

## **RESOLUTION NO. 2011-013**

Adopted by the Housing Authority  
of the City of Sacramento

November 22, 2011

### **APPROVAL OF 2012 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 (Agency) 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. Agency receives annual funding from a combination of federal, state and local sources.
- C. The sources of Agency revenues require each constituent entity to have an operating budget adopted prior to the start of each new fiscal year.
- D. Agency's fiscal year is the calendar year from January 1<sup>st</sup> through December 31<sup>st</sup>.

#### **BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:**

- Section 1. The proposed actions to adopt the 2012 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. There is no federal funding associated with these actions; therefore, NEPA does not apply. All other actions are associated with the adoption of the 2012 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 2012 Operating Budget totaling \$217,898,540 and the 2012 Project Budget totaling \$18,008,562, all as further described in the 2012 Proposed Agency Budget (hereinafter "2012 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 Agency for the 2012 fiscal year. The 2012 Agency 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 253 Agency full time equivalent positions (FTE) (reflecting a reduction of 38 FTE positions compared with the 291 FTE positions authorized in the 2011 Budget), are approved subject to classification review by the Executive Director of the Sacramento Housing and Redevelopment. Executive Director is authorized to establish a classification of Agency Clerk – Level 1 (Agency salary range 11), and to designate the current Agency Clerk classification at its current salary range as Agency Clerk - Level 2 (Agency salary range 14).
- 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, or designee, is authorized to submit the 2012 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, or designee, is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects. See Exhibit B-1 for a summary of the public housing operating budget.
- Section 6. The proposed expenditures under the 2012 Housing Operating Budget are necessary for the efficient and economical operation of Agency housing to serve low-income families.
- Section 7. The housing financial plan set forth in the 2012 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. 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 2012 Budget attached as Exhibit B-1.

- Section 8. Form HUD-52574 (08/2005), attached as Exhibit B-2 for signature by the Chair 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 concept that fee revenues will cover the cost of the services provided.
- Section 10. The Executive Director, or designee, is authorized to submit applications to HUD for the Capital Fund Plan and Program funding. If such grants are awarded, the Executive Director, or designee, is authorized to accept the grant or grants, execute all related documents and to execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements and amend the budget accordingly. The Executive Director, or designee, is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Executive Director, or designee, 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 the Agency conducts a physical inventory, analyzes receivables for collectability and, accordingly, reconciles and adjusts related financial records. The Executive Director, or designee, is authorized to amend the Budget and financial records as needed for such adjustments.
- Section 12. 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. 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 13. Subject to availability under the Budget of any required Housing Authority funds, the Executive Director, or designee, 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.
- Section 14. The Executive Director, or designee, is authorized and directed to approve, submit and implement the Public Housing Agency (PHA) Annual Plan and the PHA 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, or designee, is authorized to submit to HUD the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Shelter Grant (ESG) and Housing

Opportunities for People with AIDS (HOPWA). The Agency is delegated authority to administer federal funds appropriated by HUD and is the designated recipient of funds outlined in the One Year action Plan. If such grants are awarded, Agency is authorized to accept the grant or grants, execute all related documents and amend the Budget accordingly. Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Agency is authorized to amend 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, or designee, is authorized to delegate authority to the County Department of Human Assistance, or other appropriate entity approved by the governing boards, to administer ESG and HOPWA programs and expend funds and to execute contracts with the appropriate entities to carry out the activities contained in 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, or designee, 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 transferred to the County, but for which the Agency is the designated recipient of grant funds or contracting agency. Agency is authorized to accept such grants, execute contracts to implement homeless activities 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). The Agency is authorized to execute contracts for homeless activities funded in the Agency Budget as outlined in the Agency public services schedule.

Section 18. The Executive Director, or designee, is authorized to submit grant applications on behalf of the Housing Authority of the City of Sacramento for any and all housing and community development activities within the jurisdiction of Agency. If such grants are awarded, 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 and supplies, equipment and projects. 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:

- 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
- Neighborhood Stabilization Program
- Homeless Prevention and Rapid Re-housing Program

- Section 19. The Executive Director, or designee, is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Executive Director, or designee, 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, 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 20. The Agency 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, or designee, is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.
- Section 22. The Executive Director, or designee, 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. The Executive Director, or designee, is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 24. The Executive Director, or designee, 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. The Executive Director, or designee, is authorized to transfer project appropriations among fund groups (such as among funds within a redevelopment project area).
- Section 26. The Executive Director, or designee, 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 tax increment revenues.
- Section 27. The Executive Director, or designee, 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 laws and regulations or changes to the aforementioned.

- Section 28. The Executive Director, or designee, 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 for redevelopment purposes to assure receipt of anticipated redevelopment area tax increment revenues.
- Section 29. The Executive Director, or designee, 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 Executive Director, or designee, is authorized to enter into "loan work outs," to the extent reasonably necessary to protect Agency assets, and in entering such "work outs," the Executive Director, or designee, 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, 2011 will be carried over and continued in 2012.
- Section 31. All multi-year operating grant budgets in existence as of December 31, 2011 shall be continued in 2012.
- Section 32. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2011 may remain in effect in 2012. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2011, but only to the extent that the applicable division's 2011 operating budget appropriations exceeded 2011 expenditures.
- Section 33. The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A as part of the 2012 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 Agency Budget, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.
- Section 35. The Executive Director, or designee, or designee, is authorized to delegate the authorities as set out in this resolution.
- Section 36. The financial management policies set forth in Section A of the budget document are hereby approved.
- Section 37. This resolution shall take effect immediately.

## EXHIBIT A

### SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY PROPOSED 2012 BUDGET

Approved 2012 Total Operating Budget	\$ 217,898,540
Revised Approved 2012 Total Operating Budget	\$0
Approved 2012 New Projects	\$ 18,008,562
Revised Approved 2012 New Projects	\$0
TOTAL SHRA BUDGET	\$ 235,907,102

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Exhibit A - Summary of Changes to SHRA Proposed 2012 Budget

Exhibit B-1- 2012 City Public Housing Asset Management Property and Central Office Cost Center

Exhibit B-2 - HUD Resolution Approving the 2012 AMP Budgets

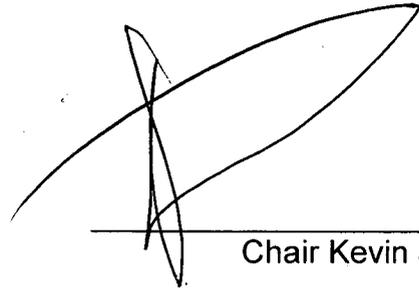
Adopted by the Housing Authority of the City of Sacramento on November 22, 2011 by the following vote:

Ayes: Councilmembers Ashby, Cohn, D Fong, R Fong, Pannell, Schenirer, Sheedy and Mayor Johnson.

Noes: None.

Abstain: None.

Absent: Councilmember McCarty.



Chair Kevin Johnson

Attest:



Shirley Corcolino, Secretary

# City Public Housing AMP, Central Office and Central Services Budget

## January 1 - December 31, 2012

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	Total City Public Housing	City COCC Central Office & Central Svc
Beginning fund equity	\$ 832,736	\$ 814,586	\$ 728,882	\$ 44,964	\$ 90,066	\$ (48,044)	\$ (14,320)	2,448,870	\$ -137,266
Revenues:									
HUD Operating Subsidy	1,213,000	1,525,000	534,000	701,000	604,000	437,000	639,000	5,653,000	-
Maintenance Charges to Tenants	10,000	20,000	7,500	3,000	7,500	1,500	25,000	74,500	-
Washer/Dryer Income	5,000	-	12,000	6,000	3,000	3,000	6,000	35,000	-
Rental Income - Dwelling	680,000	630,000	570,000	480,000	472,386	140,000	422,386	3,394,772	-
Rental Income - Commercial	-	-	-	-	-	-	-	-	-
Interest Income - Investment	10,000	10,000	8,000	750	700	1,000	1,000	31,450	7,254
Bad Debt Recovery	-	200	-	-	1,000	-	200	1,400	-
Miscellaneous income	17,015	16,515	3,015	2,015	8,515	865	5,015	52,955	69,510
Management Fee	-	-	-	-	-	-	-	-	1,337,961
IT/Bookkeeping Fee	-	-	-	-	-	-	-	-	198,810
Asset Management Fee	-	-	-	-	-	-	-	-	168,238
Admin Fee (CFP)	-	-	-	-	-	-	-	-	271,124
Central services fees	-	-	-	-	-	-	-	-	309,680
<b>Total operating revenue</b>	<b>1,935,015</b>	<b>2,201,715</b>	<b>1,134,515</b>	<b>1,192,765</b>	<b>1,097,101</b>	<b>583,365</b>	<b>1,098,601</b>	<b>9,243,077</b>	<b>2,362,577</b>
CFP Mgmt impr transfers	95,587	95,587	59,105	59,105	95,587	59,105	59,105	523,181	-
AMP to AMP transfers	-	-	-	-	180,442	106,285	117,153	403,880	-
<b>Total revenues and transfers in</b>	<b>2,030,602</b>	<b>2,297,302</b>	<b>1,193,620</b>	<b>1,251,870</b>	<b>1,373,130</b>	<b>748,755</b>	<b>1,274,859</b>	<b>10,170,138</b>	<b>2,362,577</b>
Expenditures:									
Employee Services:									
- Management	299,156	409,158	137,647	150,078	166,022	102,590	152,978	1,417,629	729,966
- Maintenance	377,486	301,008	337,530	216,722	231,966	153,324	231,966	1,850,002	-
- Resident Trainees	21,863	21,863	13,518	13,518	21,863	13,518	13,518	119,661	-
<b>Total Employee Services</b>	<b>698,505</b>	<b>732,029</b>	<b>488,695</b>	<b>380,318</b>	<b>419,851</b>	<b>269,432</b>	<b>398,462</b>	<b>3,387,292</b>	<b>729,966</b>
Services & Supplies:									
- Management	324,644	490,799	261,269	325,286	463,861	154,081	283,029	2,302,969	1,577,921
- Maintenance	659,793	428,977	172,166	262,669	267,052	80,273	291,719	2,162,649	-
- Resident Trainees	73,725	73,725	45,587	45,587	73,725	45,587	45,587	403,523	-
<b>Total Services &amp; Supplies</b>	<b>1,058,162</b>	<b>993,501</b>	<b>479,022</b>	<b>633,542</b>	<b>804,638</b>	<b>279,941</b>	<b>620,335</b>	<b>4,869,141</b>	<b>1,577,921</b>
Other Charges:									
Financial Transactions	1,787	1,998	1,694	254	185	253	267	6,438	510
- Central Service Fees	33,886	55,698	42,480	51,401	52,062	19,015	55,138	309,680	-
- Miscellaneous (PILOT, Depr.)	46,319	41,304	40,671	26,692	22,752	4,216	22,629	204,583	-
- AMP to AMP transfers	223,438	180,442	-	-	-	-	-	403,880	-
Management Fee (\$51.08 / unit)	231,670	247,289	156,182	152,929	143,818	108,677	143,818	1,184,383	-
IT / Bookkeeping Fee (\$7.50 / door)	32,040	34,200	21,600	21,150	19,890	15,030	19,890	163,800	-
Asset Management (\$10.00 / door)	43,200	46,920	29,040	-	-	838	-	119,998	-
<b>Total operating expense</b>	<b>2,369,007</b>	<b>2,333,381</b>	<b>1,259,384</b>	<b>1,266,286</b>	<b>1,463,196</b>	<b>697,402</b>	<b>1,260,539</b>	<b>10,649,195</b>	<b>2,308,397</b>
<b>Ending Balance</b>	<b>\$ 494,331</b>	<b>\$ 778,507</b>	<b>\$ 663,118</b>	<b>\$ 30,548</b>	<b>\$ -</b>	<b>\$ 3,309</b>	<b>\$ -</b>	<b>\$ 1,969,813</b>	<b>\$ 191,446</b>

Board Resolution Approving the AMP Budgets

PHA Board Resolution  
Approving Operating Budget

OMB No. 2577-0026  
(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 Authority- City of Sacramento

PHA Code: CA005

PHA Fiscal Year Beginning: 01/01/12

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: \_\_\_\_\_

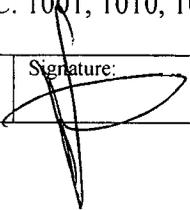
Operating Budget revision submitted to HUD, if applicable, on: \_\_\_\_\_

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: Kevin Johnson	Signature: 	Date: 12/6/2011
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