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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

December 15, 1980

CITY MANAGER'S OFFICE
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Housing Authority of the
City of Sacramento
Sacramento, California

CITY GOVERNING BOARD

PHILLIP L. ISENBERG, MAYOR
LLOYD CONNELLY
BLAINE H. FISHER
THOMAS R. HOEBER
DOUGLAS N. POPE
JOHN ROBERTS
LYNN ROBIE
ANNE RUDIN
DANIEL E. THOMPSON

Honorable Members in Session:

SUBJECT: Biennial Audit of Federally-funded Housing
Projects

SUMMARY

COUNTY GOVERNING BOARD

ILLA COLLIN
C. TOBIAS (TOBY) JOHNSON
JOSEPH E. (TED) SHEEDY
SANDRA R. SMOLEY
FRED G. WADE

Attached is a resolution by which you authorize the Interim Executive Director to (1) solicit proposals for audit of the two-year period ending December 31, 1980, for our six Federally-funded housing projects and (2) approve the procedure by which the selection of the successful bidder will be made.

EXECUTIVE DIRECTOR

WILLIAM G. SELINE

BACKGROUND

P.O. Box 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

For many years, the Federally-funded housing programs were audited by Federal auditors. In 1978, we were notified by the Department of Housing and Urban Development to procure the services of an Independent Public Accountant to perform future audits. Touche, Ross & Company was then selected following our request for proposals for audit for the two-year period ending December 31, 1978. It is now time to select an auditor for the two-year period ending December 31, 1980.

DHUD regulations require this biennial audit to be separately bid and contracted each time. It was therefore not included in our "Request for Proposals" in February 1980 for audit services for the next five years for other Agency programs.

The selection procedure we recommend is:

1. Preparation of "Request for Proposals" (including selection criteria).
2. Transmit "Requests for Proposals" to an established list of independent audit firms (combination of local and regional firms with governmental auditing

APPROVED
SACRAMENTO HOUSING AUTHORITY
Date 12/23/80

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- experience), and publicize the "Request for Proposals" through a local accountants' organization.
3. Conduct a meeting of interested auditing firms regarding the "Request for Proposals".
 4. Receipt of the "Proposals".
 5. Review of the "Proposals" by a screening committee composed of three staff members: one each from the City, County and Agency.
 6. Recommendation of one firm by the screening committee.
 7. Review of the committee recommendation by the Executive Director.
 8. Review of recommendation by Housing and Redevelopment Commission, City Council and Board of Supervisors.
 9. Concurrence by DHUD in selection of auditor.

As noted in step two above, we propose to invite proposals from six firms that have evidenced interest in performing Agency audits in the past, as follows:

Ernst & Whinney	Successful bidder on February 1980 RFP
Catten Yu & Co.*	Bidder, February 1980
Price Waterhouse & Co.	Bidder, February 1980
Porterfield & Co.	Bidder, February 1980
Touche, Ross & Co.	Successful Bidder on 1977-78 Federal Housing Audit
Morris, Davis, & Co.* Oakland, California	At request of Sam Walton, Commission Member

*Minority Partner

This list includes a good cross-section of local and regional firms, both small and large. In addition, publicity will be sought through a local accountants' organization in order to reach other firms that might wish to submit proposals.

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FINANCIAL DATA

The audit fee is paid from Federally-supplied housing subsidy funds. The successful bid for the December 31, 1978 audit was for \$10,500. It is anticipated that the cost this time will be more.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of December 15, 1980, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolution. The votes were recorded as follows:

AYES: Knepprath, Luevano, Serna, Teramoto, Walton,
B. Miller

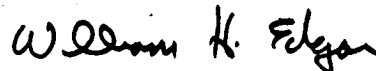
NOES: None

ABSENT: Coleman, Fisher, A. Miller

RECOMMENDATION

The staff recommends approval of the attached resolution authorizing the Interim Executive Director to (1) solicit proposals for audit of the two-year period ending December 31, 1980, for our six Federally-funded housing projects, and (2) approve the procedure by which selection of the successful bidder will be made...

Respectfully submitted,



WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:



WALTER J. SLIPE
City Manager

Contact Person: Beverly Czoberek

RESOLUTION NO. 1864

Adopted by the Housing Authority of the City of Sacramento

December 23, 1980

APPROVING THE "REQUEST FOR PROPOSAL"
TO SELECT AN AUDIT FIRM FOR THE
FEDERAL HOUSING AUDIT

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF
SACRAMENTO:

1. That the Interim Executive Director be authorized to
solicit proposals for biennial audit of the six (6) Federally-funded
housing projects as required by the Department of Housing and Urban
Development, and

2. That the 9-step procedure to select the auditor be
approved.

CHAIRPERSON

ATTEST:

SECRETARY

APPROVED
SACRAMENTO HOUSING AUTHORITY

Date 12/23/80

HOUSING AUTHORITY OF THE CITY OF SACRAMENTO
HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO

REQUEST FOR PROPOSAL
BIENNIAL HOUSING AUDIT SERVICES

GENERAL PROPOSAL INFORMATION

You are invited to submit a proposal for furnishing financial audit services for the six (6) federally-funded housing projects operated by the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento. Three copies of all proposals shall be submitted by January 20, 1981 at 5:00 p.m. to:

Beverly Czoberek
630 I Street, 3rd Floor
P.O. Box 1834
Sacramento, CA 95809

A pre-proposal conference will be held January 9, 1981 at 10:30 a.m. in the 3rd Floor Conference Room at 630 I Street, Sacramento, California. All recipients of this Request for Proposal are invited to attend for the purpose of presenting questions and obtaining any additional required information. Copies of previous audit reports will be available for review at that time. Information requests concerning this pre-proposal conference may be directed to Beverly Czoberek, Assistant Director-Finance, at 444-9210.

NATURE OF SERVICES REQUIRED

The following projects shall be audited in conformance with the Department of Housing and Urban Development's August 1978 "Audit Guide for Audits of Public Housing Agencies for use by Independent Accountants". A copy of the Guide is attached hereto. Other pertinent materials will be made available at the pre-proposal conference.

<u>Contract No.</u>	<u>Project</u>	<u>Type</u>	<u>No. of Housing Units</u>
SF 391	New Helvetia/ River Oaks/ Central Elderly	Conventional	1702
SF 175	Dos Rios	Conventional	371
SF 299	City Section 23	Leased Housing	1075
SF 309	County Section 23	Leased Housing	1125
SF 474	City Section 8	Housing Assistance Payments	1499
SF 475	County Section 8	Housing Assistance Payments	857

REQUEST FOR PROPOSAL
BIENNIAL HOUSING AUDIT SERVICES

One comprehensive report shall be issued for the above six (6) projects, of which one hundred copies will be required. The report is due by April 30, 1981.

REPORT OPINION

It is expected that the audit firm will review drafts of audit opinions with designated staff prior to issuance of final reports.

INFORMATION TO BE REQUESTED FROM PROPOSER

A. Title Page

Show the Request for Proposal subject, the name of the proposer's firm, local address, telephone number, name of the contact person, and the date.

B. Table of Contents

Include a clear identification of the material by section and by page number.

C. Letter of Transmittal

Limit to one or two pages.

1. Briefly state the proposer's understanding of the work to be done and make a positive commitment to perform the work within the time considerations previously outlined.
2. State the all-inclusive fee for which the work will be done.
3. Give the names of the persons who will be authorized to make representations for the proposer, their titles, addresses, and telephone numbers.

D. Profile of the Proposer

1. State whether the firm is local, national, or international.
2. Give the location of the office from which the work is to be done and the number of partners, managers, supervisors, seniors, and other professional staff employed at that office.
3. Describe the range of activities performed by the local office such as audit, accounting, tax service, or management services.
4. Give the physical location of firm partner "in charge" of Sacramento audit.

REQUEST FOR PROPOSAL
BIENNIAL HOUSING AUDIT SERVICES

E. Summary of Proposer's Qualifications

1. Identify the supervisors who will work on the audit, including staff from other than the local office. Resumes for each supervisory person to be assigned to the audit should be included. (The resumes may be included as an appendix.)
2. Describe recent local and regional office auditing experience similar to the type of audit requested and give the names and telephone numbers of client officials responsible for three of the audits listed.

F. Scope Section

Clearly describe the proposer's understanding of the scope of the services provided.

G. Compensation

Estimate the total hours, the estimated out-of-pocket costs, and the all-inclusive maximum fee.

CRITERIA FOR SELECTION AND AWARD OF CONTRACT OF AUDIT FIRM

The external audit firm will be selected based on the following general categories:

1. Quality of "Request for Proposal" response.
2. Professional qualifications and experience, both individual and firm, in auditing similar public projects.
3. Audit firms demonstrated understanding of the Authorities' audit requirements.
4. Firm commitment to locally servicing the Authorities' audit.
5. Price.

AFFIRMATIVE ACTION

The Authorities will follow the provision of Federal Executive Order 11246 relating to Equal Employment Opportunity. It is also the policy of the Authorities that no firm will be hired if the Authorities determine that the hiring or business practices of such firm violate the provisions of said Executive Order 11246.

RIGHT OF REFUSAL

The Authorities retain the right to reject any and all proposals without cause.



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Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

CITY GOVERNING BOARD
PHILLIP L. ISENBERG, MAYOR
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LYNN ROBIE
ANNE RUDIN
DANIEL E. THOMPSON

SUBJECT: Special Loan Application Approval

SUMMARY

This report regards proposed authorization for the Sacramento Housing and Redevelopment Agency Loan Approval Committee to approve applications of City or County employees, PAC staff or members, and TAC members in addition to all other individual loan and grant applications.

COUNTY GOVERNING BOARD
ILLA COLLIN
C. TOBIAS (TOBY) JOHNSON
JOSEPH E. (TED) SHEEDY
SANDRA R. SMOLEY
FRED G. WADE

BACKGROUND

EXECUTIVE DIRECTOR
WILLIAM G. SELINE

On September 30, 1980, the Redevelopment Agency of the City of Sacramento approved eight rehabilitation program policies. One of those policies indicated that certain applications for financial assistance "must be reviewed by the Sacramento Housing and Redevelopment Agency Commission" in open session. This review is for low/moderate income persons who are:

P.O. Box 1834
SACRAMENTO, CA 95809
630 I STREET
SACRAMENTO, CA 95814
(916) 444-9210

1. City employees
2. County employees
3. City Project Area Committee (PAC) Staff
4. City Project Area Committee (PAC) Members
5. County Target Area Committee (TAC) Members

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY

Date: 12/23/80

ANALYSIS

An additional policy recommendation initiated the establishment of the Loan Approval Committee. This Committee is comprised of the Executive Director or his designee, the Chief Counsel or his designee, and three Housing and Redevelopment Commissioners appointed by the Chairperson.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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The responsibility of the Loan Approval Committee is to review and approve all individual loan and grant applications (excluding SB 966 and HOHI Loans approved by State HCD and Title I Loans approved by Security Pacific Bank).

The intent of requiring the Commission to review the applications of City or County employees, PAC staff or members, and TAC members is to have a public body such as the Commission ensure that there is no potential conflict of interest in either the applicants specific job responsibility and/or influence in the rehabilitation program that would allow that applicant to obtain a loan or grant.

Since the membership of the Loan Approval Committee is made up of representatives from the Commission and since the Loan Committee has been given the responsibility to review and approve all individual loan and grant applications, it is felt that the review of these special cases should also be delegated to the Loan Approval Committee rather than be submitted to the Commission.

If after examination of a case and a conflict of interest is determined, then the appropriate action of disapproval will be made. If the loan/grant request is approved, then the application will be referred back to the Rehabilitation Loan staff for processing. If desired, a routine report indicating a list of those specific applications could be submitted to the Commission.

VOTE AND RECOMMENDATION OF COMMISSION

At its meeting of December 15, 1980, the Sacramento Housing and Redevelopment Commission adopted a motion recommending that the Loan Approval Committee review and approve all loan/grant applications including those of any City or County employee, PAC member or staff, and TAC members.

AYES: Kneprath, Luevano, Serna, Teramoto, Walton, B. Miller

NOES: None

ABSENT: Coleman, Fisher, A. Miller

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Redevelopment Agency of the
City of Sacramento
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RECOMMENDATION

It is recommended that you authorize and ratify the aforementioned motion regarding the Sacramento Housing and Redevelopment Agency Loan Approval Committee.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Interim Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slife

WALTER J. SLIFE
City Manager

Contact Person: Michael Hanamura

RESOLUTION NO. 2966

Adopted by the Redevelopment Agency of the City of Sacramento

December 23, 1980

RESOLUTION ESTABLISHING A POLICY
PERTAINING TO REHABILITATION LOANS
AND GRANTS TO CERTAIN INDIVIDUALS

BE IT RESOLVED BY THE REDEVELOPMENT AGENCY OF THE CITY
OF SACRAMENTO:

Section 1. It shall be the policy of this Agency that, as to any rehabilitation loans and/or grants made by this Agency (except those under the Deferred Payment Rehabilitation Loan Program which are specifically approved by the California State Department of Housing and Community Development and those under the Homeownership/Home Improvement Loan Program which are specifically approved by Security Pacific National Bank), no loan shall be made to a person who is at the time of the making of the loan

- (1) An employee of the City of Sacramento or any agency or division thereof;
- (2) An employee of the County of Sacramento or any agency or division thereof;
- (3) An employee of any Project Area Committee organization located within the City or County of Sacramento;
- (4) A member of any Project Area Committee organization located within the City or County of Sacramento; or
- (5) A member of any Target Area Committee organization located within the County of Sacramento;

unless said person shall have been approved for said rehabilitation loan and/or grant by the Sacramento Housing and Redevelopment Agency Loan Approval Committee as established by Resolution No. 2944 of this Agency dated September 30, 1980.

Section 2. The approval procedure set forth in Section 1 above shall be in lieu and instead of the approval by the Sacramento Housing and Redevelopment Commission for such loans as required by the provisions of Resolution No. 2944, dated September 30, 1980. The approval of such loans by the Commission shall no longer be required.

Section 3. The Executive Director is directed to establish such policies and procedures as are necessary to implement this policy.

APPROVED
SACRAMENTO REDEVELOPMENT AGENCY

Date 12/23/80

CHAIRMAN

ATTEST:

SECRETARY

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