



**Sacramento
Housing &
Redevelopment
Agency**

September 17, 2003



Housing Authority of the City of Sacramento
Sacramento, California

Honorable Members in Session:

**SUBJECT: CONCEPTUAL APPROVAL FOR THE CREATION OF A NEW HOUSING
AUTHORITY JOINT EXERCISE OF POWERS AGENCY**

LOCATION & COUNCIL DISTRICT

Citywide

RECOMMENDATION

Staff request the adoption of the resolution providing conceptual approval be given for the creation of a new joint exercise of powers authority (JPA) between the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento which will enable greater efficiency in reporting on programs funded by the U.S. Department of Housing and Urban Development (HUD). Staff further recommends that staff be instructed to bring back for approval specific documents necessary to create the JPA and to implement the recommendations before December 31, 2003.

CONTACT PERSONS

Mark Stephenson, Acting Housing Authority Director, 440-1337
Satoshi Matsuda, Finance Director, 440-1340

FOR COUNCIL MEETING OF

October 14, 2003

SUMMARY

Since the creation of the City and County housing authorities, the management of the residential units has been handled by one staff reporting to both the Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento. Although managed as one

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the City of Sacramento

October 14, 2003

Page 2

housing authority, staff has had to file numerous reports to HUD as two separate housing authorities. As an efficiency measure designed to reduce administrative costs, reduce paperwork by 50 percent, and improve operational efficiencies, staff is recommending a creation of a new JPA between the two housing authorities.

COMMISSION ACTION

At its meeting September 17, 2003, the Sacramento Housing and Redevelopment Commission adopted a motion recommending approval of the attached resolutions. The votes were as follows:

AYES: Burns, Burruss, Farley, Harland, Hoag, McCarty, Piatkowski

NOES: None

NOT PRESENT TO VOTE: Castello

ABSENT: Simon, Stivers

BACKGROUND

On July 7, 1939, the Sacramento City Council approved the creation of the Housing Authority of the City of Sacramento and on June 28, 1940, the Sacramento County Board of Supervisors approved the creation of the Housing Authority of the County of Sacramento. In 1973, the City Council and Board of Supervisor created SHRA joining the two housing authorities with the City and County Redevelopment Agencies under one joint powers authority. Since the creation of the City and County housing authorities, the housing units owned and managed by the two housing authorities have grown to 3,454 and the number of housing choice vouchers (HCV) issued are nearly 11,000.

The Agency currently manages and maintains 3,454 housing units. Of this total, 3,216 units are part of the U.S. Department of Housing and Urban Development (HUD) public housing program, with 2,111 under control of in the City Housing Authority and 1,105 under the control of the County Housing Authority. Of the County Housing Authority's units, 168 units at the Dos Rios Housing Complex are actually located within the Sacramento City boundaries. Staff is recommending that the units that are part of the HUD's public housing program be transferred to the recommended JPA. Locally funded projects such as Las Victorianas and Coloma Senior units and State funded housing units such as San Jose/Broadway and Wildflower will remain with the respective City or County housing authority. The Sacramento Housing Development Corporation will continue overseeing the Riverview Plaza tax credit project.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the City of Sacramento

October 14, 2003

Page 3

The Agency is responsible for managing the HCV program for both the City Housing Authority and the County Housing Authority. Currently, the City Housing Authority has 5,472 vouchers and the County Housing Authority has 5,370 vouchers. With the HCV program, participants can receive a City or County voucher and use it anywhere in the United States the participant can find a qualifying apartment. Thus a City or County voucher participant can find a housing unit in the City, the County, Yolo County or elsewhere throughout the U.S. A great majority of the City and County participants remain in Sacramento County. In addition, Sacramento attracts HCV participants from surrounding counties, San Francisco Bay Area communities and other states. Staff is recommending that all vouchers be managed by the new JPA. This consolidation will greatly simplify management and HUD reporting requirements.

Although the management of the two housing authorities has been consolidated locally with the Agency's Housing Management staff, HUD has viewed each housing authority as separate legal entities and has been frequently assigned different staff to review our submittals. This not only been difficult and time consuming for staff to respond to different inquiries and differing interpretations of regulation but also time consuming for HUD staff. By consolidating the federal housing programs into the new JPA, staff believes that administrative costs can be reduced. HUD submittal requirements will be reduced by 50 percent and other related operational efficiencies will be achieved in 2004 and in the future.

ORGANIZATIONAL OPTIONS:

Staff has reviewed four (4) potential organizational and governance options, which could provide the efficiency staff is seeking. The options are as follows:

- 1) Transfer all the responsibility for administering the HUD public housing program and HUD housing choice voucher program to the County Housing Authority. It would not be feasible to transfer the responsibility to the City Housing Authority, because of geographical limitations.
- 2) Establish a new county-wide housing authority and transfer the responsibility from the City and County Housing Authorities to it. The governing board could be set up similarly to the Sacramento Regional Sanitation District with Board of Supervisors and mayors of the City of Sacramento and other cities within Sacramento County.
- 3) Establish a new county-wide housing authority as in number 2 above but use the existing Sacramento Housing and Redevelopment Commission as the governing board of the new entity.
- 4) Create a new JPA of the City Housing Authority and the County Housing Authority. The Housing Authority of the City of Sacramento and the Housing Authority of the County of Sacramento will continue to exist, but the housing units under the public housing program would be transferred to the JPA along with the combined HCV program allocation.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority of the City of Sacramento

October 14, 2003

Page 4

Staff recommends the fourth option, the creation of a JPA. This option enables both the City Council and Board of Supervisors, acting as the City Housing Authority and County Housing Authority, respectively, to retain final control in the same manner as for SHRA. The City Housing Authority and County Housing Authority will continue to exist and remain responsible for mortgage revenues bonds that have been issued in their names and for other housing projects previously completed or for future projects it may elect to undertake which are not HUD funded. If conceptual approval is obtained, staff will begin preparing the necessary documents for final approval. In addition, staff will begin communicating with HUD to understand what documentation they will require for combining the two housing authorities from HUD's standpoint.

FINANCIAL CONSIDERATIONS

Staff is recommending the creation of the new JPA as an efficiency measure designed to reduce administrative costs, reduce paperwork by 50 percent, and improve operational efficiencies. If HUD approves the requested changes and permits consolidation, 50 percent of current reporting requirements to HUD will be eliminated. This will enable SHRA's Finance Department to eliminate one position because effort needed to submit HUD budget requests, budget revisions, cash draw downs request, audit expenses, etc. will be reduced for public housing, capital funds and housing choice voucher programs. Other operational efficiencies will take time to implement but can only simplify processes and procedures. The Housing Authorities will save time and expense because only one 5-year consolidation plan and an annual plan will be required along with other HUD reporting and evaluation reports. First year savings for staff costs are estimated at \$59,123, with additional savings in future years due to increased efficiencies.

The only lost revenues that we anticipate is about \$28,000 from the HCV program. This results because HUD provides slightly higher administrative fees for the first 600 vouchers that a housing authority manages. This loss is more than offset by the efficiencies noted above.

With the JPA approach, the JPA can be disbanded in the future if it becomes advantageous to apply as separate housing authorities for a new HUD program or if either of the governing boards elect to terminate the agreement.

POLICY CONSIDERATIONS

Staff is recommending the creation of a new JPA since it is most similar to the current governance of SHRA. The recommendations are consistent with past practice since the creation of SHRA in 1973.

ENVIRONMENTAL REVIEW

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

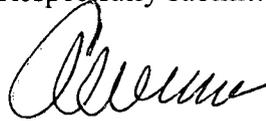
Housing Authority of the City of Sacramento
October 14, 2003
Page 5

The proposed action is exempt under the California Environmental Quality Act Guidelines Section 15320 which provides for changes in the organization or reorganization of local agencies where the changes do not alter the geographical area in which previously existing powers are exercised. The example includes consolidation of two or more entities having identical powers. The proposed action is also exempt under the National Environmental Protection Act because no federal approval or funding is required to implement this action. As a result, no further environmental review is required.

M/WBE CONSIDERATIONS

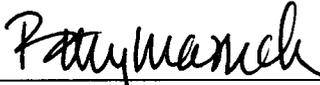
The items discussed in this report have no M/WBE impact; therefore, M/WBE considerations do not apply.

Respectfully submitted,



ANNE M. MOORE
Executive Director

Transmittal approved,



ROBERT P. THOMAS
City Manager

ar

RESOLUTION NO. 2013-011



ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF

CONCEPTUAL APPROVAL FOR THE CREATION OF A NEW JOINT EXERCISE OF POWER AGENCY BETWEEN THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO AND THE HOUSING AUTHORITY OF THE COUNTY OF SACRAMENTO

WHEREAS, the Housing Authority of the City of Sacramento (HACS) was established on July 7, 1939 by the Sacramento City Council;

WHEREAS, the Housing Authority of the County of Sacramento (HACOS) was established on June 28, 1940 by the Board of Supervisors;

WHEREAS, HACS and HACOS were established under the housing authority law and share the same powers;

WHEREAS, the Sacramento City Council and the Sacramento County Board of Supervisors created the Sacramento Housing and Redevelopment Agency, as joint exercise of powers agency in 1973 to more efficiently and effectively manage HACS, HACOS, the Redevelopment Agency of the County of Sacramento and the Redevelopment Agency of the City of Sacramento; and

WHEREAS, the U.S. Department of Housing and Urban Development is the primary funding organization for HACS and HACOS and requires submittal for both legal entity for the public housing programs and the housing choice voucher programs; and

WHEREAS, administrative cost savings and operational efficiencies can be effectuated by combining the HUD funded programs under a new joint exercise of powers agency;

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

Section 1. The Executive Director, or her designee, is authorized and directed to prepare documents necessary for the creation of a new joint exercise of powers agency between HACOS and HACS to be named the Sacramento Housing Authority (SHA), to transfer the rights, obligations and assets related federal housing programs administered by HACS and HACOS, respectively, to SHA; to seek HUD's approval for the changes; and to establish authorities of the Sacramento Housing and Redevelopment Commission regarding SHA which are substantially the same as currently established for HACOS and HACS.

Section 2. The Executive Director is directed to return for review and consideration of such documents upon their completion.

CHAIR

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____