



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



6

December 4, 1985

Budget and Finance Committee
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: 1986 Agency Budget

SUMMARY

The attached report is submitted to you for review and recommendation prior to consideration by the Housing Authority and Redevelopment Agency of the City of Sacramento.

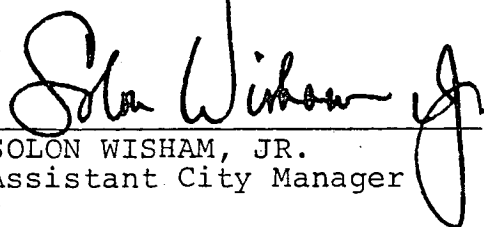
RECOMMENDATION

The staff recommends approval of the Agency Budget.

Respectfully submitted,


for WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:



SOLON WISHAM, JR.
Assistant City Manager



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



December 3, 1985

Housing Authority of the
City of Sacramento
Redevelopment Agency of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: 1986 Agency Budget

SUMMARY

This report includes resolutions for adoption of the 1986 Agency Budget.

BACKGROUND

On November 27, 1985, the subject document was submitted to the Sacramento Housing and Redevelopment Commission, City Council and Board of Supervisors. Additional copies are available for review in the City Clerk's office. Please bring your copy of the budget to the meeting. Attached are resolutions requiring approval:

1. Resolution adopting the 1986 Agency Budget
2. Resolution authorizing submission of annual housing operating budgets to Housing and Urban Development

In addition, the Department of Housing and Urban Development (DHUD) Housing operating budgets have been prepared based on the 1986 Agency organizational budget. These budget documents are to be submitted to DHUD upon approval of the organizational budget.

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FINANCIAL DATA

The 1986 Budget totals \$53.6 million which is a decrease from a total of \$66.0 million in 1985. This decrease totals \$12.4 million or \$18.8%.

The 1986 operating budget has increased from a total of \$35.2 million in 1985 to \$45.3 million in 1986, an increase of \$10.1 million. The increase is related to increase in debt service for; the recent issuance of both downtown and neighborhood bonds; (\$2.8 million); light rail repayment agreement with the City of Sacramento (\$2.9 million); and redemption of housing development notes by HUD of \$8.0 million compared to a redemption of only \$3.0 million in 1985.

The 1986 capital improvement budget has decreased by \$22.5 million from a total of \$30.8 million in 1985 to \$8.3 million in 1986. The decrease is related to the fact that in 1985 the entire amount of capital projects to be financed from tax increment bond proceeds was recognized all in 1985; whereas for 1986 we have only recognized capital costs anticipated to be incurred for the year. Therefore, the capital projects to be funded by tax increment bond proceeds have been spread over the three year period 1986 through 1988.

The 1986 budget reflects reclassifications of loans between Downtown Redevelopment Areas to expenditures. The reclassification is based on the fact that all Downtown Redevelopment Areas are benefited from the expenditure of funds for capital improvements regardless of specific redevelopment area. The loans being reclassified to expenditures are by Redevelopment areas; Project 2A (\$3.4 million); Project 3 (\$.3 million); and Project 8 (\$1.0 million).

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The 1986 budget reflects the use of approximately \$.5 million in fund balances of the parking facility and emergency reserve funds for administrative costs not funded by DHUD for substantial rehabilitation programs. The excess administrative costs was due to the fact that the sub rehab programs were started over 5 years ago and thus carried a low allowable administrative cost per unit. In addition, the length of time in completing the programs contributed to the excess administration.

ENVIRONMENTAL REVIEW

Environmental review is not applicable for action on this item.

POLICY IMPLICATIONS

The actions proposed in this report are consistent with previously approved policy and there are no policy changes being recommended.

VOTE AND RECOMMENDATION OF COMMISSION

It is anticipated that at its regular meeting of December 9, 1985, the Sacramento Housing and Redevelopment Commission will adopt a motion recommending that you take the above mentioned action. In the event they fail to do so, you will be advised prior to your December 10, 1985 meeting.

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RECOMMENDATION

The staff recommends that Housing Authority and the Redevelopment Agency; (1) adopt the attached resolutions adopting the 1986 Agency Budget; and (2) authorize submission of the annual housing operating budgets to DHUD.

Respectfully submitted,

William H. Edgar

WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager

Contact Person: Terry I. Wolford

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

December 10, 1985

ADOPTING THE BUDGET FOR THE REDEVELOPMENT AGENCY
OF THE CITY OF SACRAMENTO FOR 1986

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

Section 1. The budget dated November 27, 1985, is hereby approved. Said Budget shall constitute the budget of the Redevelopment Agency of the City of Sacramento for the 1986 calendar year.

Section 2. New budget positions or classifications are hereby approved subject to classification review by the Executive Director.

Section 3. Unspent appropriations relating to capital improvements projects in progress at December 31, 1985, are carried forward in the calendar year 1986.

Section 4. As to the items contained in Section H, the Capital Improvements Program, and those items only, the budgeted amount for any item therein may be amended by majority vote of the Governing Body of the Entity or entities actually undertaking the improvement. Such an amendment so enacted shall be deemed to have been effected by all of the entities originally establishing the budget without further action by those entities not directly involved in the expenditure of the funds in question.

Section 5. The Executive Director is authorized to submit the Annual Housing Operating Budgets for 1986 to the Department of Housing and Urban Development.

CHAIRMAN

ATTEST:

SECRETARY

RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF

December 10, 1985

ADOPTING THE BUDGET FOR THE HOUSING AUTHORITY OF THE
CITY OF SACRAMENTO FOR 1986

BE IT RESOLVED BY THE HOUSING AUTHORITY OF THE CITY OF

SACRAMENTO:

Section 1. The budget dated November 27, 1985, is hereby approved. Said Budget shall constitute the budget of the Housing Authority of the City of Sacramento for the 1986 calendar year.

Section 2. New budget positions or classifications are hereby approved subject to classification review by the Executive Director.

Section 3. Unspent appropriations relating to capital improvement projects in progress at December 31, 1985, are carried forward in the calendar year 1986.

Section 4. As to the items contained in Section H, the Capital Improvements Program, and those items only, the budgeted amount for any item therein may be amended by majority vote of the Governing Body of the entity or entities actually undertaking the improvement. Such an amendment so enacted shall be deemed to have been effected by all of the entities originally establishing the budget without further action by those entities not directly involved in the expenditure of the funds in question.

Section 5. The Executive Director is authorized to submit the Annual Housing Operating Budgets for 1986 to the Department of Housing and Urban Development.

CHAIRMAN

ATTEST:

SECRETARY