RESOLUTION NO. 2006- 018

Adopted by the Housing Authority
of the City Of Sacramento

November 21, 2006

APPROVAL OF 2007 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS, AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

BACKGROUND

A. The Sacramento Housing and Redevelopment Agency (SHRA) is a joint powers agency comprised of six separate legal entities: City of Sacramento, Redevelopment Agency of the City of Sacramento, Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento, and Housing Authority of the County of Sacramento.

B. SHRA receives annual funding from a combination of federal, state and local sources.

C. The sources of SHRA revenues requires each constituent entity to have an operating budget adopted prior to the start of each new fiscal year.

D. SHRA's fiscal year is the calendar year from January 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 2007 Proposed SHRA Budget does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4), or undertaking under the National Environmental Policy Act (NEPA), as provided in 24 CFR Section 53.34(a)(3). The Budget includes the allocation of funds for activities (projects) that may have a physical change to the environment; however, none of those projects within the Budget are approved for implementation until each such project has been subject to individual environmental review prior to taking any action in furtherance of such activity.

Section 2. The 2007 Operating Budget totaling $176,574,804 and the 2007 Project Budget totaling $57,277,247, all as further described in the 2007 Proposed

SHRA Budget (hereinafter "2007 SHRA Budget or "Budget"), a copy of which is on file with the SHRA Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of SHRA for the 2007 fiscal year. The 2007 SHRA Budget incorporates the budgets of the Redevelopment Agency of the City of Sacramento, the Redevelopment Agency of the County of Sacramento, the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 3. A total of 302.23 SHRA positions (reflecting a decrease of 6.3 positions from the 2006 Budget), are approved subject to classification review by the Executive Director of SHRA (Executive Director).

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

Section 5. The Executive Director is authorized to submit the 2007 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 is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects.

Section 6. The proposed expenditures under the 2007 Housing Operating Budget are necessary in the efficient and economical operation of SHRA housing to serve low-income families.

Section 7. The housing financial plan set forth in the 2007 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.

Section 8. All proposed rental charges and expenditures contemplated by the 2007 Housing Operating Budget shall be consistent with provisions of law and the Annual Contributions Contract.

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 revenues generated by fees being equal to the cost of services provided over time and that in any given year the gain or loss is not more than five percent.

Section 10. The Executive Director is authorized to submit applications to HUD for Capital Fund Plan funding. If such grants are awarded, the Executive Director is authorized to accept the grant or grants, execute all related documents and amend the budget accordingly. The Executive Director is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Executive Director is authorized to submit the Comprehensive Plan or annual statement to HUD, after receiving public comments and resident review.

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

Section 12. The Executive Director 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 is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with adopted SHRA/Housing Authority policy and governing board approvals.

Section 14. The Executive Director is authorized and directed to approve, submit and implement the Comprehensive SHRA Annual Plan, Comprehensive Five-Year Plan, and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998.

Section 15. The Executive Director 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 is authorized to accept the grant or

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

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

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

Section 19. The Executive Director is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Executive Director may allocate and transfer any available fund balances to accounts held for future projects or 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.

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

Section 21. The Executive Director is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.

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

Section 24. The Executive Director is authorized to increase or decrease project budget appropriations by not more than $100,000 for each project or activity. Project budget appropriation increases and decreases in excess of $100,000 must be approved by the appropriate governing board.

Section 25. The Executive Director is authorized to transfer project appropriations among fund groups (such as among funds within a redevelopment project area).

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

Section 29. The Executive Director is authorized to exercise default remedies and take other actions to protect SHRA assets under contracts, loans, disposition and development agreements, owner participation agreements, and other SHRA agreements and to appropriate the associated revenues in the

Budget. The Executive Director is authorized to enter into "loan work outs," to the extent reasonably necessary to protect SHRA assets, and in entering such "work outs," the Executive Director 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, 2006 will be carried over and continued in 2007.

Section 31. All multi-year operating grant budgets in existence as of December 31, 2006 shall be continued in 2007.

Section 32. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2006 may remain in effect in 2007. The Executive Director is authorized to increase the Budget for valid encumbrances as of December 31, 2006, but only to the extent that the applicable division's 2006 operating budget appropriations exceeded 2006 expenditures.

Section 33. The Executive Director is authorized to incorporate the changes listed on Exhibit A as part of the 2007 Budget.

Section 34. If any entity requires a separate resolution for any action approved within this resolution other than resolutions for approval or amendment of projects, programs or the SHRA Budget, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.

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

Section 36. This resolution shall take effect immediately.

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Exhibit A - Summary of Changes to Sacramento Housing and Redevelopment Agency Proposed 2007 Budget

Adopted by the City of Sacramento Housing Authority on November 21, 2006 by the following vote:

Ayes: Members, Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Chair Fargo.

Noes: None.

Abstain: None.

Absent: None.

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Chair, Heather Fargo

Attest:

Shirley Concolino

Shirley Concolino, Secretary

EXHIBIT A

SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY PROPOSED 2007 BUDGET

Proposed 2007 Total Operating Budget	$176,574,804
Revised Proposed 2007 Total Operating Budget	$0
Proposed 2007 New Projects	$57,277,247
Revised Proposed 2007 New Projects	$0
TOTAL SHRA BUDGET	$233,852,051