

RESOLUTION NO. 2016-0367

Adopted by the Sacramento City Council

November 1, 2016

APPROVAL OF 2017 BUDGET FOR SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY; RELATED FINDINGS, APPROVALS, DELEGATIONS AND IMPLEMENTING AUTHORIZATIONS INCLUDING AUTHORITY FOR HUD SUBMISSIONS, GRANTS AND FUND TRANSFERS

BACKGROUND

- A. The Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency created to eliminate duplicate staffing efforts and to manage and administer federal housing and community development programs on behalf of the City and County of Sacramento. This structure provides a competitive advantage to the City and County when seeking federal and other housing and community development funding opportunities. The consolidation of multiple departments from different jurisdictions achieves close coordination of housing and community development programs and provides budget savings for operation and overhead. The Agency Executive Director reports directly to the City and the County governing boards. The Agency is recognized statewide and nationally as a model public agency that achieves multi-jurisdictional cooperation and effectively leverages local, state and federal housing and community development funds.
- B. The Agency receives annual funding from a combination of federal, state and local sources. The sources of Agency revenue require that an operating budget be adopted prior to the start of each new fiscal year. The Agency's fiscal year is the calendar year from January 1st through December 31st.
- C. Pursuant to Health and Safety Code Section 34176, City Resolution No. 2012-018, and Housing Authority Resolution No. 2012-001, the City of Sacramento designated the Housing Authority of the City of Sacramento (Authority), managed and staffed by the Agency, as the designated local authority to retain the housing assets and housing functions previously performed by its Redevelopment Agency, and the Housing Authority consented to serve in that role.

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

- Section 1. The proposed actions to adopt the 2017 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 and do not require a review under NEPA pursuant to 24 CFR Section 58.35(b)(1), (2), (3), and (4).

All other actions are associated with the adoption of the 2017 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 2017 Operating Budget totaling \$159,016,419 and the 2017 Project Budget totaling \$31,508,357, all as further described in the 2017 Proposed Agency Budget (hereinafter “2017 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 the Agency for the 2017 fiscal year. The 2017 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 230 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. The budgeted amount for any item in the Budget may be amended by majority vote of the governing body of each entity actually undertaking and funding the activity. Such an amendment to the Budget so enacted shall be deemed to have been approved by all of the entities that originally adopted the Budget without further action of the remaining entities.
- Section 5. The Agency is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate legal directives of the California State Department of Finance and/or the State Controller’s Office and the actions taken by the City of Sacramento acting as Successor Agency to the former Redevelopment Agency as approved by the Successor Agency’s Oversight Board regarding housing successor matters.

- Section 6. The Agency is authorized to submit the 2017 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 Agency is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects.
- Section 7. The proposed expenditures under the 2017 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 2017 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 the 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 2017 budget.
- Section 9. The Housing Authority of the City of Sacramento (Authority), staffed by the Agency, is authorized to submit applications to HUD for the Capital Fund Plan and Program funding. If such grants are awarded, the Agency is authorized to accept the grant or grants, execute all related documents, execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements, and amend the budget accordingly. The Agency is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Agency is authorized to submit the annual statement to HUD, after receiving public comments and resident review and approval of the Sacramento Housing and Redevelopment Agency Commission.
- Section 10. On an annual basis, HUD requires the Authority, staffed by the Agency, to conduct a physical inventory, analyze receivables for collectability, and, accordingly, reconcile and adjust related financial records. The Agency is authorized to amend the Budget and financial records as needed for such adjustments.

- Section 11. The Agency 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. The Agency is also authorized to obtain flood insurance through the federal flood insurance program for Agency properties and this coverage may be secured through a local independent agent.
- Section 12. Subject to availability under the Budget of any required funds, the Agency is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by HUD and consistent with adopted Agency/Housing Authority policy and governing board approvals. The Agency is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the approved HUD approved conversion.
- Section 13. The Agency is authorized and directed to approve, submit and implement the Public Housing Agency (PHA) Annual Plan and PHA Five-Year Plan and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998, as approved by the Sacramento Housing and Redevelopment Commission.
- Section 14. The Agency is delegated authority to administer and accept specific federal entitlement grant funds, execute all related documents, and amend the Budget in the event that the actual federal entitlement grant funds exceeds or is less than the amount estimated in the Budget. The Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants.
- Section 15. The Agency is authorized to administer ESG and HOPWA funds, or delegate authority to other appropriate entities approved by the governing boards to administer ESG and HOPWA programs, and is also authorized to expend funds and execute contracts with the appropriate entities to carry out the ESG and HOPWA funded activities contained in the approved Action Plan, strictly in accordance with the terms of the approved Action Plan and funding source requirements.
- Section 16. The Agency 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 the Agency is the designated recipient of grant funds or contracting agency. The Agency is authorized to accept such grants, execute contracts to implement homeless activities as outlined in the Agency public services schedule and

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.

Section 17. The Agency is authorized to submit grant applications on behalf the City of Sacramento for any and all housing and community development activities within the jurisdiction of Agency. If such grants are awarded and approved by the governing board if in excess of \$100,000, 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, supplies, equipment, and projects. The 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
- Social Innovation Funds

Section 18. The Agency is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Agency may allocate and transfer any available fund balances to accounts held for future projects or reduce budget shortfalls in any other fund balances, provided monies so used are not otherwise restricted by law or regulations related to the funding source. Further, the Agency is authorized to expend available balances from the payroll fund for the cost of liabilities such as post retirement medical benefits, sick leave, and vacation accruals.

Section 19. The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.

- Section 20. The Agency is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.
- Section 21. The Agency is authorized to increase or decrease operating Budget appropriations up to \$100,000. Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 22. The Agency is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 23. The Agency is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.
- Section 24. The Agency is authorized to transfer project appropriations among fund groups.
- Section 25. The Agency is authorized to amend the Budget to reflect all required debt service payments, pass through payments, loan repayments, and other existing obligations based on actual higher or lower revenues.
- Section 26. The Agency is authorized to amend the Operating Budget or Capital Project Budget or transfer funding of approved capital projects or operating budgets within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable redevelopment laws and regulations or changes to the aforementioned.
- Section 27. The Agency is authorized to execute and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed to assure receipt of anticipated revenues.
- Section 28. The Agency is authorized to exercise default remedies and take other actions to protect Agency assets under contracts, loans, disposition and development agreements, owner participation agreements and other Agency agreements and to appropriate the associated revenues in the Budget. The Agency is authorized to enter into "loan work outs," to the extent reasonably necessary to protect Agency assets, and in entering such "work outs," the 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 Agency is authorized to renegotiate existing Agency debt obligations and to 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 the Agency with more favorable loan terms.

- Section 29. All project appropriations in existence as of December 31, 2016 will be carried over and continued in 2017.
- Section 30. All multi-year operating grant budgets in existence as of December 31, 2016 shall be continued in 2017.
- Section 31. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2016 may remain in effect in 2017. The Agency is authorized to increase the Budget for valid encumbrances as of December 31, 2016, but only to the extent that the applicable division's 2016 operating budget appropriations exceeded 2016 expenditures.
- Section 32. The Agency is authorized to incorporate the changes listed on Exhibit A as part of the 2017 Budget.
- Section 33. If any entity requires a separate resolution to confirm any action approved within this resolution, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.
- Section 34. The Agency is authorized to delegate the authorities as set out in this resolution to Agency's Executive Director.
- Section 35. This resolution shall take effect immediately.

Table of Contents:

Exhibit A - Summary of Changes to Sacramento Housing and Redevelopment Agency
Proposed 2017 Budget

Adopted by the City of Sacramento City Council on November 1, 2016, by the following vote:

Ayes: Members Ashby, Carr, Guerra, Hansen, Harris, Jennings, and Schenirer

Noes: None

Abstain: None

Absent: Member Warren and Mayor Johnson

Attest:

Shirley Concolino Digitally signed by Shirley Concolino
DN: cn=Shirley Concolino, o=City of Sacramento, ou=City
Clerk, email=sconcolino@cityofsacramento.org, c=US
Date: 2016.11.28 13:57:53 -08'00'

Shirley Concolino, City Clerk

EXHIBIT A

**SUMMARY OF CHANGES TO SACRAMENTO HOUSING
AND REDEVELOPMENT AGENCY PROPOSED 2017 BUDGET**

Approved 2017 Total Operating Budget	\$ 159,016,419
Revised Approved 2017 Total Operating Budget	\$0
Approved 2017 New Projects	\$ 31,508,357
Revised Approved 2017 New Projects	\$0
TOTAL AGENCY BUDGET	\$ 190,524,776