

RESOLUTION NO. 2006-067

Adopted by the Redevelopment Agency
of the City of Sacramento

November 21, 2006

APPROVAL OF 2007 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 (SHRA) 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. SHRA receives annual funding from a combination of federal, state and local sources.
- C. The sources of SHRA revenues requires each constituent entity to have an operating budget adopted prior to the start of each new fiscal year.
- D. SHRA's fiscal year is the calendar year from January 1st through December 31st.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO RESOLVES AS FOLLOWS:

- Section 1. The proposed action to adopt the 2007 Proposed SHRA Budget does not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA), as provided in CEQA Guidelines Section 15378(b)(4), or undertaking under the National Environmental Policy Act (NEPA), as provided in 24 CFR Section 53.34(a)(3). The Budget includes the allocation of funds for activities (projects) that may have a physical change to the environment; however, none of those projects within the Budget are approved for implementation until each such project has been subject to individual environmental review prior to taking any action in furtherance of such activity.

Section 2. The 2007 Operating Budget totaling \$176,574,804 and the 2007 Project Budget totaling \$57,277,247, all as further described in the 2007 Proposed SHRA Budget (hereinafter "2007 SHRA Budget or "Budget"), a copy of which is on file with the SHRA Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of SHRA for the 2007 fiscal year. The 2007 SHRA 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 302.23 SHRA positions (reflecting a decrease of 6.3 positions from the 2006 Budget), are approved subject to classification review by the Executive Director of SHRA (Executive Director).

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 is authorized to submit grant applications for any and all activities within the jurisdiction of SHRA. If such grants are awarded, the Executive Director is authorized to accept the grant or grants (provided that the activities are fully funded by the grant or within the Budget), execute all related documents and amend the Budget. The Executive Director is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Such Budget expenditure and amendments are permitted for positions, services and supplies, equipment and projects, and include but are not limited to the following.

HUD Brownfield Economic Development Initiative	\$1,000,000
HCD Exterior Accessibility Grants for Renters Program	\$ 500,000
HCD CalHome Grant for Homeowner Loans	\$ 1,500,000
HCD BEGIN Homeowner Loan	\$ 2,670,000

Section 6. The Executive Director is authorized to enter into necessary grants and contracts with HUD, the State Housing and Community Development Department (HCD), and other federal and state granting agencies for homeless programs transferred to the County, but for which SHRA was the designated recipient or contracting agency. The Executive Director is authorized to accept such grants, amend the Budget accordingly, and transfer program responsibility to the County by entering into contracts

and agreements pursuant to governing board approvals and subject to County acceptance of such transfer.

- Section 7. The expenditure of Merged Downtown Redevelopment Project Area tax increment housing funds for activities serving the homeless, as set out in the Budget, will benefit the Merged Downtown Redevelopment Project Area in that it will provide housing for a homeless population which remains in or frequents the Merged Downtown Redevelopment Project Area and is perceived as a blighting influence by business owners, property owners, workers and residents, and, as a result, impedes redevelopment of the Merged Downtown Redevelopment Project Area.
- Section 8. During 2006, tax increment funds from the Merged Downtown Redevelopment Project Area have contributed to programs and activities of other project areas and SHRA departments which benefit the Merged Downtown Project Area. Subject to the limitations of the funding sources, the Executive Director is authorized to reimburse the Merged Downtown Project Area for funds advanced to other programs and SHRA departments as monies become available from the close of the 2006 fiscal year.
- Section 9. The proposed planning and administrative expenses paid for from the low and moderate income housing fund are necessary for the production, improvement and/or preservation of low and moderate income housing during the 2007 SHRA Budget year.
- Section 10. The Executive Director is authorized to obtain flood insurance through the federal flood insurance program for Agency properties and is authorized to purchase liability insurance and enter into agreements with risk retention pools or other similar organizations, 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.
- Section 11. The Executive Director is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Executive Director 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.
- Section 12. The SHRA Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.

- Section 13. The Executive Director is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.
- Section 14. The Executive Director 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 15. The Executive Director is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.
- Section 16. The Executive Director 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 17. The Executive Director is authorized to transfer project appropriations among fund groups (such as among funds within a redevelopment project area).
- Section 18. The Executive Director 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 tax increment revenues.
- Section 19. The Executive Director is authorized to transfer funding of approved capital projects within the respective project area funds in compliance with approvals, bond covenants, tax laws and applicable redevelopment laws and regulations.
- Section 20. The Executive Director is authorized to execute and implement internal loans between SHRA managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to reconcile available revenues as needed for redevelopment purposes to assure receipt of anticipated redevelopment area tax increment revenues.
- Section 21. The Executive Director is authorized to exercise default remedies and take other actions to protect SHRA assets under contracts, loans, disposition and development agreements, owner participation agreements, and other SHRA agreements and to appropriate the associated revenues in the Budget. The Executive Director is authorized to enter into "loan work outs," to the extent reasonably necessary to protect SHRA assets, and in entering such "work outs," the Executive Director 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 22. All project appropriations in existence as of December 31, 2006 will be carried over and continued in 2007.
- Section 23. All multi-year operating grant budgets in existence as of December 31, 2006 shall be continued in 2007.
- Section 24. All encumbrances for valid purchase orders and contracts in effect as of December 31, 2006 may remain in effect in 2007. The Executive Director is authorized to increase the Budget for valid encumbrances as of December 31, 2006, but only to the extent that the applicable division's 2006 operating budget appropriations exceeded 2006 expenditures.
- Section 25. The Executive Director is authorized to incorporate the changes listed on Exhibit A as part of the 2007 Budget.
- Section 26. 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 SHRA Budget, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.
- Section 27. The Executive Director is authorized to delegate the authorities as set out in this resolution.
- Section 28. This resolution shall take effect immediately.

Adopted by the City of Sacramento Redevelopment Agency on November 21, 2006 by the following vote:

Ayes: Members, Cohn, Fong, Hammond, McCarty, Pannell, Sheedy, Tretheway, Waters, and Chair Fargo

Noes: None.

Abstain: None.

Absent: None.



Chair, Heather Fargo

Attest


Shirley Concolino, Secretary

EXHIBIT A

**SUMMARY OF CHANGES TO SACRAMENTO HOUSING AND
REDEVELOPMENT AGENCY PROPOSED 2007 BUDGET**

Proposed 2007 Total Operating Budget	\$176,574,804
Revised Proposed 2007 Total Operating Budget	\$0
Proposed 2007 New Projects	\$57,277,247
Revised Proposed 2007 New Projects	\$0
TOTAL SHRA BUDGET	\$233,852,051