total operating expense	1,959,481	2,055,963	1,623,840	1,002,617	940,590	1,225,865	944,350	507,149	455,294	10,715,149	2,155,073
Ending Balance	\$ 552,088	\$ 829,794	\$ 487,109	\$ -	\$ -	\$ -	\$ 21,662	\$ 336,544	\$ -	\$ 2,227,197	\$ 568,313

City Public Housing Revised AMP Structure-Pending HUD Approval, Central Office and Central Services Budget

PHA Code: CA005 City of Sacramento	January 1 - December 31, 2010							Total City Public Housing	City COCC Central Office & Central Svc
	City <u>AMP 1</u>	City <u>AMP 2</u>	City <u>AMP 3</u>	City <u>AMP 4</u>	City <u>AMP 5</u>	City <u>AMP 6</u>	City <u>AMP 7</u>		
Beginning fund equity	\$ 546,182	\$ 702,405	\$ 357,631	\$ 166,951	\$ 131,370	\$ 62,788	\$ 127,903	2,095,230	\$ 407,163
Revenues:									
HUD Operating Subsidy	1,059,962	1,284,712	683,201	613,920	559,967	519,532	568,944	5,290,238	-
Maintenance Charges to Tenants	13,000	23,000	15,000	14,659	15,566	5,000	10,775	97,000	-
Washer/Dryer Income	4,000	-	17,000	5,000	3,000	2,000	5,000	36,000	-
Rental Income - Dwelling	800,000	750,000	840,000	571,598	438,803	350,000	559,599	4,310,000	-
Interest Income - Investment	8,000	8,000	4,000	3,527	4,016	2,000	2,157	31,700	7,032
Miscellaneous income	8,000	9,000	4,000	5,767	3,900	1,000	3,333	35,000	-
Management Fee	-	-	-	-	-	-	-	-	1,389,259
IT/Bookkeeping Fee	-	-	-	-	-	-	-	-	192,150
Asset Management Fee	-	-	-	-	-	-	-	-	154,320
Admin Fee (CFP)	-	-	-	-	-	-	-	-	345,768
Central services fees	-	-	-	-	-	-	-	-	227,694
Total operating revenue	1,892,962	2,074,712	1,563,201	1,214,471	1,025,252	879,532	1,149,808	9,799,938	2,316,223
CFP operating transfers	-	-	-	103,404	85,960	165,854	3,918	359,136	-
CFP Mgmt impr transfers	72,425	108,640	190,117	66,886	32,284	117,691	99,999	688,042	-
Total revenues and transfers in	1,965,387	2,183,352	1,753,318	1,384,761	1,143,496	1,163,077	1,253,725	10,847,116	2,316,223
Expenditures:									
Employee Services:									
- Management	259,273	224,809	181,995	161,331	172,881	143,596	166,083	1,309,968	880,792
- Maintenance	322,298	383,429	352,550	289,365	185,353	265,904	196,672	1,995,571	-
- Resident Trainees	23,145	34,720	60,757	21,376	10,315	37,611	31,958	219,882	-
Total Employee Services	604,716	642,958	595,302	472,072	368,549	447,111	394,713	3,525,421	880,792
Services & Supplies:									
- Management	513,513	556,438	370,879	404,203	327,762	343,901	341,321	2,858,017	1,274,079
- Maintenance	393,368	351,700	171,631	242,840	256,284	110,625	225,142	1,751,590	-
- Resident Trainees	49,280	73,920	129,360	45,511	21,968	80,080	68,041	468,160	-
Total Services & Supplies	956,161	982,058	671,870	692,554	606,014	534,606	634,504	5,077,767	1,274,079
Other Charges:									
Financial Transactions	896	731	298	267	229	94	124	2,639	202
- Central Service Fees	41,592	44,901	37,457	28,449	20,694	28,712	25,889	227,694	-
- Miscellaneous (PILOT, Depr.)	52,168	56,786	46,046	41,373	31,399	35,337	36,868	299,977	-
Management Fee (\$51.08 / unit)	229,068	247,289	206,177	156,677	113,971	158,135	142,584	1,253,901	-
IT / Bookkeeping Fee (\$7.50 / door)	31,680	34,200	28,530	21,668	15,762	21,870	19,720	173,430	-
Asset Management (\$10.00 / door)	43,200	47,040	38,160	11,310	6,064	-	8,546	154,320	-
Total operating expense	1,959,481	2,055,963	1,623,840	1,424,370	1,162,682	1,225,865	1,262,948	10,715,149	2,155,073
Ending Balance	\$ 552,088	\$ 829,794	\$ 487,109	\$ 127,342	\$ 112,184	\$ -	\$ 118,680	\$ 2,227,197	\$ 568,313

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

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

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

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

PHA Name: Housing Authority- City of Sacramento PHA Code: CA005
PHA Fiscal Year Beginning: 01/01/10 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)

Signature:

Date:

Print Board Chairman's Name:		
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