



**Sacramento
Housing &
Redevelopment
Agency**

**REPORT TO COUNCIL, REDEVELOPMENT
AGENCY, AND HOUSING AUTHORITY**

City of Sacramento

915 I Street, Sacramento, CA 95814-2671

www.CityofSacramento.org

Public Hearing
November 20, 2007

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

Title: 2008 Sacramento Housing and Redevelopment Agency Budget

Location/Council District: Citywide

Recommendation: 1) Adopt **City Resolution** a) approving the 2008 Proposed Budget for the Sacramento Housing and Redevelopment Agency (SHRA); and b) authorizing SHRA to: (i) submit the Comprehensive Plan to United States Department of Housing and Urban Development (HUD); (ii) submit to HUD the Consolidated Plan and One-Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), American Dream Downpayment Initiative (ADDI), and Housing Opportunities for People with AIDS (HOPWA); (iii) submit grant applications for any and all activities within the jurisdiction of SHRA; and (iv) enter into contracts, make fund transfers, transfer project appropriations, amend the SHRA Budget in accordance with the limitations of the Resolution, and undertake other actions necessary to implement the aforementioned; 2) Adopt a **Redevelopment Agency Resolution** a) approving the 2008 Proposed SHRA 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 SHRA Budget in accordance with the limitations of the Resolution, and undertake other actions necessary to implement the aforementioned; and 3) Adopt a **Housing Authority Resolution** a) approving the 2008 Proposed SHRA 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 (vi) enter into contracts, make fund transfers, transfer project appropriations, amend the SHRA Budget in accordance with the limitations of the Resolution, and undertake other actions necessary to implement the aforementioned.

Sacramento Housing and Redevelopment Agency 2008 Annual Budget

Contact: Anne M. Moore, Executive Director, 440-1333; Don Cavier, Finance Director, 440-1399, ext. 1220

Presenters: Anne Moore, Executive Director, Don 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 2008 Budget provides a plan by which the Agency, without the benefit of a general fund, operates within its available funds in an efficient manner, and in compliance with regulatory requirements of the various sources of funds and with the Government Accounting Standards Board guidelines. The sources of SHRA revenues require each constituent entity to have an operating budget adopted prior to the start of each new fiscal year. SHRA's fiscal year is the calendar year from January 1st through December 31st.

The Agency proposes a balanced budget in the amount of \$276,717,883 representing the operational activities and projects for 2008. The proposed budget includes \$96,101,068 for housing assistance payments, \$56,305,393 for operational costs, \$39,381,034 in debt service payments and \$84,930,388 for capital projects. The budget represents an 18 percent increase in appropriations over 2007. There are three primary reasons for the increase; (1) a projected increase in of \$8.4 million in housing assistance payments for the Housing Choice Voucher program; (2) an increase of \$6.2 million in projected debt service payments for the anticipated 2007 bond issue for Mather/McClellan, North Sacramento and Stockton Boulevard project areas; and (3) an increase of \$27 million in the funds available for new projects due primarily to growth in Agency revenues and the reprogramming of \$14.7 million of project funds from prior years.

The Agency experienced strong revenue growth in our redevelopment project areas collecting \$61.3 million for the 2006-07 property tax year, an increase of 17 percent from the previous fiscal year's revenues. Due to the regional downturn in the real estate market and the rise in foreclosures, the Agency has been conservative in projecting tax increment growth for 2008. As a result, the Agency is forecasting tax increment revenue at \$63.8 million for 2008, a 4 percent increase over the 2006-07 property tax year.

With the exception of the Housing Choice Voucher program, federal funding for programs like CDBG, HOME, Public Housing and Public Housing Capital Fund are expected to decline slightly, or remain relatively unchanged based upon the most recent congressional funding recommendations.

Sacramento Housing and Redevelopment Agency 2008 Annual Budget

While the Public Housing program continues to struggle with an operating deficit, the Agency has made significant progress in reducing the severity of that deficit. As a result, the Agency is proposing a budget that reduces the Public Housing operating deficit to \$1.9 million for 2008, a reduction of \$1.6 million from the 2007 projected deficit of \$3.5 million. The deficit will be covered by Public Housing Capital Funds eligible for operational use. HUD continues to fund the Agency at 83% of what the Public Housing program is entitled to receive based upon HUD's own formula. Staff is continuing to streamline property management under the HUD asset management model and is implementing cost control measures, including a proposed reduction of 9.25 positions in 2008 for the Public Housing and Housing Choice Voucher (HCV) programs. Additionally, Housing Management is targeting an aggressive lease up strategy which, if successful, will generate an additional \$500,000 in rent revenue in 2008. Since it is unlikely that HUD will fully fund the program in the future, Housing Management must address the program deficit by maximizing unit lease up, continuing to cut operational costs and reposition non-performing assets.

Revenues for the HCV program are estimated to be \$92.3 million based upon projected actual 2007 Housing Assistance Payment (HAP) expenses adjusted for inflation. The budget also anticipates the program will use \$3.7 million of prior year HAP reserves to cover projected 2008 HAP expenditures. This is an increase of 10 percent over 2007 in the amount of housing assistance payments expected to be paid on behalf of program participants throughout the City and County of Sacramento. The Agency has targeted a lease up goal of 98-100 percent of the 11,217 vouchers available to the Agency. Once this lease up goal is met and maintained, it will serve as HUD's new baseline for future funding of the program. Funding for HCV program administration is also projected to increase slightly in 2008 helping to reduce an operational deficit for the program that has been an area of concern for the past several years. Through reductions in operating costs, including the reduction of staff, the program is expected to break even in 2008.

The Agency is also considering a facilities move to consolidate various operating department and administrative support staff into a single location. Staff is actively working with the real estate firm of Grubb & Ellis to outline our options and tour potential sites for the Agency. The proposed budget provides for the cost of a facilities move and the corresponding expenses associated with a new building. Staff will come back to Council with recommendations when suitable sites have been found.

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.

Sacramento Housing and Redevelopment Agency 2008 Annual Budget

Environmental Considerations: The proposed action to adopt the Budget does not constitute a project subject to environmental review under California Environmental Quality Act (CEQA) per Guidelines Section 15378(b)(4), and under National Environmental Policy Act (NEPA) per 24 CFR Section 8.34(a)(3).

Committee/Commission Action: At its meeting on November 7, 2007, the Sacramento Housing and Redevelopment Commission considered this item. The votes were as follows:

AYES: Burruss, Chan, Coriano, Dean, Gore, Hoag, Otto, Piatkowski.

NOES: None.

ABSENT: Fowler, Shah, Stivers.

Rationale for Recommendation: The proposed budget provides a fiscal strategy for operations and capital projects during 2008. The budget is in balance and complies with applicable federal, state and local regulations on the use of the funds.

Financial Considerations: The total budget (operating plus capital) has grown 18 percent, from \$233,852,051 to \$276,717,883 for 2008. The operating budget of \$191,787,495 includes \$96,101,068 for housing assistance payments, \$56,305,393 for operational costs and \$39,381,034 in debt service payments and represents a 10 percent increase from 2007. Funding available for capital projects is \$84,930,388.

This budget proposes a total of 291.80 positions, a net decrease of 10.43 positions. The Housing Authority proposes reducing 9.25 positions for the HCV and Public Housing programs, Administrative departments are increasing by 1.55 positions, Housing and Community Development is decreasing by 1.1 positions and affiliated organizations are reducing by 1.63 positions.

Employee services are up \$1,306,015 or 5 percent primarily due to cost of living increases and equity adjustments approved in 2007.

The overall Services and Supplies budget has increased \$501,073 or 3.2 percent due in large part to the increased costs associated with a potential facilities move for Agency's administrative offices.

The Housing Assistance Payments (HAPs) for the HCV program total \$96,101,068, an increase of 10 percent from last year due to projected lease up trends for the program.

Costs related to debt service payments have increased by more than \$6,214,041 or 19 percent due to the proposed 2007 bond issuance for Mather/McClellan, North Sacramento and Stockton Boulevard project areas.

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Redevelopment expenses have increased \$442,703 or 4 percent due to increased costs of pass through payments connected to the growth in tax increment revenue.

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

Respectfully Submitted by: 
ANNE M. MOORE
Executive Director

Recommendation Approved:

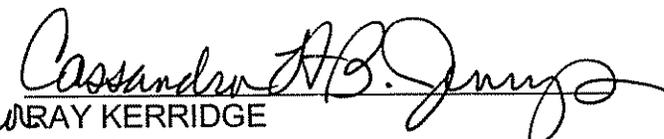

JAY KERRIDGE
City Manager

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Background

Sacramento Housing and Redevelopment Agency 2008 Annual Budget

The total budget (operating plus capital) has grown 18 percent, from \$233,852,051 to \$276,717,883 for 2008. The operating budget of \$191,787,495 includes \$96,101,068 for housing assistance payments, \$56,305,393 for operational costs and \$39,381,034 in debt service payments and represents a 10 percent increase from 2007. Funding available for capital projects is \$84,930,388.

This budget proposes a total of 291.80 positions, a net decrease of 10.43 positions. The Housing Authority proposes reducing 9.25 positions for the HCV and Public Housing programs, Administrative departments are increasing by 1.55 positions, Housing and Community Development is decreasing by 1.1 positions and affiliated organizations are reducing by 1.63 positions

Employee services are up \$1,306,015 or 5 percent primarily due to cost of living increases and equity adjustments approved in 2007.

The overall Services and Supplies budget has increased \$501,073 or 3.2 percent due in large part to the increased costs associate with a potential facilities move for Agency administrative offices.

The Housing Assistance Payments (HAPs) for the HCV Program total \$96,101,068, an increase of 9.6 percent from last year due to increased lease-up trends for the program.

Costs related to debt service payments have increased by more than \$6,214,041 or 18.74 percent due to the proposed 2007 bond issuance for Mather/McClellan, North Sacramento and Stockton Boulevard project areas.

Redevelopment expenses have increased \$442,703 or 4 percent due to increased costs of pass through payments connected to the growth in tax increment revenue.

Public Housing Program

Our City and County Public Housing Programs support 3,144 units housing approximately 6,750 individuals. For 2008, our Housing Authorities are projecting an operating deficit of approximately \$1.9 million, a reduction of \$1.6 million from the 2007 anticipated deficit of \$3.5 million. This deficit reduction is contingent upon continuing to streamline property management, controlling operating costs and successfully achieving our 2008 lease up goals which will increase rent revenue by approximately \$500,000.

A significant part of the deficit is attributable to HUD's under funding of housing authorities by using their new funding formula. In 2007, HUD funded all housing authorities at only 83 percent of the HUD-established full subsidy funding level under their new formula. Current recommended appropriations for the program appear to support a similar funding level for 2008.

We have partially addressed our funding shortfall by eliminating 8 positions in 2006, 9.9 positions in 2007 and are proposing the elimination of 9.25 positions from both Public Housing and the Housing Choice Voucher Program in 2008. Even with these reductions, we are proposing the use of multiple years of public housing Capital Funds for permitted operational use totaling \$1,976,226.

The Agency has fully implemented HUD asset management and is continuing to adjust operations as needed to run the program in the most cost effective and efficient manner possible, while not sacrificing the service to our residents. Additionally, Housing Management will begin the implementation phase of an asset repositioning strategy to evaluate the needs and best uses of our public housing stock. Further, until the funding deficit is eliminated, management will continue to fill only positions critical to ongoing operations.

Housing Choice Voucher (HCV) Program

After several years of major changes to the HCV program, the changes from HUD have been minimal during the last year and status quo is expected next year in terms of the overall program. Locally, the funding for program administration has increased slightly helping to reduce an operational deficit for the program that has been an area of concern for the past 3 years. In 2006, 4.1 positions were eliminated, and in 2007 we reduced 4 funded positions and 2 previously unfunded supervisory positions. These actions, coupled with the moderate increase in proposed federal funding of program administration, should help the program to breakeven in 2008.

In 2007, we projected the funding level for housing assistance payments (HAP) to participating landlords at \$89 million; the actual funding level from HUD was \$88 million. In 2008, we anticipate the funding level will increase to \$92.3 million based upon projected actual 2007 HAP expenses adjusted for inflation. Staff also anticipates the use of \$3.7 million of prior year HAP reserves to cover projected 2008 leasing assumptions. This level of funding will allow us to assist up to 11,217 low, very low and extremely low-income families or approximately 44,000 individuals. The projected increase in lease up is due to the implementation and utilization of a new participant waitlist comprised of some 35,000 families which has expedited the ability of staff to find and lease qualified program participants.

Housing and Community Development Programs

The HUD community development programs make up 9 percent of the Agency revenues and include the CDBG, HOME, and miscellaneous special grants the Agency receives from HUD. In 2008, it is anticipated that the overall CDBG and HOME revenues will remain unchanged. The numbers contained in this budget are consistent with the recommended 2008 Action Plan which was presented for approval by the governing boards prior to this proposed budget.

Because the federal budget has not been approved yet, the CDBG budgets include contingency funds which can be reduced if actual funding levels are lower than anticipated.

Our total tax increment revenue was \$61.3 million for the 2006-07 property tax year, an increase of 17 percent from the previous fiscal year's revenues. For 2008, the Agency has budgeted \$63.8 million, a 4 percent increase over the 2006-07 property tax year.

Of the total 2008 tax increment revenues of \$63.8 million, the City project areas' share is \$46.4 million; the County project areas' share is \$11.6 million and joint areas' share is \$5.8 million. All project areas except for Franklin Boulevard and Richards Boulevard are anticipating increases for 2008. We anticipate reductions in these project areas due to appeals or revaluation of significant buildings within the project areas.

In 2006, the Agency intended to implement a change in accounting practice related to the timing for the recognition of tax increment revenue. The proposed change was intended to better match the receipt of tax increment with Agency's fiscal year of January through December, and the 2007 budget was based on the implementation of this change. Upon further review of the issue, our audit firm reevaluated their position on the issue and recommended that we continue to recognize tax increment revenue under the previous methodology. The previous recognition methodology requires the Agency to accrue tax increment received in January back to December of the prior year. The impact of this change is a one time increase in funds available for projects of approximately \$8 million. Consequently, the growth in tax increment,

the reprogramming of \$14.7 million in prior year project reprogramming, and the change in accounting procedure accounts for the increase in available project funds from 2007 to 2008.

Other Sources

Miscellaneous revenue sources account for the remaining 1 percent of revenue the Agency receives. The most notable portion of these is the Low-Income Housing Trust Funds generated from fees on new commercial development in the City and County. Based on higher than anticipated revenue flow in 2007 and estimated revenues for 2008, staff anticipates that \$796,397 will be available for new housing projects in the County and \$3,051,707 in the City. Additionally, the revenues from the County's Affordable Housing Program are expected to increase and have been budgeted in 2008.

RESOLUTION NO. 2007- _____

Adopted by the Sacramento City Council

ON DATE OF

APPROVAL OF 2008 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

BACKGROUND

- A. The Sacramento Housing and Redevelopment Agency (SHRA) is a joint powers agency comprised of six separate legal entities: City of Sacramento, Redevelopment Agency of the City of Sacramento, Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento and Housing Authority of the County of Sacramento.
- B. SHRA receives annual funding from a combination of federal, state and local sources.
- C. The sources of SHRA revenues require each constituent entity to have an operating budget adopted prior to the start of each new fiscal year.
- D. SHRA's fiscal year is the calendar year from January 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 2008 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 58.34(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 2008 Operating Budget totaling \$191,787,495 and the 2008 Project Budget totaling \$84,930,388, all as further described in the 2008 Proposed SHRA Budget (hereinafter "2008 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 2008 fiscal year. The 2008 SHRA Budget incorporates the budgets of the Redevelopment Agency of the City of Sacramento, the Redevelopment Agency of the County of Sacramento, the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 3. A total of 291.8 SHRA positions (reflecting a decrease of 10.43 positions from the 2007 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. SHRA is authorized to submit the 2008 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, SHRA 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 2008 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 2008 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 2008 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. SHRA is authorized to submit applications to HUD for Capital Fund Plan funding. If such grants are awarded, SHRA is authorized to accept the grant or grants, execute all related documents and amend the budget accordingly. SHRA is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. SHRA 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. SHRA is authorized to amend the Budget and financial records as needed for such adjustments.
- Section 12. SHRA is authorized to obtain flood insurance through the federal flood insurance program for SHRA 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 funds, SHRA 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. SHRA 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. SHRA is authorized to submit to HUD the 2008 – 2012 Consolidated Plan, the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), American Dream Downpayment Initiative (ADDI) and Housing Opportunities for People With AIDS (HOPWA). If such grants are awarded, SHRA is authorized to accept the grant or grants, execute all related documents and amend the Budget accordingly. SHRA is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. SHRA 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. SHRA 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. SHRA is authorized to submit grant applications for any and all activities within the jurisdiction of SHRA. If such grants are awarded, SHRA 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. SHRA 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. SHRA 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. SHRA 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. SHRA is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. SHRA 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. SHRA is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.

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

- Section 24. SHRA 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. SHRA is authorized to transfer project appropriations among fund groups (such as among funds within a redevelopment project area).
- Section 26. SHRA 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. SHRA is authorized to transfer funding of approved capital projects within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable redevelopment laws and regulations.
- Section 28. SHRA is authorized to execute and implement internal loans between SHRA managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to reconcile available revenues as needed for redevelopment purposes to assure receipt of anticipated redevelopment area tax increment revenues.
- Section 29. SHRA 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. SHRA is authorized to enter into "loan work outs," to the extent reasonably necessary to protect SHRA assets, and in entering such "work outs," SHRA 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, 2007 will be carried over and continued in 2008.
- Section 31. All multi-year operating grant budgets in existence as of December 31, 2007 shall be continued in 2008.
- Section 32. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2007 may remain in effect in 2008. SHRA is authorized to increase the Budget for valid encumbrances as of December 31, 2007, but only to the extent that the applicable division's 2007 operating budget appropriations exceeded 2007 expenditures.
- Section 33. SHRA is authorized to incorporate the changes listed on Exhibit A as part of the 2008 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. SHRA 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

EXHIBIT A

**SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY PROPOSED 2008 BUDGET**

Proposed 2008 Total Operating Budget	\$191,787,495
Revised Proposed 2008 Total Operating Budget	\$0
Proposed 2008 New Projects	\$84,930,388
Revised Proposed 2008 New Projects	\$0
TOTAL SHRA BUDGET	\$276,717,883

RESOLUTION NO. 2007- ____

Adopted by the Redevelopment Agency of the City of Sacramento

ON DATE OF

APPROVAL OF 2008 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

BACKGROUND

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

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

Section 1. The proposed action to adopt the 2008 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 58.34(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 2008 Operating Budget totaling \$191,787,495 and the 2008 Project Budget totaling \$84,930,388, all as further described in the 2008 Proposed

SHRA Budget (hereinafter "2008 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 2008 fiscal year. The 2008 SHRA Budget incorporates the budgets of the Redevelopment Agency of the City of Sacramento, the Redevelopment Agency of the County of Sacramento, the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 3. A total of 291.8 SHRA positions (reflecting a decrease of 10.43 positions from the 2007 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 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 6. 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 City by entering into contracts and agreements pursuant to governing board approvals and subject to City acceptance of such transfer.

- Section 7. The expenditure of Merged Downtown Redevelopment Project Area tax increment housing funds for activities serving the homeless, as set out in the Budget, will benefit the Merged Downtown Redevelopment Project Area in that it will provide housing for a homeless population which remains in or frequents the Merged Downtown Redevelopment Project Area and is perceived as a blighting influence by business owners, property owners, workers and residents, and, as a result, impedes redevelopment of the Merged Downtown Redevelopment Project Area.
- Section 8. During 2007, tax increment funds from the Merged Downtown Redevelopment Project Area have contributed to programs and activities of other project areas and SHRA departments which benefit the Merged Downtown Project Area. Subject to the limitations of the funding sources, the Executive Director is authorized to reimburse the Merged Downtown Project Area for funds advanced to other programs and SHRA departments as monies become available from the close of the 2007 fiscal year.
- Section 9. 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 2008 SHRA Budget year.
- Section 10. The Executive Director 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 11. 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 12. The SHRA Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.
- Section 13. The Executive Director is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.
- Section 14. 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 15. The Executive Director is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.

Section 16. 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 17. The Executive Director is authorized to transfer project appropriations among fund groups (such as among funds within a redevelopment project area).

Section 18. 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 19. 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 20. 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 21. 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 22. All project appropriations in existence as of December 31, 2007 will be carried over and continued in 2008.

Section 23. All multi-year operating grant budgets in existence as of December 31, 2007 shall be continued in 2008.

Section 24. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2007 may remain in effect in 2008. The Executive Director is authorized to increase the Budget for valid encumbrances as of December 31, 2007, but only to the extent that the applicable division's 2007 operating budget appropriations exceeded 2007 expenditures.

Section 25. The Executive Director is authorized to incorporate the changes listed on Exhibit A as part of the 2008 Budget.

Section 26. 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 27. The Executive Director is authorized to delegate the authorities as set out in this resolution.

Section 28. This resolution shall take effect immediately.

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Exhibit A

EXHIBIT A

**SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY PROPOSED 2008 BUDGET**

Proposed 2008 Total Operating Budget	\$191,787,495
Revised Proposed 2008 Total Operating Budget	\$0
Proposed 2008 New Projects	\$84,930,388
Revised Proposed 2008 New Projects	\$0
TOTAL SHRA BUDGET	\$276,717,883

RESOLUTION NO. 2007- ____

Adopted by the Housing Authority of the City Of Sacramento

ON DATE OF

APPROVAL OF 2008 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORITIES; INCLUDING AUTHORITIES FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

BACKGROUND

- A. The Sacramento Housing and Redevelopment Agency (SHRA) is a joint powers agency comprised of six separate legal entities: City of Sacramento, Redevelopment Agency of the City of Sacramento, Housing Authority of the City of Sacramento, County of Sacramento, Redevelopment Agency of the County of Sacramento, and Housing Authority of the County of Sacramento.
- B. SHRA receives annual funding from a combination of federal, state and local sources.
- C. The sources of SHRA revenues require each constituent entity to have an operating budget adopted prior to the start of each new fiscal year.
- D. SHRA's fiscal year is the calendar year from January 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 2008 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 58.34(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 2008 Operating Budget totaling \$191,787,495 and the 2008 Project Budget totaling \$84,930,388, all as further described in the 2008 Proposed SHRA Budget (hereinafter "2008 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 2008 fiscal year. The 2008 SHRA Budget incorporates the budgets of the Redevelopment Agency of the City of Sacramento, the Redevelopment Agency of the County of Sacramento, the Housing Authority of the City of Sacramento, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

Section 3. A total of 291.8 SHRA positions (reflecting a decrease of 10.43 positions from the 2007 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 2008 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. Please see Exhibit B for a summary of the Public Housing operating budget and Exhibit D for the 2007 October through December HUD Stop Loss budget submission package. Please also see Exhibits C and E (HUD-52574) the Board Resolution Approving the Asset Management Project (AMP) Budgets.

Section 6. The proposed expenditures under the 2008 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 2008 Housing Operating Budget is reasonable in that:

- a. It indicates a source of funding adequate to cover all proposed expenditures.

- b. It does not provide for use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
- c. All proposed rental charges and expenditures contemplated by the 2008 Housing Operating Budget shall be consistent with provisions of law and the Annual Contributions Contract.
- d. It includes asset management project budgets prepared on an individual basis as shown in the Schedule of Public Housing AMP, Central Office, and Central Services 2008 Budget attached as Exhibit B and Exhibit D for the 2007 October through December HUD Stop Loss budget submission package.

Section 8. Form HUD-52574 (08/2005), attached as Exhibit C and E for signature by the Chairman 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 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 2008 – 2012 Consolidated Plan, the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG), American Dream Downpayment Initiative (ADDI) 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.

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- 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, 2007 will be carried over and continued in 2008.
- Section 31. All multi-year operating grant budgets in existence as of December 31, 2007 shall be continued in 2008.
- Section 32. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2007 may remain in effect in 2008. The Executive Director is authorized to increase the Budget for valid encumbrances as of December 31, 2007, but only to the extent that the applicable division's 2007 operating budget appropriations exceeded 2007 expenditures.
- Section 33. The Executive Director is authorized to incorporate the changes listed on Exhibit A as part of the 2008 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 C
Exhibit D
Exhibit E

EXHIBIT A

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REDEVELOPMENT AGENCY PROPOSED 2008 BUDGET**

Proposed 2008 Total Operating Budget	\$191,787,495
Revised Proposed 2008 Total Operating Budget	\$0
Proposed 2008 New Projects	\$ 84,930,388
Revised Proposed 2008 New Projects	\$0
TOTAL SHRA BUDGET	\$276,717,883

City Public Housing AMP, Central Office and Central Services Budget

January 1 - December 31, 2008

PIIA 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	\$ 4,390	\$ (43,827)	\$ 107,714	\$ 52,070	\$ 209,978	\$ 195,240	\$ 140,485	\$ 186,468	\$ 103,492	\$ 956,010	\$ 103,891
Revenues:											
HUD Operating Subsidy	971,765	1,198,791	607,871	339,103	372,038	494,892	328,469	220,546	212,778	4,746,253	-
Maintenance Charges to Tenants	40,000	50,000	9,000	20,000	40,000	11,000	9,000	11,998	11,946	202,944	-
Washer/Dryer Income	8,000	50	23,000	7,800	5,000	8,000	7,000	-	-	58,850	-
Rental Income - Dwelling	839,362	890,248	782,870	462,900	337,380	572,033	404,900	369,000	288,199	4,946,892	-
Interest Income - Investment	5,000	8,000	4,000	3,000	2,000	2,500	800	1,050	-	26,350	-
Bad Debt Recovery	300	2,000	-	800	50	-	-	2,190	-	5,340	-
Miscellaneous income	-	-	-	-	-	-	-	3,276	2,646	5,922	-
Management Fee	-	-	-	-	-	-	-	-	-	-	1,299,015
IT/Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	190,735
Asset Management Fee	-	-	-	-	-	-	-	-	-	-	254,310
Admin Fee (CFP)	-	-	-	-	-	-	-	-	-	-	520,345
Washer/Dryer Income	-	-	-	-	-	-	-	-	-	-	-
Central services fees	-	-	-	-	-	-	-	-	-	-	944,969
Total operating revenue	1,864,427	2,149,089	1,426,741	833,603	756,468	1,088,425	750,169	608,060	515,569	9,992,551	3,209,374
CFP operating & Mgmt impr transfers	44,000	74,000	94,000	36,000	26,000	377,635	80,234	17,345	22,000	771,214	-
Total revenues and transfers in	1,908,427	2,223,089	1,520,741	869,603	782,468	1,466,060	830,403	625,405	537,569	10,763,765	3,209,374
Expenditures:											
Employee Services	624,314	610,843	452,889	294,727	277,069	493,360	278,671	202,350	205,216	3,439,439	1,565,967
Services & Supplies	720,883	894,675	608,499	352,278	392,013	627,823	393,893	419,612	237,459	4,647,135	1,643,407
Other Charges:											
- Tenant Utility Allowance	4,000	2,500	-	2,000	6,000	-	5,000	2,100	3,000	24,600	-
- Central Service Fees	77,903	112,647	131,714	35,059	83,747	181,144	65,436	31,776	47,768	767,194	-
- Miscellaneous	49,683	81,665	45,803	26,454	29,974	34,631	23,811	20,248	12,170	324,439	-
Management Fee (\$51.08 / unit)	214,281	230,371	190,886	102,977	88,113	146,395	95,928	51,642	61,959	1,182,552	-
IT / Bookkeeping Fee (\$7.50 / door)	31,463	33,825	28,028	15,120	12,938	21,495	14,085	7,583	9,097	173,634	-
Asset Management (\$10.00 / door)	41,950	45,100	37,370	20,160	17,250	28,660	18,780	10,110	12,130	231,510	-
Capital Expenditures	1,200	-	8,000	2,000	9,000	-	600	4,000	2,950	27,750	-
Total operating expense	1,765,677	2,011,626	1,503,189	850,775	916,104	1,533,508	896,204	749,421	591,749	10,818,253	3,209,374
HUD mandated restricted operating reserve (1/12)	147,140	167,636	125,266	70,898	76,342	127,792	74,684	62,452	49,312	901,522	-
Ending Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 103,891

Demonstration of a Successful Conversion to Asset Management (Stop-Loss) Submission Kit

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

OMB No. 2577-0026 Approving
 (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 5(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 Auth. - City of Sacramento

PHA Code: CA005

PHA Fiscal Year Beginning: 01/01/2008

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: Mayor Heather Fargo	Signature	Date
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2007 QUARTERLY STOP LOSS BUDGET

EXHIBIT D

City Public Housing AMP, Central Office and Central Services Budget

October 1 - December 31, 2007

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	\$ (31,785)	\$ (75,881)	\$ 65,541	\$ 37,753	\$ 182,630	\$ 215,848	\$ 106,472	\$ 160,989	\$ 92,811	\$ 754,378	\$ 103,891
Revenues:											
HUD Operating Subsidy	238,188	289,358	157,361	86,046	93,703	128,384	85,576	61,801	60,761	1,201,178	-
Maintenance Charges to Tenants	13,583	17,035	3,606	8,483	11,134	3,204	3,302	17,929	6,005	84,281	-
Washer/Dryer Income	2,000	13	5,750	1,950	1,250	2,000	1,750	-	-	14,713	-
Rental Income - Dwelling	188,264	207,621	174,833	116,336	75,387	138,843	90,261	96,725	53,133	1,141,403	-
Interest Income - Investment	1,383	2,133	1,293	911	700	969	194	250	-	7,833	-
Bad Debt Recovery	75	500	-	200	13	-	-	548	-	1,336	-
Miscellaneous income	-	-	-	-	-	-	-	819	662	1,481	-
Management Fee	-	-	-	-	-	-	-	-	-	-	293,523
IT/Bookkeeping Fee	-	-	-	-	-	-	-	-	-	-	43,098
Asset Management Fee	-	-	-	-	-	-	-	-	-	-	57,877
Admin Fee (CFP)	-	-	-	-	-	-	-	-	-	-	69,946
Washer/Dryer Income	-	-	-	-	-	-	-	-	-	-	-
Central services fees	-	-	-	-	-	-	-	-	-	-	337,904
Total operating revenue	443,493	516,660	342,843	213,926	182,187	273,400	181,083	178,072	120,561	2,452,225	802,348
CFP operating & Mgmt impr transfers	34,101	18,300	75,127	13,085	74,187	89,369	76,981	34,762	38,057	453,969	-
Total revenues and transfers in	477,594	534,960	417,970	227,011	256,374	362,769	258,064	212,834	158,618	2,906,194	802,348
Expenditures:											
Employee Services	156,079	152,711	113,222	73,682	69,267	123,339	69,668	50,588	51,304	859,860	391,494
Services & Supplies	180,219	223,668	152,126	88,070	98,005	156,956	98,473	104,901	59,366	1,161,784	410,854
Other Charges:											
- Tenant Utility Allowance	1,000	625	-	500	1,500	-	1,250	525	750	6,150	-
- Central Service Fees	19,476	28,162	32,928	8,765	20,937	45,286	16,359	7,944	11,942	191,799	-
- Miscellaneous	12,421	20,416	11,451	6,613	7,493	8,658	5,953	5,062	3,042	81,109	-
Management Fee (\$51.08 / unit)	53,570	57,593	47,721	25,744	22,028	36,599	23,982	12,911	15,490	295,638	-
IT / Bookkeeping Fee (\$7.50 / door)	7,866	8,456	7,007	3,780	3,234	5,374	3,521	1,896	2,274	43,408	-
Asset Management (\$10.00 / door)	10,488	11,275	9,342	5,040	4,312	7,165	4,695	2,528	3,032	57,877	-
Capital Expenditures	300	-	2,000	500	2,250	-	150	1,000	737	6,937	-
Total operating expense	441,419	502,906	375,797	212,694	229,026	383,377	224,051	187,355	147,937	2,704,562	802,348
Ending Balance	\$ 4,390	\$ (43,827)	\$ 107,714	\$ 52,070	\$ 209,978	\$ 195,240	\$ 140,485	\$ 186,468	\$ 103,492	\$ 956,010	\$ 103,891

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

OMB No. 2577-0026 Approving
(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 Auth. - City of Sacramento

PHA Code: CA005

PHA Fiscal Year Beginning: 01/01/2007

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: Mayor Heather Fargo	Signature:	Date
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