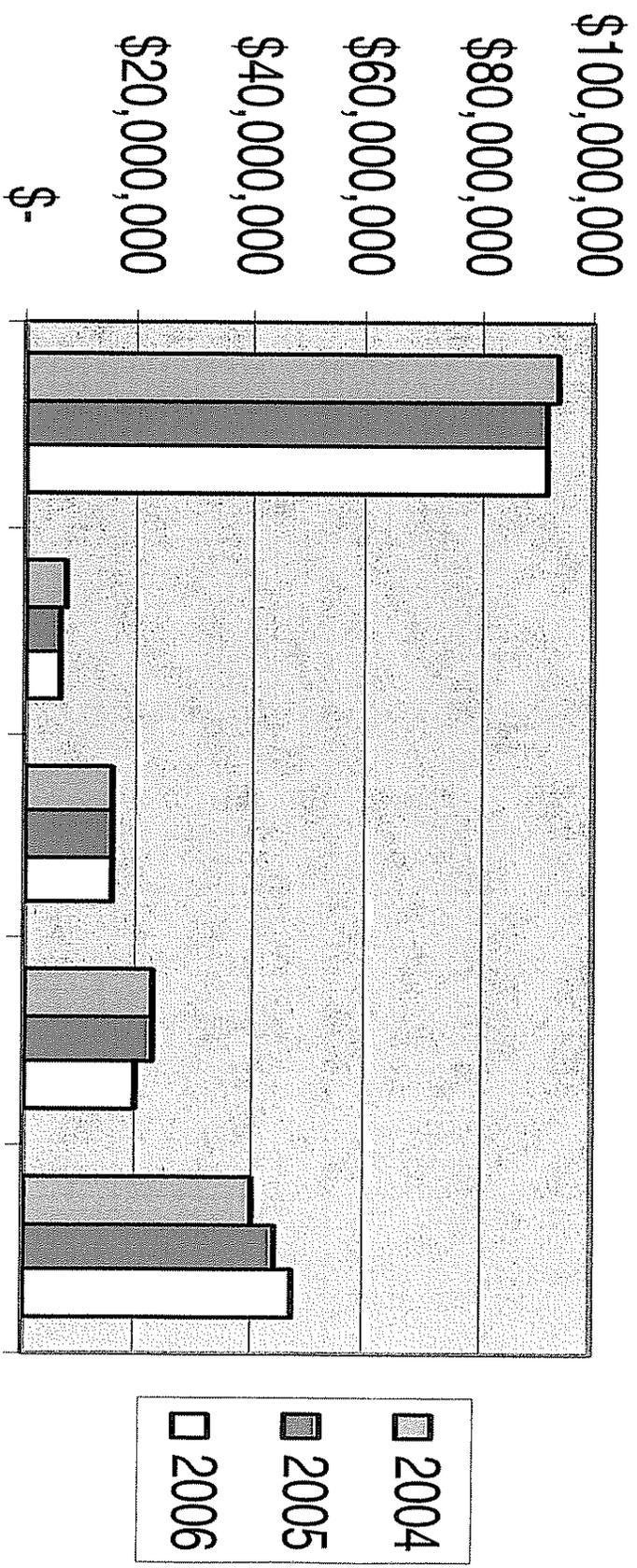


Sacramento Housing and Redevelopment Agency

2006 Proposed Budget

2006 Revenue Highlights



FEDERAL BUDGET

Federal Budget uncertainties

HCV relatively status quo for 2006, after major changes in 2003-2005

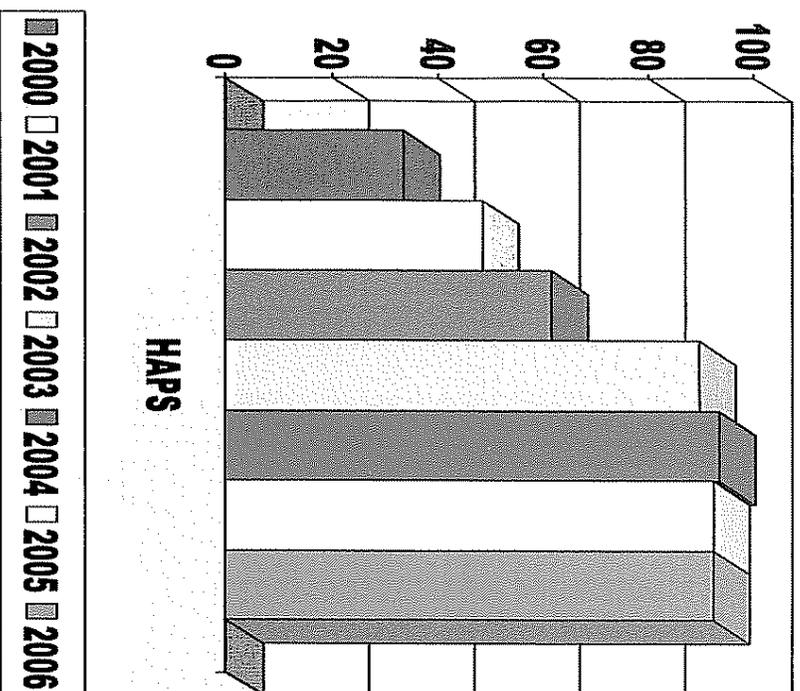
Public housing subsidy funding methodology changing, reduction expected

Federal deficit and hurricane impacts to

CDBG & HOME

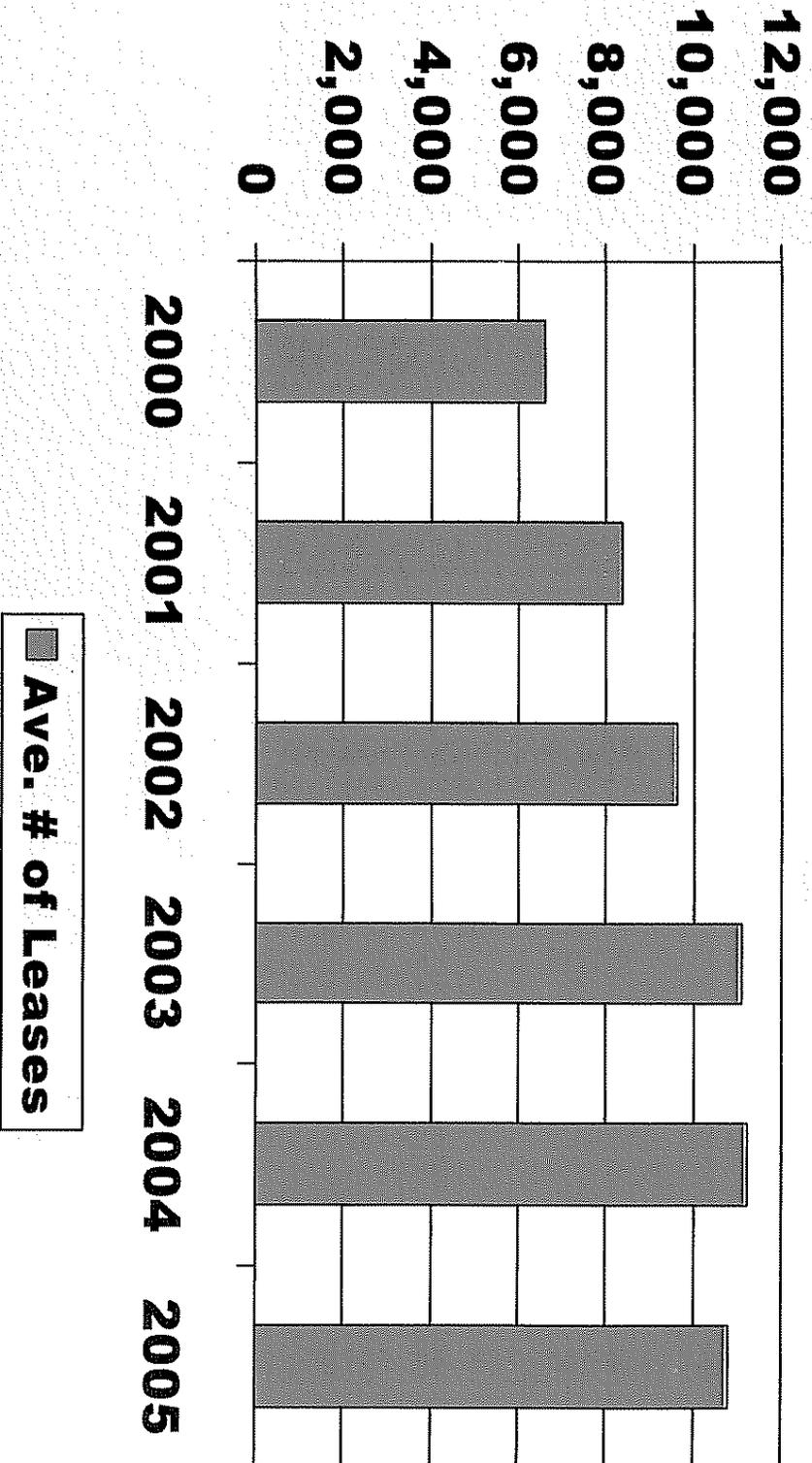
Housing Choice Vouchers

Housing Assistance Payments (in millions)



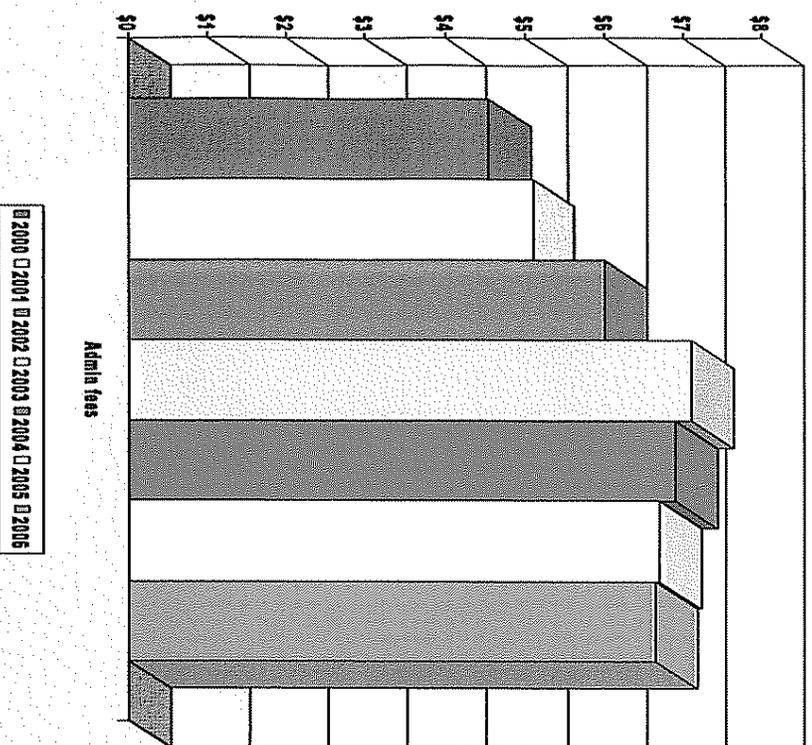
Pre-2004 authorized unit driven
2004 unit and budget driven
2005 budget driven
Average HAP increased dramatically 2003 & 2004
Average HAP decreased & less units leased in 2005

HCV Lease up Trends



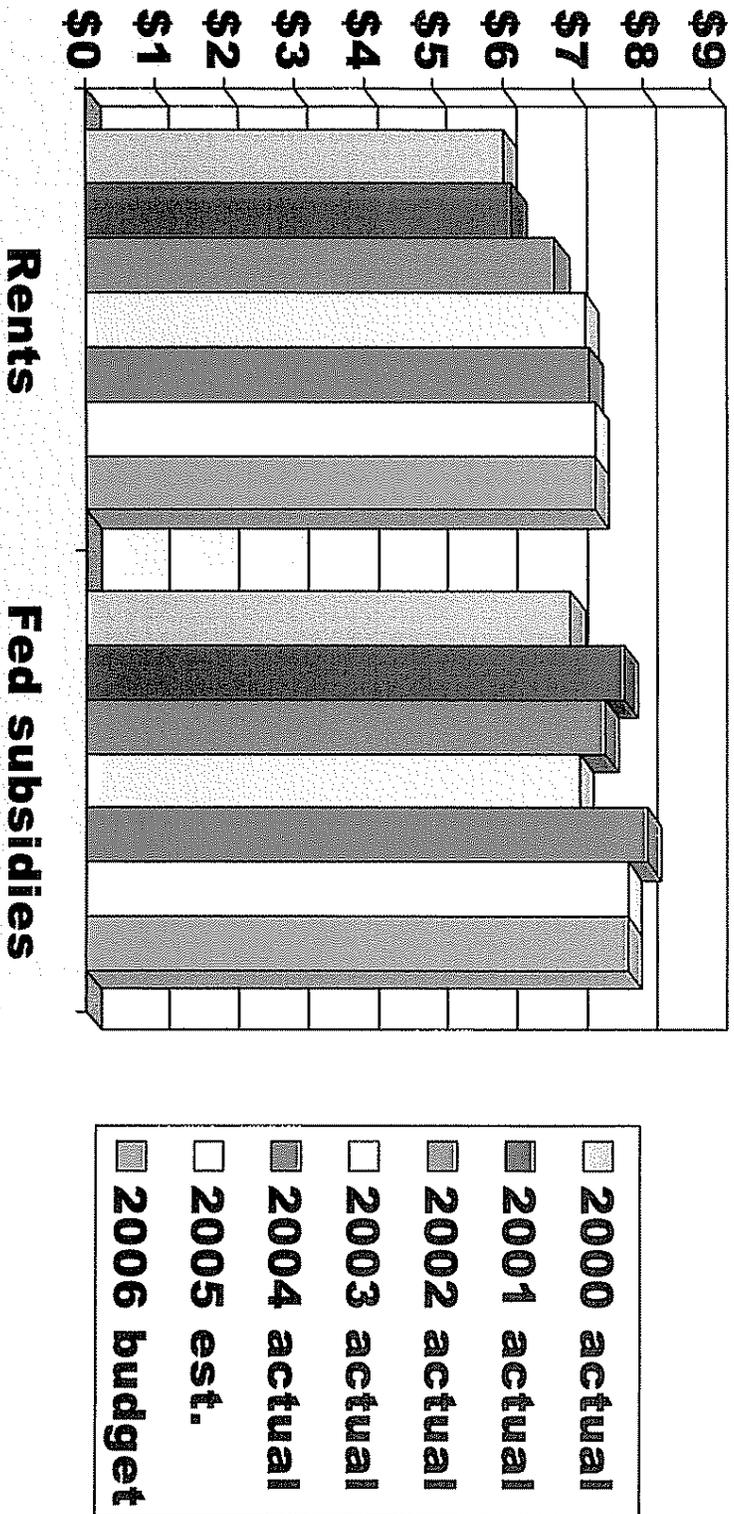
Housing Choice Vouchers

Administrative Fees (in millions)



Surplus generated in
2003
Breakeven in 2004
\$529,407 deficit in
2005
\$743,530 deficit in
2006

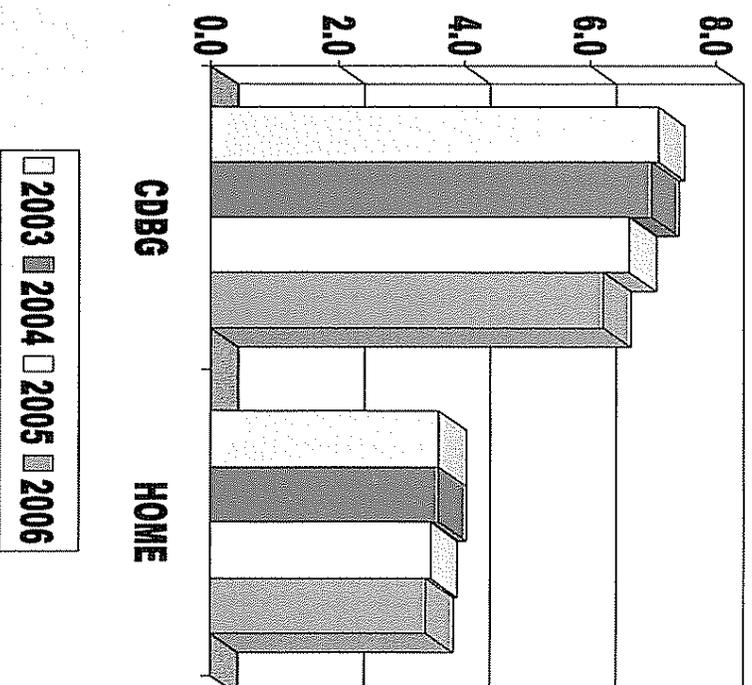
Conventional Housing (in millions)



City Consolidated Plan

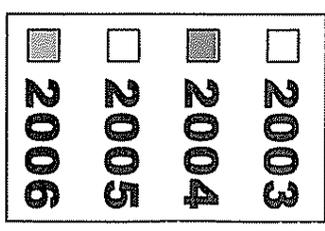
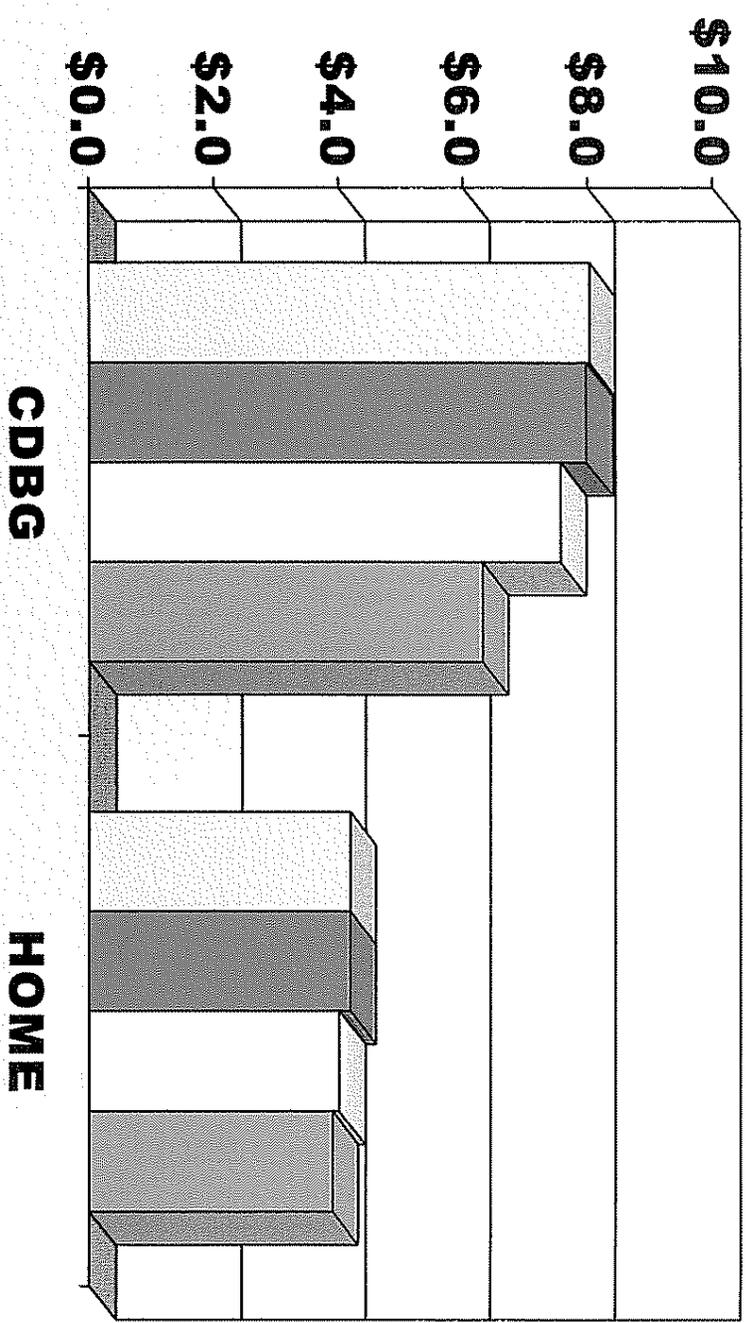
(in millions)

Steady decline since
new census formula
took effect in 2002
CDBG faced
elimination in 2005
2006 CDBG reduction
likely greater than
6% proposed



County Consolidated Plan

(in millions)



REDEVELOPMENT ISSUES

State Budget – ERAF

Major Assessment appeals

Army Depot – successful

Franklin Blvd. – pending

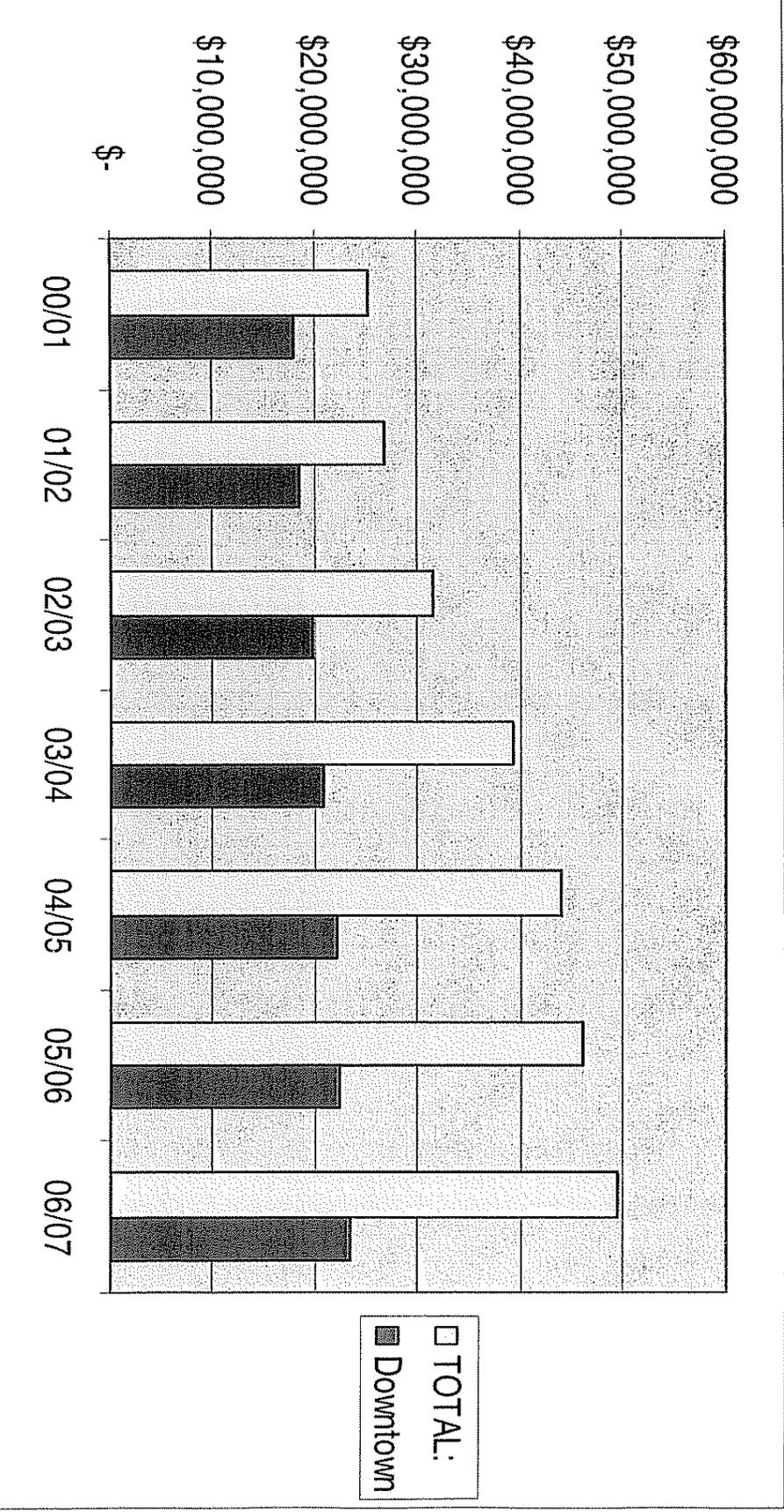
McClellan - pending

Programmatic Issues, not Financial

Eminent Domain

Homeownership

Overall Tax Increments



ERAF

2002-03 \$75 million state-wide - \$.85 million locally

2003-04 \$135 million state-wide - \$1.6 million locally

2004-05 \$250 million state-wide - \$2.9 million locally

2005-06 \$250 million state-wide - \$2.9 to \$3.2 million locally

2005-06 ERAF

(Using \$3.2 million locally)

CITY

Alkali Flat - \$82,102
Army Depot - \$33,470
Del Paso H - \$158,946
North Sac. - \$122,721
Oak Park - \$275,422
Richards - \$83,035
DTown - \$1,851,361

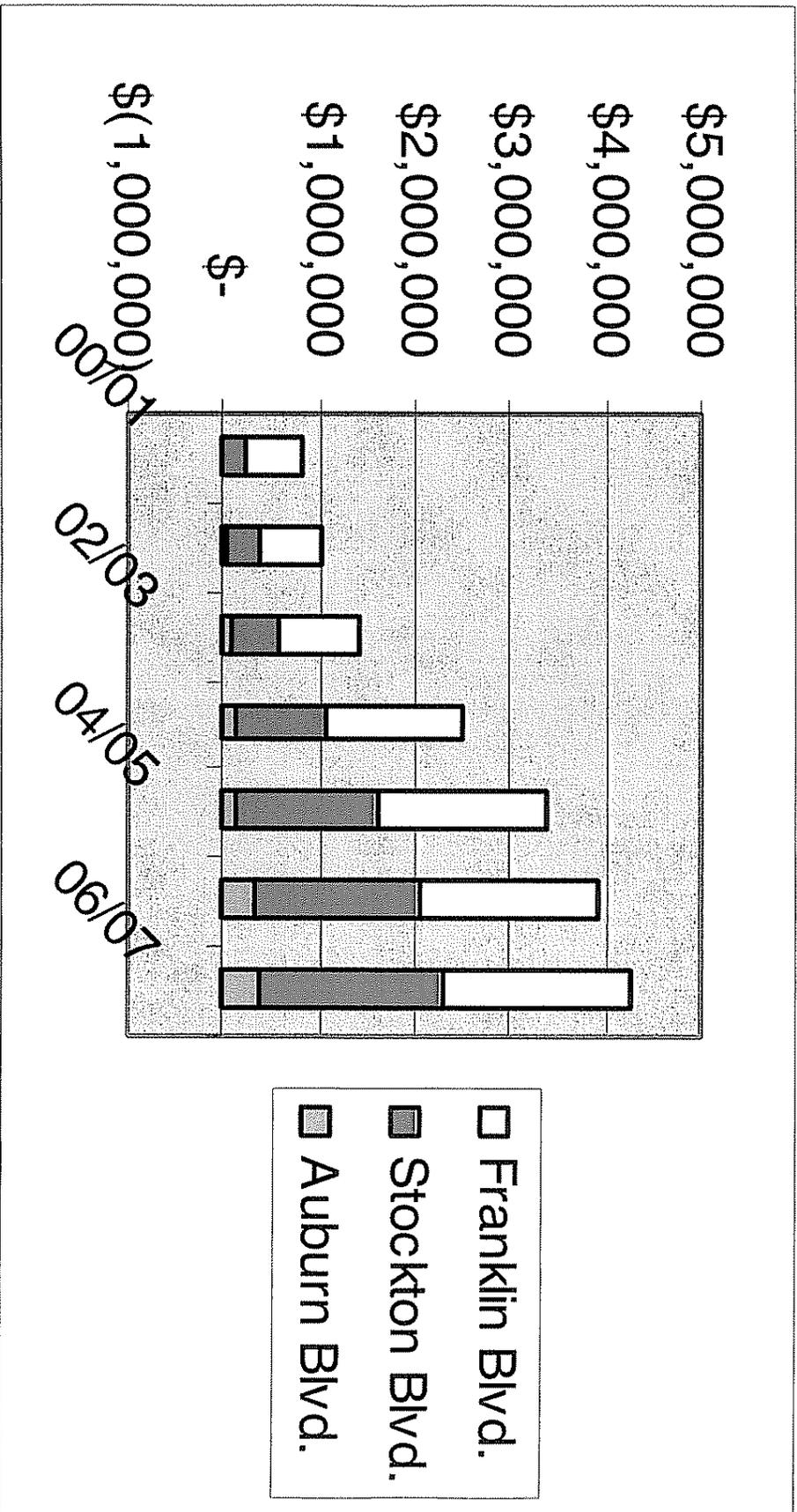
COUNTY

Mather - \$279,243
McClellan - \$143,725
Walnut Grove - \$4,601

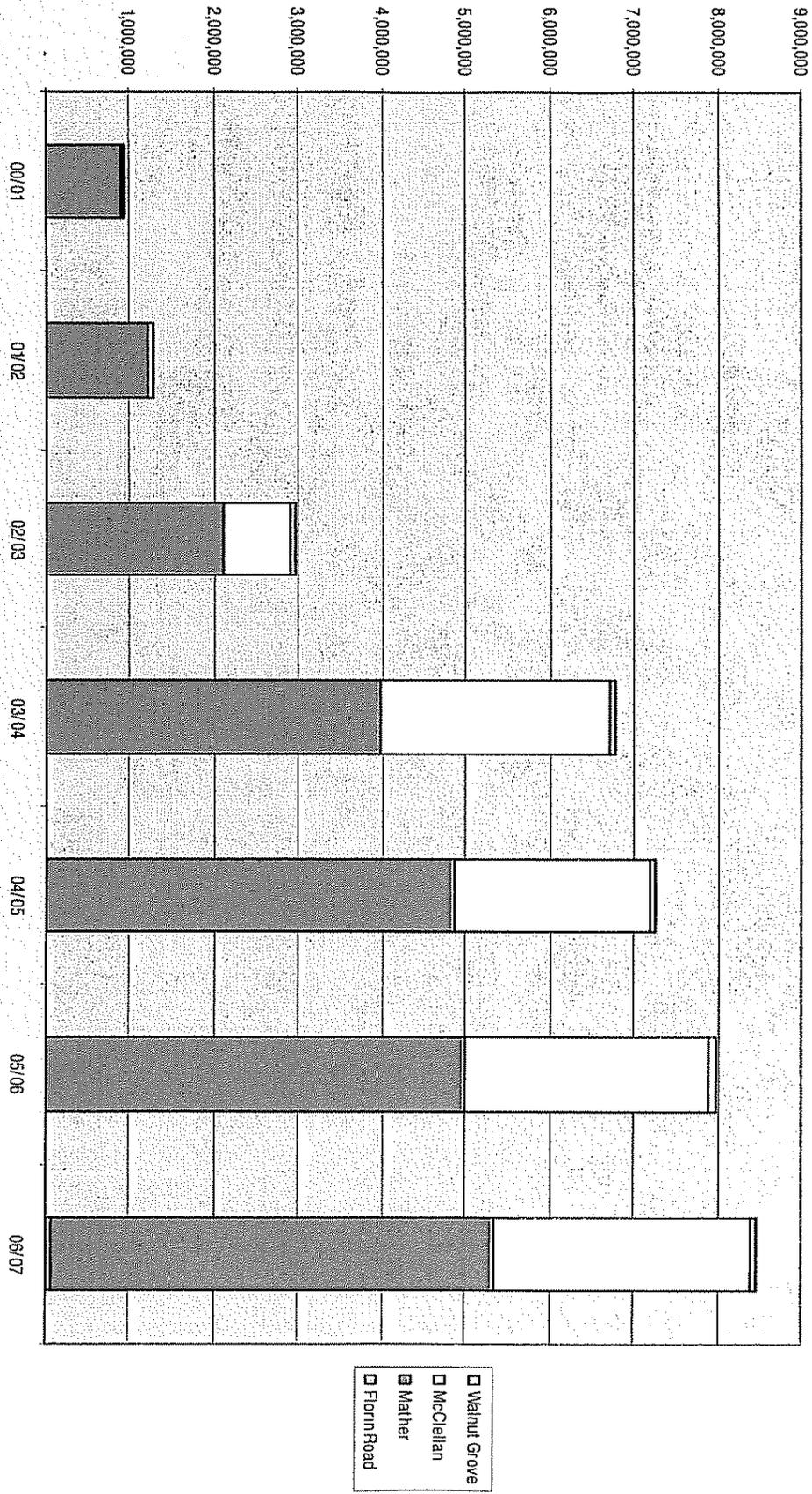
JOINT

Auburn - \$7,633
Franklin - \$103,285
Stockton - \$64,219

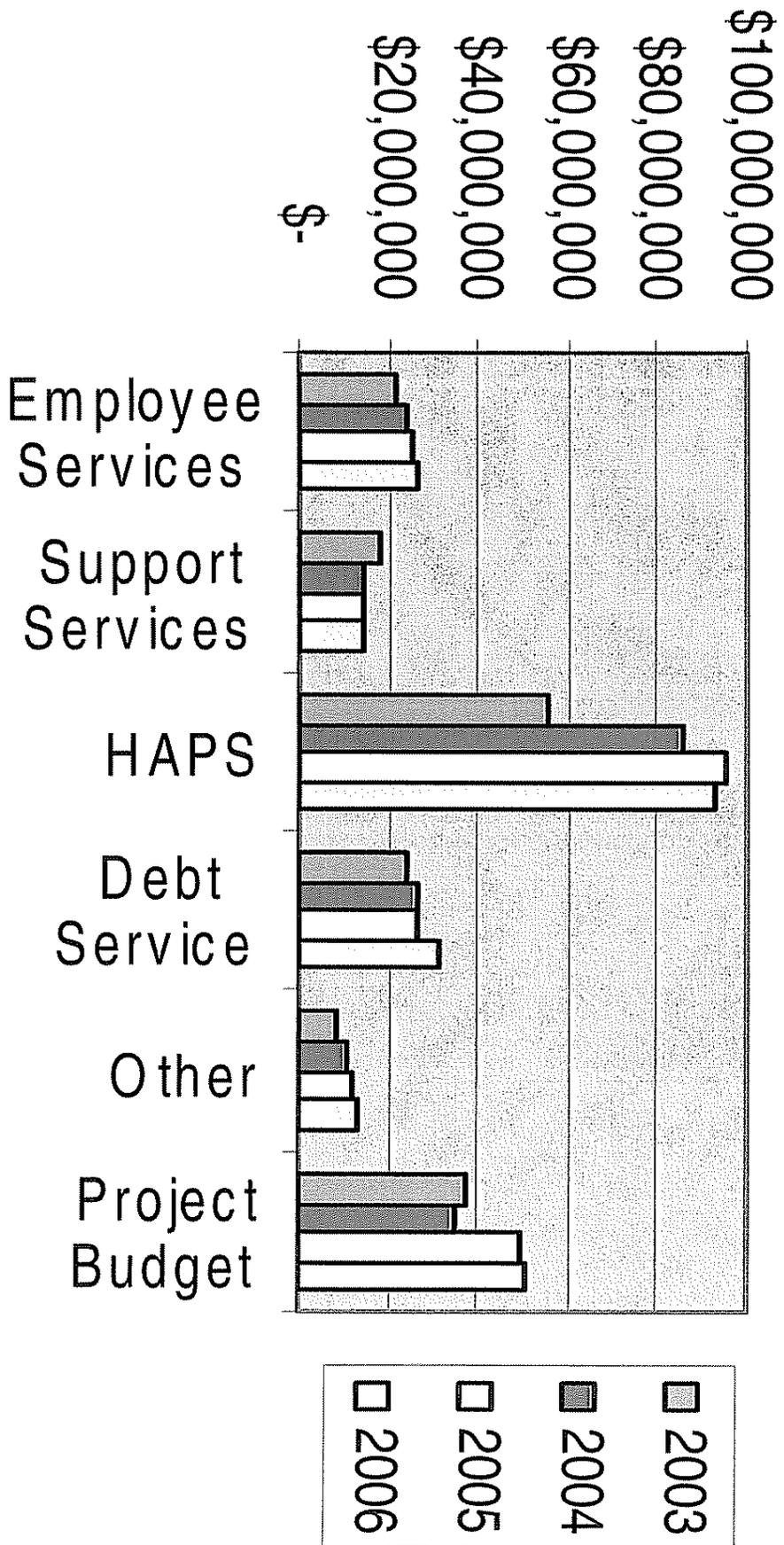
Joint Redevelopment Areas



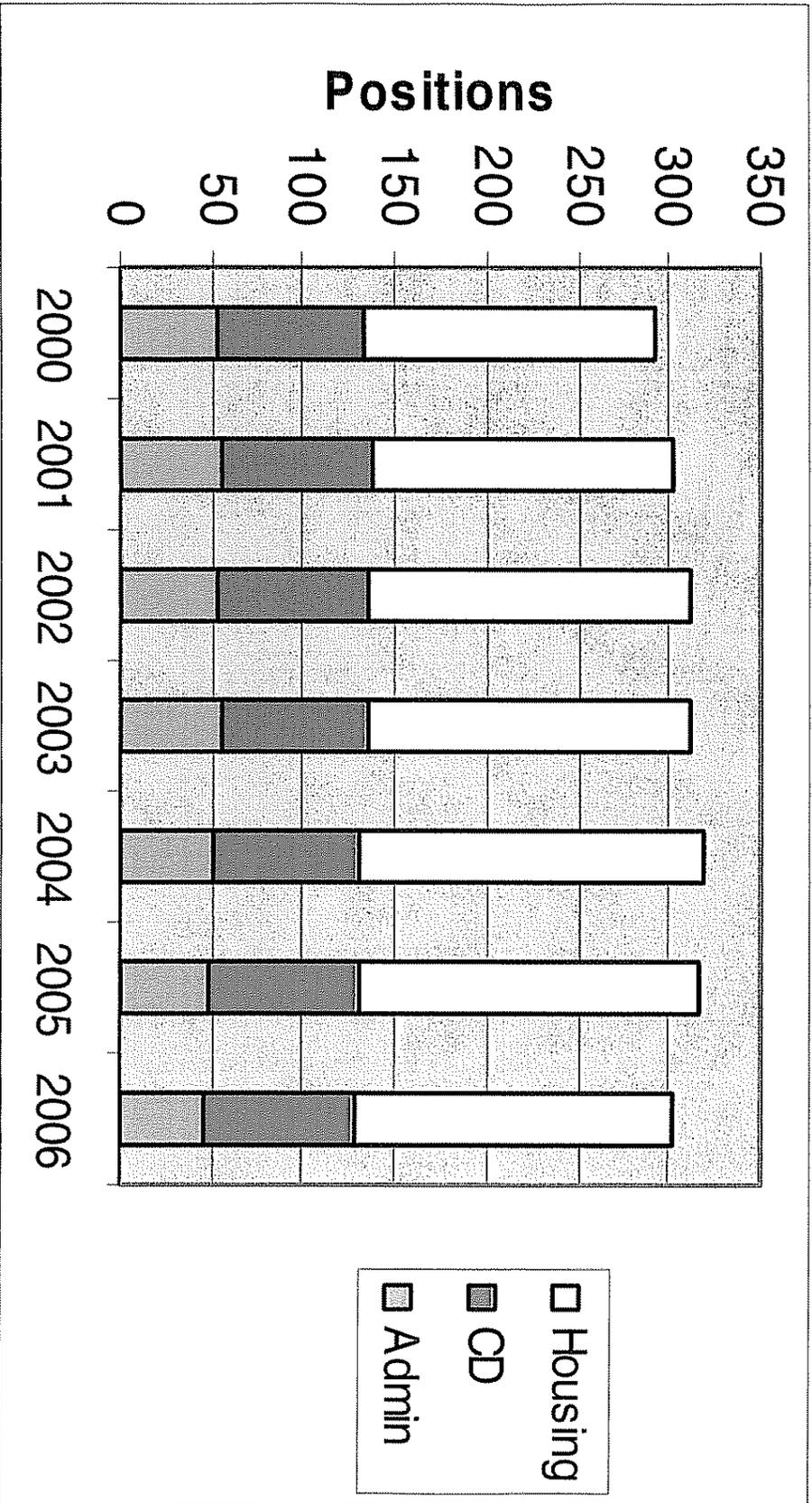
County Redevelopment Areas



Major Expenditure Categories



Positions



Agency Challenges

Operating deficit for HCV program

Reduced staffing

Prior year reserves being used

Possible increase in admin fees

Operating deficit for Public Housing program

Reduced staffing

2005 5H program proceeds and Capital Funds

2006 Capital Funds

Implement HUD Asset Management Plan

Agency Challenges

Labor agreements – Currently in negotiations, Contracts expire 12/1/05

PERS - Employer share of 10.728%, as recently as June 2004, it was 0%.

Medical benefits for retirees