



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



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December 5, 1989

Budget and Finance Committee
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: 1900 Agency Budget

SUMMARY

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

RECOMMENDATION

The staff recommends approval of the attached resolution approving the budget.

Respectfully submitted,

ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COMMITTEE:

JACK R. CRIST
Deputy City Manager

Attachment



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



December 12, 1989

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

Honorable Members in Session:

SUBJECT: 1990 Agency Budget

SUMMARY

This report includes resolutions for adoption of the 1990 Agency Budget.

BACKGROUND

On November 22, 1989, the subject document was submitted to the Sacramento Housing and Redevelopment Commission, City Council, and Board of Supervisors. Attached are resolutions requiring approval including:

1. Resolution adopting the 1990 Agency Budget
2. Resolution authorizing submission of Annual Housing Operating Budgets to the Department of Housing and Urban Development (DHUD).

The Department of Housing and Urban Development Housing Operating Budgets have been prepared based on the 1990 Agency organization budget. These budget documents are to be submitted to DHUD upon approval of the organizational budget by the Governing Boards.

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As is the case with many governmental budgets, many of the proposed expenditures have been previously approved by earlier policy decisions. For example, the previous approvals of the Community Development Block Grant (CDBG) applications have determined several million dollars of expenditures contained in this document. Carryover Projects (projects previously approved in prior years and assumed to be uncompleted at December 31, 1989) total \$55 million. Most revenue sources place restrictions upon how their funds are used. Some of our revenues are of a "pass through" nature and their ultimate use is beyond our control. These restricted funds constitute approximately 59 percent of this budget. "Flexible" revenue not ear-marked for specific purposes by the other government agencies total only \$56.5 million, representing bond proceeds, Section 8 Administrative Fees, tax increments, garage income, mortgage revenue bond earnings, and Light Rail Interest Earnings. Much of this funding has been committed by prior decisions of the governing bodies.

Requested positions have increased by 9.4 full-time equivalent positions from a current authorized total of 355.6 to 365 positions. The 9.4 positions are new and are located throughout the Agency. Four of these positions are unfunded and are dependent upon a future reorganization with funding to come from Administrative Contingencies. Position classifications contained within this Budget are in accordance with the recent classification study completed for the Agency by a consultant. Significant organizational changes include the transfer of the MBE/WBE and Labor Compliance function to the General Services Division from the Community Development Administration unit. The Agency Clerk has been transferred from the Executive Director's Office to the Director of Administration and there are other minor transfers of staff from one Organization to another. Additional organizational changes contemplated for the future will come to the Governing Boards as a separate staff report.

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A summary of major policy items is shown below:

1. Section 8 Administrative Fees have been used to subsidize the Conventional Housing Program. This is consistent with previous years. In addition, Light Rail Interest Earnings (LRT/RAC) were used to fund Conventional Housing operating expenditures.
2. Payment-In-Lieu-Of-Taxes (PILOT) has been used to fund a portion of the administrative costs for Community Service Programs not adequately funded by specific grants. This is consistent with previous years. Riverview Plaza excess funds were also used to fund this deficit.
3. At December 31, 1989, all fund balances for Carryover projects listed in Section G of the Budget will be re-committed to these projects.

Additionally, several items were pointed out in our budget workshop which has been corrected on an erratta sheet in the Budget on page F-2a.

FINANCIAL DATA

The 1990 Budget totals \$169.1 million; \$70.4 million for operations, \$43.7 millions for new capital projects, and \$55.0 million for assorted Carryover projects.

The Operating Budget has increased from a total of \$57.6 million a year ago to \$70.4 million this year. The majority of this increase is in the Non-Departmental section of the Budget with Debt Service increasing \$6.3 million over last year, Loans and Grants increasing \$2.0 million from a year ago with much of the increase due to pass-through funds which were not included within last year's Budget, and Community Based Organizations increasing \$1.5 million over last year.

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The 1990 list of new Capital Improvement projects total \$43.7 million. This compares to \$6.5 million for new Capital Improvement projects last year. The majority of this \$37.2 million increase is a direct result of the sale of tax allocation bonds and certificates of participation for the 1990 year. Funds from these debt instruments are used for new capital projects. It also explains why debt service payments are increasing \$6.3 million (See above).

Last year's carryover of Capital Improvements total \$56.7 million. This compares to a carryover of \$47.9 million for Capital Improvement projects this year. The prior year budget did not include an amount for carryover of Loans and Grants, Community Based Organizations or CDBG contingencies so a comparison is not possible.

ENVIRONMENTAL REVIEW

This action is not a project under CEQA, as defined under Section 15378(b), and is exempt for NEPA review per 24CFR part 58.34(a)(3).

MBE/WBE EFFORTS

Not required to this item.

POLICY IMPLICATIONS

The action proposed in this staff report is consistent with previously approved policy previously approved policy and there is no policy change being recommended.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of December 4, 1989, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolutions. The votes were as follows:

AYES:

NOES:

ABSENT:

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RECOMMENDATION

The staff recommends that the Housing Authority and the Redevelopment Agency (1) adopt the attached resolutions adopting the 1990 Agency Budget, and (2) authorize submission of the Annual Housing Operating Budgets to DHUD.

Respectfully submitted,



ROBERT E. SMITH
Executive Director

TRANSMITTAL TO COUNCIL:

Walter J. Slipe
City Manager

Contact person: Terry L. Wolford, 440-1340

RESOLUTION NO.

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO

ON DATE OF _____

ADOPTING THE BUDGET FOR THE HOUSING AUTHORITY
OF THE CITY OF SACRAMENTO FOR 1990.

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

Section 1: The Budget dated November 22, 1989 is hereby approved as the Budget of the Housing Authority of the City of Sacramento for the 1990 calendar year.

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

Section 3: Unspent appropriations relating to Carryover projects (listed in Section G of the Budget) in progress at December 31, 1989 are carried forward in the calendar year 1990.

Section 4: As to the items contained in Section F of the Budget, the Capital Improvements Program, and those items only, the budgeted amount for any item therein may be amended by the 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 and all supporting documents for 1990 to the United States Department of Housing and Urban Development.

Section 6: That the proposed expenditures under the 1990 Housing Operating Budgets are necessary in the efficient and economical operation of the housing for the purpose of serving low-income families.

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____

Section 7: That the housing financial plan 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.

Section 8: That all proposed rental charges and expenditures will be consistent with provisions of law and the Annual Contribution Contract.

Section 9: The Executive Director is authorized to enter into necessary contracts with HUD and other federal, state, and local granting agencies for programs contained with this Budget.

Section 10: Salaries will be increased for cost of living adjustment of 4.3% for represented and for those unrepresented employees not receiving a salary equity adjustment in accordance with the Shannon Salary Study.

Section 11: Effective August 1, 1990, increase the maximum monthly contribution to the medical and dental group insurance for unrepresented employees by the amount of increase in the full family premium rates for the PERS sponsored Kaiser Health Plan and Dental Plan of America (CPIC.) The insurance contribution for represented employees is covered by the labor contracts.

Section 12: Revise Section 8.5A. of the Personnel Rules to state that, "Program Managers shall not be entitled to overtime compensation and any overtime worked shall be considered part of the duties and responsibilities of the position." In lieu of the overtime benefit, Section 9.7 of the Personnel Rules shall be revised to provide that Program Managers shall be authorized forty (40) hours of annual executive leave.

Section 13: This resolution shall take effect immediately.

CHAIR

ATTEST:

SECRETARY

FOR CITY CLERK USE ONLY

RESOLUTION NO. _____

DATE ADOPTED: _____

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF _____

ADOPTING THE BUDGET FOR THE REDEVELOPMENT AGENCY
OF THE CITY OF SACRAMENTO FOR 1990.

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

Section 1: The Budget dated November 22, 1989 is hereby approved as the Budget of the Redevelopment Agency of the City of Sacramento for the 1990 calendar year.

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

Section 3: Unspent appropriations relating to Carryover projects (listed in Section G of the Budget) in progress at December 31, 1989 are carried forward in the calendar year 1990.

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