RESOLUTION NO. 2012-017

Adopted by the Housing Authority
of the City of Sacramento

November 8, 2012

APPROVAL OF 2013 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 (or its Successor), Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento (or its Successor), 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. As of February 1, 2012, pursuant to Health and Safety Code Section 34173 and resolution 2012-018, the fiscal administration of the former Redevelopment Agency of the City was assumed within the management structure of the City of Sacramento which elected to manage the dissolution of its redevelopment agency and administer the Redevelopment Agency Successor Agency (RASA). The budget of the former Redevelopment Agency is no longer incorporated within the Agency Budget. Pursuant to Health and Safety Code Section 34173 (g) RASA is a separate public entity from the public agency that provides for its governance.

D. Agency's fiscal year is the calendar year from January 1st through December 31st.

E. Pursuant to Health and Safety Code Section 34176 and resolution 2012-001 the City of Sacramento designated the Housing Authority of the City of Sacramento (HACS) as the local authority to retain the housing-assets and housing-functions previously performed by its Redevelopment Agency.

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

Section 1. The proposed actions to adopt the 2013 Proposed Agency Budget are considered administrative and management activities. As such, these actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4). These actions are also exempt from environmental review under the National Environmental Policy Act (NEPA) per 24 CFR Section 58.34(a)(3). Public services provided for in the budget associated with multi-family supplemental assessments and rental assistance are actions associated with existing facilities with no changes to or expansion of use. As such, these activities are categorically exempt under CEQA pursuant to CEQA Guidelines Section 15301. There is no federal funding associated with these actions; therefore, NEPA does not apply.

All other actions associated with the adoption of the 2013 proposed budget, and do not make any commitments to, or give approvals for, specific projects. Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

Section 2. The 2013 Operating Budget totaling $151,073,105 and the 2013 Project Budget totaling $18,611,895, all as further described in the 2013 Proposed Agency Budget (hereinafter "2013 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 2013 fiscal year. The 2013 Agency Budget incorporates the budgets of the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 3. A total of 253 Agency full time equivalent positions (FTE) are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment Agency.

Section 4. Subject to availability under the Budget of any required funds, the Executive Director, or her designee, is authorized to amend the Budget as necessary to accept funds, expend funds, or transfer funds among operating budgets or project budgets to complete enforceable housing obligations, comply with legal directives of the California State Department of Finance and/or the State Controller's Office, facilitate the dissolution of redevelopment pursuant to AB 1x 26 and AB 1484, or to provide staffing services to Redevelopment Agency Successor Agency (RASA). Such transactions must comply with applicable laws and regulations and

agreements to provide staffing services for RASA are subject to RASA Oversight Board Approval.

Section 5. 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 6. The Executive Director, or designee, is authorized to submit the 2013 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Executive Director, or designee, is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects. See Exhibit B-1 for a summary of the public housing operating budget.

Section 7. The proposed expenditures under the 2013 Housing Operating Budget are necessary for the efficient and economical operation of Agency housing to serve low-income families.

Section 8. The housing financial plan set forth in the 2013 Housing Operating Budget is reasonable in that:

a. It indicates a source of funding adequate to cover all proposed expenditures.
b. It does not provide for use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
c. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract
d. It includes asset management project budgets prepared on an individual basis as shown in the Schedule of Public Housing AMP and Central Office 2013 Budget attached as Exhibit B-1.

Section 9. Form HUD-52574 (08/2005), attached as Exhibit B-2 for signature by the Chair of the Board of the Housing Authority, provides necessary certifications for submission of the Operating Budgets described in Section 7d.

Section 10. 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 11. 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 12. On an annual basis the Agency, on behalf of the Housing Authority of the City of Sacramento (HACS), conducts a physical inventory, analyzes receivables for collectability and, accordingly, reconciles and adjusts related financial records. The Executive Director, or designee, is authorized to amend the Budget and financial records as needed for such adjustments.

Section 13. The Executive Director, or designee, is authorized to purchase all lines of applicable insurance for its properties and operations through local independent agents, direct carriers, or risk retention pools, provided that the insurance requirements, coverage and terms are commercially reasonable and provided that the cost does not exceed the amounts in the approved Budget. Agency, on behalf of HACS, is also authorized to obtain flood insurance through the federal flood insurance program for HACS properties and this coverage may be secured through a local independent agent.

Section 14. Subject to availability under the Budget of any required funds, the Executive Director, on behalf of HACs, is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with adopted HACS policy and governing board approvals. The Executive Director, or designee, is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the HUD approved conversion.

Section 15. The Executive Director, or designee, is authorized and directed, on behalf of HACS, to approve, submit and implement the Public Housing Agency (PHA) Annual Plan and the PHA Five-Year Plan, and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998.

Section 16. The Executive Director, or designee, is authorized to submit to HUD the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG) and Housing Opportunities for People with AIDS (HOPWA). HACS, staffed by the Agency, is delegated authority to administer federal funds appropriated by HUD and is the designated recipient of funds outlined in the One Year action Plan. If such grants are awarded, Agency is authorized to accept the grant or grants, execute all related documents and amend the Budget accordingly. Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Agency is authorized to amend the Capital Reserve Project in the event that the actual entitlement exceeds, or is less than, that estimated in the Budget.

Section 17. The Executive Director, or designee, is authorized to administer funds or delegate authority to other appropriate entities approved by the governing boards, to administer ESG and HOPWA programs and expend funds and to execute contracts with the appropriate entities to carry out the activities contained in the approved Action Plans utilizing ESG and HOPWA funds, strictly in accordance with the terms of the approved Action Plans and funding source requirements.

Section 18. The Executive Director, or designee, is authorized to enter into necessary grants and agreements with HUD, the State Housing and Community Development Department (HCD), and other governmental or private entities for homeless programs for which HACS/Agency is the designated recipient of grant funds or contracting agency. Agency, on behalf of HACS, is authorized to accept such grants, execute contracts to implement homeless activities funded in the Budget and amend the Budget accordingly (provided that the activities are fully funded by the grant or are within the Agency Budget). The Executive Director, or designee, is authorized to execute contracts for homeless activities funded in the Agency Budget as outlined in the Agency public services schedule.

Section 19. The Executive Director, or designee, is authorized to submit grant applications on behalf of the Housing Authority of the City of Sacramento for any and all housing and community development activities within the jurisdiction of Agency. If such grants are awarded, Agency is authorized to accept the grant or grants execute contracts to implement grant activities with the appropriate entities (provided that the activities are fully funded by the grant or within the Budget), execute all related documents and amend the Budget. Budget expenditure and amendments for such grants are permitted for positions, services and supplies, equipment and projects. Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Such grants may include but are not limited to the following:

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

Section 20. 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 21. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.

Section 22. The Executive Director, or designee, is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.

Section 23. 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 24. The Executive Director, or designee, is authorized to transfer appropriations up to $100,000 per transaction in Operating Budget and contingency reserves.

Section 25. 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 26. The Executive Director, or designee, is authorized to transfer any available fund balances from HACS instrumentalities or affiliates to allocate for future HACS projects or to reduce budget shortfalls, provided the use and receipt of funds is not otherwise restricted by law or regulations. Such transactions are subject to HACS instrumentality or affiliate board approval.

Section 27. The Executive Director, or designee, is authorized to amend the Budget to reflect all required debt service payments, pass through payments loan repayments, and other existing obligations based on actual higher or lower revenues.

Section 28. The Executive Director, or designee, is authorized to amend the operating budget or capital project budget or transfer funding of approved capital projects or operating budgets in compliance with appropriate approvals, bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.

Section 29. The Executive Director, or designee, on behalf of HACS serving as the Successor Housing Entity, is authorized to execute, and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed for the completion of enforceable housing obligations of the former redevelopment agency to assure receipt of anticipated revenues.

Section 30. The Executive Director, or designee, is authorized to exercise default remedies and take other actions to protect HACS assets under contracts, loans, disposition and development agreements, owner participation agreements and other HACS agreements and to appropriate the associated revenues in the Budget. Agency, on behalf of HACS is authorized to enter into "loan work outs," to the extent reasonably necessary to protect HACS assets, and in entering such "work outs," Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria (including forgiveness of principal as necessary to reflect underwriting the loan at current fair market value of the subject property). Further, The Executive Director, or designee,is authorized to renegotiate existing HACS debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide HACS with more favorable loan terms.

Section 31. All project appropriations in existence as of December 31, 2012 will be carried over and continued in 2013.

Section 32. All multi-year operating grant budgets in existence as of December 31, 2012 shall be continued in 2013.

EXHIBIT A

SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY PROPOSED 2013 BUDGET

Approved 2012 Total Operating Budget	$ 151,073,105
Revised Approved 2012 Total Operating Budget	$0
Approved 2012 New Projects	$ 18,611,895
Revised Approved 2012 New Projects	$0
TOTAL SHRA BUDGET	$ 169,685,000

Section 33. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2012 may remain in effect in 2013. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2012, but only to the extent that the applicable division's 2012 operating budget appropriations exceeded 2012 expenditures.

Section 34. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2013 Budget.

Section 35. 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 36. The Executive Director, or designee, or designee, is authorized to delegate the authorities as set out in this resolution.

Section 37. This resolution shall take effect immediately.

Table of Contents:

Exhibit A: Summary of Changes To Sacramento Housing and Redevelopment Agency Proposed 2013 Budget

Exhibit B-1: 2013 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)

Exhibit B-2: HUD Resolution Approving the 2013 AMP Budgets

Adopted by the Housing Authority of the City of Sacramento on November 8, 2012 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, McCarty, Pannell, Schenirer, Sheedy.

Noes: None.

Abstain: None.

Absent: Mayor Johnson.

Angelique Ashby, Vice-Mayor

Attest:

Shirley Concolino, City Clerk

City Public Housing AMP, Central Office and Central Services Budget

January 1 - December 31, 2013

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	Total City Public Housing	City COCC Central Office & Central Svc
Beginning fund equity	$ 635,988	$ 1,021,107	$ 929,734	$ (68,625)	$ 104,363	$ 391,930	$ (53,088)	2,961,409	$ 225,959
Revenues:									
HUD Operating Subsidy	1,423,000	1,732,000	511,000	648,000	677,000	472,000	598,000	6,061,000	-
Maintenance Charges to Tenants	19,000	20,000	5,500	10,000	22,000	400	18,000	94,900	-
Washer/Dryer Income	6,000	-	7,000	8,000	4,000	4,000	6,000	35,000	-
Rental Income - Dwelling	585,000	578,000	464,000	496,000	418,000	309,000	415,000	3,265,000	-
Rental Income - Commercial			-			183,853		183,853	-
Interest Income - Investment	10,000	10,000	12,000	1,000	700	3,500	1,000	38,200	2,300
Bad Debt Recovery	-	200	-	-	1,000	-	200	1,400	
Miscellaneous income	9,015	16,715	3,615	2,515	9,515	1,015	4,715	47,105	75,830
Management Fee	-	-	-	-	-		-	-	1,445,395
IT/Bookkeeping Fee	-	-	-	-	-		-	-	207,180
Asset Management Fee	-	-	-	-	-		-	-	155,520
Admin Fee (CFP)	-	-	-	-	-		-	-	214,147
Central services fees	-	-	-	-	-		-	-	344,514
Total operating revenue	2,052,015	2,356,915	1,003,115	1,165,515	1,132,215	973,768	1,042,915	9,726,458	2,444,886
CFP operating transfers	-	-	-	-	-	-	-	-	-
CFP Mgmt impr transfers	74,872	90,165	125,321	60,799	105,077	42,071	82,798	581,103	-
AMP to AMP transfers	-	-	-	167,539	-	-	182,642	350,181	-
Total revenues and transfers in	2,126,887	2,447,080	1,128,436	1,393,853	1,237,292	1,015,839	1,308,355	10,657,742	2,444,886
Expenditures:									
Employee Services:									
- Management/Maintenance	677,233	678,764	445,100	382,070	380,669	237,890	388,257	3,189,983	983,102
- Maintenance									-
- Resident Trainees	17,274	15,116	15,116	15,116	15,116	15,116	15,116	107,970	-
Total Employee Services	694,507	693,880	460,216	397,186	395,785	253,006	403,373	3,297,953	983,102
Services & Supplies:									
- Management/Maintenance	786,032	805,398	296,140	628,733	599,160	549,164	542,587	4,207,214	1,536,491
- Maintenance								-	-
- Resident Trainees	57,598	75,049	110,205	45,683	89,961	26,955	67,682	473,133	-
Total Services & Supplies	843,630	880,447	406,345	674,416	689,121	576,119	610,269	4,680,347	1,536,491
Other Charges:									
Financial Transactions	2,300	2,700	3,100	280	225	800	200	9,605	30
- Central Service Fees	69,288	75,254	31,564	47,732	44,075	32,141	44,460	344,514	-
- Miscellaneous (PILOT,Depr.)	29,653	34,101	13,344	19,275	19,275	13,344	19,275	148,267	-
- AMP to AMP transfers	-	350,181	-	-	-	-	-	350,181	-
Management Fee	248,558	268,749	167,794	165,009	156,654	116,272	157,350	1,280,386	-
IT / Bookkeeping Fee	32,130	34,740	21,690	21,330	20,250	15,030	20,340	165,510	-
Asset Management Fee	43,200	46,920	19,680	-	-	20,040	-	129,840	-
Capital Expenditures	-	-	-	-	-	-	-	-	-
Total operating expense	1,963,266	2,386,972	1,123,733	1,325,228	1,325,385	1,026,752	1,255,267	10,406,603	2,519,623
HUD mandated restricted operating reserve (1/12)	-	-	-	-	-	-	-	-	-
Ending Balance	$ 799,609	$ 1,081,215	$ 934,437	$ -	$ 16,270	$ 381,017	$ -	$ 3,212,548	$ 151,222

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: 01/01/13 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:	Signature:	Date:
Mayor Kevin Johnson		