



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



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February 8, 1988

Budget & Finance Committee of
the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Riverview Plaza Initial Operating Budget

SUMMARY

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

RECOMMENDATION

The staff recommends approval of the attached resolution adopting initial operating budget.

Respectfully submitted,

William H. Edgar
WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:

Jack R. Crist

JACK R. CRIST
Deputy City Manager

Attachment



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



February 8, 1988

Housing Authority of the
City of Sacramento
Sacramento, California

Honorable Members in Session:

SUBJECT: Riverview Plaza Initial Operating Budget

SUMMARY

Riverview Plaza is a new programmatic departure for the Housing Authority which requires a somewhat different budget approach than other housing developments operated by the Authority. In effect, an entirely new Housing Program has been created with this Development.

The comprehensive approach to housing and lifestyle associated with Riverview Plaza is highly service and staff intensive.

The initial operating budget to make Riverview Plaza an operational reality is a mixture of special equipment purchases, one-time marketing efforts, and routing operational expenses. The major funding source for the start-up is tax increment funds with dwelling rental and commercial income just beginning to contribute during the rent-up phase.

Approval is sought in this budget for six new staff positions as well as marketing expenditures and major equipment and furnishing purchases.

Initial occupancy for dwelling use is planned for June, 1988 and for commercial purposes in September of 1988.

BACKGROUND

Riverview Plaza was conceived as a mixed income housing development supported by its own dwelling rental and commercial income and tax increment funds. An annual infusion of \$655,852 in tax increment funds has been previously approved by the Housing Authority of the City of Sacramento.

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SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the
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The dwelling rental schedules are regulated by California Housing Finance Agency (CHFA) and U.S. Department of Housing and Urban Development (HUD) and have been proposed in detail in the Occupancy Policies, considered in a separate action by the Housing Authority.

Dwelling rental will eventually total \$462,352 annually at 97% occupancy. Rent-up is estimated to require about four months. A Rent-up account of \$107,421 previously established in reserve, will be applied as needed to supplement the gradual build-up of dwelling rental income units are leased.

Commercial rent levels have been determined by market analysis and projections to be \$1.05 per square foot, triple net. The exception to this is the child care space which has been given a rent of \$.90 per square foot, pursuant to the recommendations of the Child Care Study, to make the enterprise feasible. This arrangement requires that the tenant pay their own utilities, provide their own interior janitorial service, and is assessed a fee for common area maintenance.

At maximum lease up (with a 15% vacancy factor) commercial income will amount to \$233,325. For the purposes of the initial budget, a modest \$22,320 covering only the Child Care Program and some limited office space rental, has been projected for the last three months of 1988. This reflects only imminent leasing prospects and allows for the time needed to complete tenant improvements before commercial activity can begin.

The initial operating expenses contain many aspects which will be unique to this situation and will not be typical of future annual operating budgets. Advertising, residential marketing services and Commercial Real Estate Fees are unique to the rent-up situation. Large equipment and furnishing purchases are necessary to supply the extensive common areas, dining facilities and recreational spaces.

One Time Marketing Costs are as follows:

Advertising	\$ 24,000
Real Estate Commissions	\$ 59,469
Residential Marketing	\$ 20,000
Independent Living	
Assessments	\$ 10,000
Furniture Specification	\$ 15,000
Telephone Installation	\$ 4,800
	<u>133,269</u>

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the
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Equipment Costs are as follows:

Small Tools	\$ 29,590
Maintenance Equipment	\$ 12,800
Furnishings	<u>\$182,794</u>
(Including Common areas, Dining Facility, and Office)	\$225,184

Other operational expenses have been based on projected staffing needs and previous experience in other Housing Authority developments.

FINANCIAL DATA

The budget documents attached to the resolution accompanying this staff report contain the specific revenue sources and expenditures proposed for the initial start-up and operating period from February 1988 to December 31, 1988.

The total planned expenditures for marketing, equipment and furnishings, staffing and operations is \$1,196,294.00. Revenue sources equal to this amount have been identified with flexibility provided by tax increment funding.

Staffing comprising six new positions totaling \$120,719 is in the budget and described in the salary schedules.

The day to day management will be handled by an administrator, under the guidance of the Housing Department. The administrator will be responsible for collections of rent and other charges, ensuring that maintenance services are delivered, that the social service needs of residents are met, that the meal program operates properly and that the budget is observed. The administrator position has been established at the program manager level.

A Housing Management Clerk will handle income data, file maintenance, rent posting and billing, receptionist and general clerical duties.

A Social Services Coordinator will help the residents in organizing activities and assist residents in identifying and obtaining needed support services.

Housing Authority of the
City of Sacramento
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Two custodians will be employed to maintain the large common areas of the building. A Maintenance Specialist (stationary engineer) will work under the supervision of the Central Maintenance Division and be employed virtually full-time during the first year of this project to make sure all building systems are functional during the warranty period. Major areas of responsibility will include heat pumps, water and sewer systems, emergency generator, water heating systems, and fire and smoke safety systems.

ENVIRONMENTAL REVIEW

Environment Review is not required for actions requested in the Staff Report.

POLICY IMPLICATIONS

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

VOTE AND RECOMMENDATION OF THE COMMISSION

RECOMMENDATION

The staff recommends that the proposed budget be adopted by Resolution and that the Executive Director be authorized to amend the Agency Budget and implement its provision.

Respectfully submitted,

William H. Edgar
WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COUNCIL:

WALTER J. SLIPE
City Manager
Contact Person:

RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF

RESOLUTION APPROVING THE INITIAL OPERATING BUDGET
FOR RIVERVIEW PLAZA FOR THE FISCAL YEAR
JANUARY 1, 1988 to DECEMBER 31, 1988
AND AMENDING THE AGENCY BUDGET FOR 1988

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

Section 1: The initial operating budget for the
Riverview Plaza Development for the fiscal year January 1, 1988
to December 31, 1988 as shown on the attached Exhibit A is hereby
adopted.

Section 2: The Executive Director is authorized to
amend the Agency Budget in accordance with such Exhibit A.

Section 3: The Executive Director is authorized to
solicit bids for the equipment and furnishings described in such
Exhibit A.

Section 4: Be it Further Resolved that the Executive
Director is Authorized to recruit and hire the staff positions
described in Exhibit A.

CHAIR

ATTEST:

SECRETARY

1100WPP2(63)

RI VIEW PLAZA BUDGET
 (Revised 2/2/88)

BUDGET SUMMARY
 DEPARTMENT: Housing
 ACTIVITY: Riverview Plaza

Expenditure Category	Total 1988 Requested Budget (8 months)	Riverview Plaza (org-3325)	Riverview Maintenance (org-3400)
Employee Services	\$120,719	\$95,748	\$24,971
Services & Supplies	444,061	432,611	11,450
Equipment	195,594	182,794	12,800
Debt Retirement	378,752	378,752	0
Operating Total	1,139,126	1,089,905	49,221
Overhead (CHFA Mgmt. fee)	30,168	26,132	4,036
Reserve for replacement	27,000	27,000	0
Revised Funding	\$1,196,294	\$1,143,037	\$53,257

Source of Funds:

Riverview Plaza	
Dwelling Rental Income	162,269
Interest	1,000
Laundry	1,000
Parking	12,000
Tax Increment	401,384
Commercial Rental Income	22,320
Tax Increment - Marketing	169,900
Tax Increment - Furnishings	169,000
Rent-up Account	107,421
Meal charge/income	150,000
TOTAL REVENUE RIVERVIEW PLAZA	\$1,196,294

****EMPLOYEE SERVICES****

ORGANIZATION	POSITION SEQ		FTE	STEP	ANNUAL WAGE	WAGE (8 months)
3325		HOUSING ADMINISTRATOR	100.0	E	33,974	22,650
3325	67108	HOUSING MGMT. CLERK I	100.0	A	14627.6	9,752
3325	89007	CUSTODIAN I	100.0	E	17810.0	11,873
3325	89007	CUSTODIAN I	100.0	A	14652.4	9,768
3325	26006	COMM. SERVICES SPEC. II	100.0	E	22374.7	14,916
TOTAL WAGES					103,439	68,959
FRINGE BENEFITS*					37062.3	24,708
REIMBURSEMENTS**					3120.0	2,080
TOTAL SALARIES & BENEFITS - ORGANIZATION 3325					\$143,621	\$95,748

* Benefit rate computed at 32.13% for:
 Administrator, Clerk, Comm. Services Spec.
 - computed at 43.92% for Custodians

**Includes bus pass reimbursements
 for 4 Senior Companions
 (4 @\$40 x 12 months)

BUDGET FORM 2

SACRAMENTO HOUSING & REDEVELOPMENT AGENCY
 BUDGET REQUEST - 1988
 EMPLOYEE SERVICES

DEPARTMENT: Housing
 DIVISION: Maintenance
 ACTIVITY: Riverview Plaza

ORGANIZATION	POSITION SEQ	FTE	GRADE	STEP	ANNUAL WAGE	WAGE (8 months)
3400	75106	100.0	75106	A	24,192	18,361
TOTAL WAGES					24,192	18,361
FRINGE BENEFITS					8,709	6,610
TOTAL SALARIES & BENEFITS - ORGANIZATION 3400:					\$32,901	\$24,971

**SACRAMENTO HOUSING & REDEVELOPMENT
BUDGET REQUEST - SMALL TOOLS, APPLIANCES, EQUIPMENT**

(6)

DEPARTMENT:		DIVISION:				Executive Director
		-----Department/Division Request-----				
Item Nos.	DESCRIPTION, JUSTIFICATION & UNIT COST	Priority	OFFICE EQUIP.	SMALL TOOLS	APPLIANCES	PRELIMINARY
			ACCT #4410	ACCT #4420	ACCT #4421	BUDGET
			Units Total Cost	Units Total Cost	Units Total Cost	Units Total Cost

Management Office:

desk chairs	2	400		
side chairs	2	600		
file cabinets	2	600		

Dining Facility:

small tools			*	18,695
small equipment			**	3,347
calculator	1	60		
typewriter (used)	1	450		
typewriter table	1	50		
desk lamp	1	75		
food processor				1 313

TOTALS

2,235	22,042	313
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GRAND TOTAL

\$24,590

* ** see attached for detail of description, unit, costs

BUDGET FORM 5

SACRAMENTO HOUSING & REDEVELOPMENT AGENCY

BUDGET REQUEST - 1988
SMALL TOOLS, APPLIANCES, EQUIPMENT

DEPARTMENT: Housing
DIVISION: Maintenance
ACTIVITY: Riverview Plaza

DEPARTMENT/DIVISION REQUEST

EXECUTIVE
DIRECTOR

Item Nos.	DESCRIPTION, JUSTIFICATION & UNIT COST	Priority	OFFICE EQUIPMENT, ACCOUNT #4410		SMALL TOOLS ACCOUNT #4420		APPLIANCES ACCOUNT #4421		PRELIMINARY BUDGET	
			Units	Total Cost	Units	Total Cost	Units	Total Cost	Units	Total Cost

1	Misc. hand and power tools	1			101	5,000				
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TOTALS: 5,000

BUDGET FORM 6

SACRAMENTO HOUSING & REDEVELOPMENT
BUDGET REQUEST - EQUIPMENT

(11)

DEPARTMENT:

DIVISION:

EQUIPMENT DESCRIPTION AND JUSTIFICATION	Unit Cost	DEPARTMENT		Executive Director's Use	
		DIVISION/REQUEST	Units	Total Cost	Preliminary Budget
Dining Facility/Equipment					
Pt. tray cart, Lakeside	\$1,530.00		1	\$1,530.00	
Sharp microwave, 700 watts, 120 V Model R21BP	594.00		1	594.00	
Bussing/transport cabinet Model 100-1841	587.00		2	1174.00	
1 Gal. commercial blender, Waring	790.00		1	790.00	
Plate lowerator	1983.00		1	1983.00	
Tray and glass rack dispenser, Lakeside	575.00		1	575.00	
Management Office Furnishings & Equipment					
Adjustable Keyboard Workstation	452.00		1	452.00	
Desk	180.00		1	180.00	
Bookcase	145.00		1	145.00	
Desk	473.00		1	473.00	
Credenza	456.00		1	456.00	
Operational Chair	190.00		1	190.00	
Secretarial Posture Chair	178.00		1	178.00	
Executive Chair	342.00		1	342.00	
Guest Chair	230.00		2	460.00	
Wang asynchronos terminals	895.00		3	2685.00	
Wang daisy wheel printer w/sheet feeder & sound cover	500.00 400.00 200.00		1 1 1	500.00 400.00 200.00	
Video equipment	5000.00		1	5000.00	
Community Space Furnishings	134235.00		*	164487.00	
TOTAL CAPITAL EQUIPMENT				\$182,794.00	

* see schedule of furnishings for detail

BUDGET FORM 6

SACRAMENTO HOUSING & REDEVELOPMENT AGENCY

BUDGET REQUEST - 1988

DEPARTMENT: Housing
DIVISION: Maintenance
ACTIVITY: Riverview Plaza

DEPARTMENT/DIVISION REQUEST EXECUTIVE DIRECTOR

Item Nos.	4845 - NON EXPENDABLE DWELLING EQUIP.	Priority	DEPARTMENT/DIVISION REQUEST			EXECUTIVE DIRECTOR	
			UNIT COST	UNITS	TOTAL COST	PRELIMINARY BUDGET UNITS	TOTAL COST
1	Residential Heat Pump (spares)	1	1,200	2	2,400		
2	Refrigerator (spare)	2	400	1	400		
TOTAL:					2,800		

BUDGET FORM 6

SACRAMENTO HOUSING & REDEVELOPMENT AGENCY

BUDGET REQUEST - 1988

DEPARTMENT: Housing
DIVISION: Maintenance
ACTIVITY: Riverview Plaza

DEPARTMENT/DIVISION REQUEST EXECUTIVE DIRECTOR

Item Nos.	4841 - MAINTENANCE EQUIPMENT	Priority	DEPARTMENT/DIVISION REQUEST		EXECUTIVE DIRECTOR	
			UNIT COST	UNITS	TOTAL COST	PRELIMINARY BUDGET UNITS TOTAL COST
1	Mini van	1	9,000	1	9,000	
TOTAL:					9,000	

BUDGET FORM 10

SACRAMENTO HOUSING & REDEVELOPMENT
BUDGET REQUEST - DETAIL PROGRAM/PROJECT BUDGETS

Department: Housing

(1) Name of Program/Budget	Total
(2) Salaries and Wages	
Housing Administrator	22650
Housing Mgmt. Clerk I	9752
Custodian I	11873
Custodian I	9768
Comm. Services Spec. II	14916
Total Salaries	68959
Reimbursements	2080
(3) Benefits	24708
(4) Services and Supplies	
4201 telephone	8500
4202 advertising	24000
4210 rental - real property	800
4223 legal services	1333
4229 accounting & auditing	2800
4251 insurance - liability	36700
4252 insurance - property	8000
4255 insurance - other	14979
4260 stipends	1709
4299 miscellaneous services	9
4311 tenant services - recreation	248
4321 utility - water	2000
4322 utility - electricity	19412
4324 utility - gas	6833

4325 utility - sewer	2600
4401 food	3467
4410 office supplies	2235
4420 equipment & tools	22042
4421 appliances & parts supply	313
4482 janitor & cleaning supplies	1200
4487 landscape materials	667
4499 miscellaneous supplies	333
4502 garbage collection	4128
4510 building security monitor	2000
4525 window washing	533
4581 pest control service	1600
4589 other contract costs	264169

Total Services and Supplies 432611

(5) Capital Items

4582 office equip & furniture	11661
4842 community space equipment	164487
4845 nonexpendable dwelling equipment	6646

Total Capital Items 182794

4710 debt principal retirement	378752
1101 reserve for replacement	27000

5998 indirect costs 26132

Total Budget \$1,143,037

BUDGET REQUEST - 1988
 SERVICES AND SUPPLIES

DEPARTMENT: Housing
 DIVISION: Maintenance
 ACTIVITY: Riverview Plaza

	CLASSIFICATION	1988 BUDGET AMOUNT
4000	EMPLOYEE SERVICES	
4001	EMPLOYEE SERVICES	18,361
4017	BENEFITS EXPENSE	6,610
TOTAL	4000	24,971
4200	MATERIALS/SUPPLIES/SERVICES	
4420	EQUIPMENT AND TOOLS	5,000
4430	ELECTRICAL SUPPLIES & MATERIAL	500
4431	PLUMBING & HEATING SUPPLIES	500
4432	LUMBER & BUILDING SUPPLIES	2,400
4435	CURTAIN RODS, DRAPES, ETC.	300
4481	PAINT/PAINT SUPPLIES	300
4488	AUTOMOTIVE FUEL	350
4491	CLOTHING AND UNIFORMS	250
4504	JANITORIAL/CLEANING SERVICE	300
4520	PLUMBING, SEWER SERVICE	400
4526	DRAPE REPLACEMENT	300
4527	WINDOW/SCREEN REPLACEMENT	500
4587	ANSWERING SERVICE	350
TOTAL	4200	11,450
4800	CAPITAL EXPENDITURES	
4522	CARPET REPLACEMENT	1,000
4841	MAINT/LANDSCAPE EQUIPMENT	9,000
4845	NONEXPEND DWELLING EQUIPMENT	2,800
TOTAL	4800	12,800
5990	OVERHEAD	
5999	OVERHEAD DISTRIBUTED	4,036
TOTAL	5990	4,036
TOTAL	ORG	53,257