

24

MEADOWVIEW COMMUNITY IMPROVEMENT COMMITTEE  
7700 Sweetbrier Way  
Sacramento, California 95832  
Telephone: (916) 665-1279

Lorraine Magana  
City Clerk  
City Hall, 915 I Street  
Sacramento, Calif. 95814

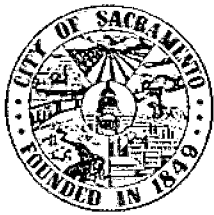
Dear Mrs. Magana:

The Meadowview Community Improvement Committee would like to be placed on the 7:30pm Tuesday, December 8, 1981 City Council's agenda. We would like to address two issues. They are the CDBG Final Management Study Report and the submission review of the Meadowview area 1982-1983 CDBG priority activity. Your immediate respond to our request will be greatly appreciated.

Yours truly,

*Henryne A. Hines*

Henryne A. Hines



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## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

December 2, 1981  
**APPROVED**  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

CITY MANAGER'S OFFICE  
**APPROVED**  
SACRAMENTO HOUSING AUTHORITY  
CITY OF SACRAMENTO  
DEC 2 1981

Housing Authority of the  
City of Sacramento  
Redevelopment Agency of the  
City of Sacramento

DEC 8 1981

Honorable Members in Session:

DEC 8 1984

SUBJECT: Interim Management Team Final Management Study Report

### SUMMARY

On December 1, 1981, the City Council Budget/Finance and Planning/Community Development Committees held a public meeting to review the Interim Management Team Final Management Study Report dated November 19, 1981 (see attached). The Committees by a vote of five ayes, one noe recommended: (1) continuing the issue of consolidating the City and County Community Development Block Grant (CDBG) programs and transfer of respective City and County CDBG staff positions at the Agency until December 8, 1981; and (2) continuing all other portions of the report for sixty days in order to allow additional review and comment by the three Project Area Committees.

On December 8, 1981, the Committees will conduct a second public meeting to specifically discuss the CDBG consolidation issue. The recommendation of the Committees will be presented to the Housing Authority and Redevelopment Agency at the scheduled December 8, 1981 meeting. It is anticipated the Committees will take action on this issue.

### VOTE AND RECOMMENDATION OF COMMISSION

At its special meeting of November 30, 1981, the Sacramento Housing and Redevelopment Commission recommended adoption of the Final Management Study Report. The vote was recorded as follows:

AYES: Fisher, Knepprath, Luevano, A. Miller, Teramoto,  
Walton, B. Miller  
NOES: None  
VACANCY: One  
ABSENT: Coleman

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Housing Authority and  
Redevelopment Agency of the  
City of Sacramento  
Page Two

December 2, 1981

RECOMMENDATION

The staff recommends: (1) approval of those portions of the Final Management Study Report regarding consolidation of City and County CDBG programs and transfer of respective City and County CDBG staff positions; and (2) continuance of all other portions of the report for sixty days.

Respectfully submitted,

*William H Edgar*

WILLIAM H. EDGAR  
Interim Executive Director

TRANSMITTAL TO COUNCIL:

*Walter J Slife*

WALTER J. SLIFE, City Manager

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OAK PARK PROJECT AREA COMMITTEE, INCORPORATED

3639 FOURTH AVENUE  
SACRAMENTO, CA. 95817  
457-6525

December 8, 1981

Budget and Finance Committee  
Planning & Community Development  
Committee of the City of Sacramento  
Sacramento, Ca. 95814

Honorable Members in Session


Subject: Consolidation of City and County CDBG Program

On December 2, 1981, the Oak Park PAC board members discussed the SHRA's final management report #4 with Bob Smith and Andy Plescia. The PAC Board voted to oppose the consolidation of the City and County CDBG program. Some of the rationale used was:

That consolidation of the City and County CDBG program under the Agency would result in too much control of CDBG funds by one organization.

Secondly, if consolidation of City and County CDBG program and respective staff is approved, eventually the PAC staff would become SHRA employees, resulting in loss of control of the staff by PAC. The "community advocacy" role of the PAC would be diminished tremendously.

Sincerely,

  
WALTER MAE MIKES, President  
Oak Park Project Area Committee

LBW/fdd  
cc: City Council  
WEggar  
Ad files

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**RESOLUTION NO. 81-104**

ADOPTED BY THE HOUSING AUTHORITY OF THE CITY OF SACRAMENTO  
ON DATE OF

December 8, 1981

ADOPTING FINAL MANAGEMENT STUDY REPORT

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

Section 1. The report of the Interim Executive Director regarding the implementation of prior recommendations is received and filed.

Section 2. The recommendations regarding consolidation of the City and County Community Development Block Grant programs into the Policy/Planning Unit are approved subject to (1) a report back to this Board by the staff on specific provisions of a plan of implementation and (2) a report within one year of adoption of such Plan evaluating the success of this consolidation.

Section 3. Consideration of all of the other recommendations of the study is deferred for sixty (60) days from the date of this resolution.

\_\_\_\_\_  
CHAIRMAN

ATTEST:

\_\_\_\_\_  
SECRETARY

**APPROVED**  
SACRAMENTO HOUSING AUTHORITY  
CITY OF SACRAMENTO

DEC 8 1984

24

# RESOLUTION NO. 81-089

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO

ON DATE OF

December 8, 1981

## ADOPTING FINAL MANAGEMENT STUDY REPORT

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

Section 1. The report of the Interim Executive Director regarding the implementation of prior recommendations is received and filed.

Section 2. The recommendations regarding consolidation of the City and County Community Development Block Grant programs into the Policy/Planning Unit are approved subject to (1) a report back to this Board by the staff on specific provisions of a plan of implementation and (2) a report within one year of adoption of such Plan evaluating the success of this consolidation.

Section 3. Consideration of all of the other recommendations of the study is deferred for sixty (60) days from the date of this resolution.

\_\_\_\_\_  
CHAIRMAN

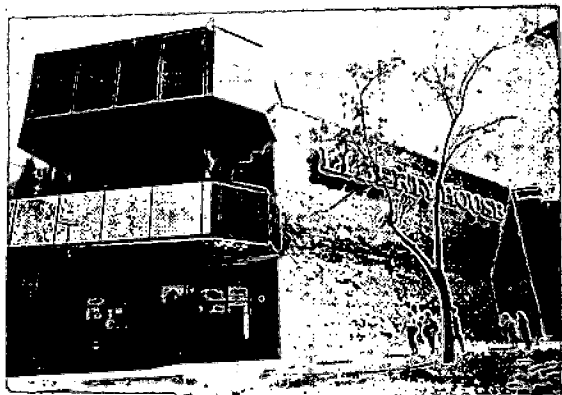
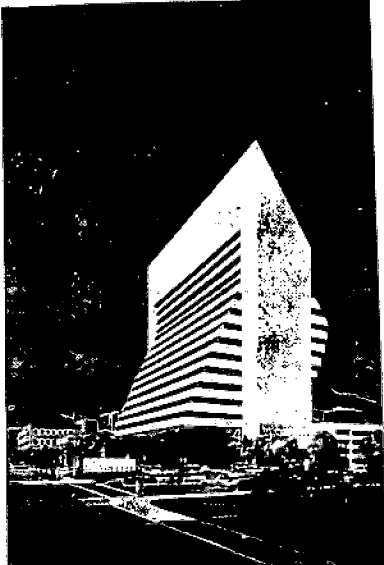
ATTEST:

\_\_\_\_\_  
SECRETARY

**APPROVED**  
SACRAMENTO REDEVELOPMENT AGENCY  
CITY OF SACRAMENTO

DEC 8 1981

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



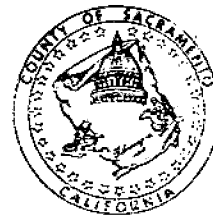
## FINAL MANAGEMENT STUDY REPORT

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

INTERIM ADMINISTRATION  
FINAL MANAGEMENT STUDY REPORT

NOVEMBER 1981





## SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

November 19, 1981

Sacramento Housing and  
Redevelopment Commission  
City Council of the  
City of Sacramento  
Board of Supervisors of the  
County of Sacramento

Honorable Members in Session:

Transmitted herein is the Agency's Interim Administration's Final Management Study Report. This report is the fourth and final in a series of four reports submitted to the Sacramento Housing and Redevelopment Commission, the City Council and the Board of Supervisors.

We have included, as an Exhibit, a status report on the implementation of Management Study Report No. 3 as well as other changes already approved by the Governing Boards.

You will recall that the two primary objectives of the Interim Management Team were to: (1) prepare a comprehensive organizational and management study that would serve as a master plan for improving the Agency's administration; and (2) administer and manage the Agency on a continuing basis to keep programs and activities operating effectively and efficiently.

These two objectives overlap since both were carried out simultaneously by the Management Team. As a result, the status report, which has been included as an Exhibit, simply attempts to review the progress of major changes relating to organizational structure, personnel assignments and changes in significant administrative and programmatic policies. Other changes and improvements were also made during the course of administering the Agency on a day-to-day basis; but these are simply too numerous to mention in this report. The status report also reviews the actions of the Governing Boards' Legal Task Force. The Task Force has prepared a report recommending changes in the legal structure within which the Agency now operates and was recently approved by the Housing Authority and Redevelopment Agency of the City of Sacramento on October 20, 1981 and the

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

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Page Two

November 19, 1981

Housing Authority and Redevelopment Agency of the County of Sacramento on October 27, 1981.

Finally, the status report identifies certain problems relating to the way Sacramento Heritage, Inc. is now operating and suggests that this matter be the subject of a further report to be considered at a later date.

This final study report is meant to provide a suggested future direction for the Agency which could serve as a "road-map" for the administration to follow in the future. Specifically, the report proposes a "mission statement" that attempts to identify goals and objectives for each of the Community Development, Housing and Community Services activities of the Agency.

The report also recommends establishment of a Policy/Planning Unit which would provide the Agency with the analytic capacity to recommend changes to existing policies or the establishment of new policies where justified. The unit, if approved, would also provide a mechanism for the Agency to implement the Community Development Block Grant (CDBG) Program for the City and County. Finally, this unit would provide the necessary capacity for the Agency to evaluate various activities and programs that it operates.

The suggested "mission statement" and the proposed establishment of the Policy/Planning Unit are the central issues to be addressed in this report. Since the justification for these recommendations are included in the body of the report, no detailed rationale is provided here. The rejection, modification and/or approval of these recommendations are a fitting conclusion to this lengthy study since it will provide a direction for the reconstituted Agency to follow in the future.

## RECOMMENDATION

The staff recommends that: (1) the Sacramento Housing and Redevelopment Commission, the City Council and the Board of Supervisors approve this Final Management Study Report and authorize the Interim Executive Director to implement the report's specific recommendations; and (2) the subject of the duration of the Interim Management Team (specifically the Executive Director and Deputy Executive Director) be addressed in a report prepared by the City Manager and County Executive. With the submission of

# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

Governing Boards  
Page Three

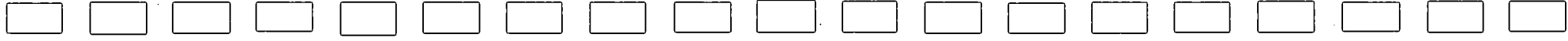
November 19, 1981

this Final Report, the task of the Interim Management Team is completed and we are now in the mode of operating the Agency.

Respectfully submitted,

*William H. Edgar*

WILLIAM H. EDGAR  
Interim Executive Director



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**CONCLUSIONS  
AND RECOMMENDATIONS**

## I. CONCLUSIONS AND RECOMMENDATIONS

The following are the conclusions and recommendations of this Report:

### A. Conclusions

#### 1. Policy/Planning Unit

- a. Although the current Community Development planning and Community Development Block Grant Programs are working, there is fragmentation among the City, County and Agency staffs. This fragmentation has prevented both programs from being implemented in the most efficient and effective manner.
- b. The fragmented planning process is also aggravated by the separation of the planning and implementation functions. As a result, the Agency is often placed in a position of attempting to operate programs or implement plans which have little relation to its ability to produce as measured by the available financial resources.
- c. This split planning responsibility also forces the County and City staffs to rely on the annual evaluation of programs in order to make needed adjustments, instead of during the year.
- d. The fragmented planning process has aggravated an already unequal citizen participation structure, especially, in the City where clear direction and authority is needed to revise the existing situation.
- e. There is no analytic capacity at the Agency to perform the required advance studies, analyses and program evaluations an organization needs for it to operate effectively and efficiently and to plan for the future. This would include studies and analyses to explore innovative housing concepts, specialized physical improvement programs, creative financing concepts and general organizational analysis.

#### 2. Mission Statement

- a. The priority of the community development activities of the Agency should be re-ordered.
- b. The philosophical direction that the Agency is taking in the area of housing should be clearly stated now and defined for the future.
- c. The role that the Agency is now taking and might take in the future in the area of providing social services should be carefully thought out and defined for the future.

3. Sacramento Heritage, Inc. (Discussed in the Exhibit to this Report)

- a. The productivity of the Sacramento Heritage, Inc. has been poor.
- b. The productivity problems stem from the absence of a clearly defined role for the organization, problems related to organizational structure and problems related to the lack of administrative capacity, policies, rules and regulations.

B. Recommendations

1. Policy/Planning Unit

It is recommended that:

- a. The administrations of both the City and County Community Development Block Grant (CDBG) Programs be transferred to the Agency;
- b. The City would continue to do overall master planning, identification of designated low and moderate income target areas and review of re-development planning/programming by the Agency for consistency with the overall General Plan;
- c. The existing City and County staff who are currently working in the CDBG Program be transferred to the Agency as recommended in the Report in order to continue the administration of the programs;
- d. The Agency become responsible for the preparation of the annual Community Development Block Grant Applications and the required Housing Assistance Plans for both the City and the County;
- e. The County Community Development Commission be relieved of its responsibilities with regard to the CDBG Program and that the Sacramento Housing and Redevelopment Commission (SHRC) assume these responsibilities;
- f. The existing Target Area Committees (TAC) in the County continue to provide local input for neighborhood activities and continue to receive staff support;
- g. The Sacramento Housing and Redevelopment Commission be designated the citizen review body for all CDBG programs for the City and County;



- h. The legislative review structure at the City would not change with review by the City Planning Commission and Sacramento Housing and Redevelopment Commission, and overall review responsibility with the City Council Budget and Finance Committee;
- i. The existing Project Area Committees (PAC), as required under State Law, continue to advise on redevelopment matters in their respective areas subject to an evaluation that would examine the strategy of transferring existing PAC staffs to the Agency and enable them to provide staff support for planning and citizen participation in other target neighborhoods of the City;
- j. A small analytic section of four positions be authorized and, together with the Community Development Block Grant Program, be combined into a single Policy/Planning Unit reporting to the Deputy Executive Director.
- k. The County of Sacramento would retain annually up to 10% of future CDBG funds for Health and Welfare Services if changes in CDBG regulations are approved.

## 2. Mission Statement

### a. Community Development

It is recommended that the Agency develop multi-year strategies to systematically recommend programs which eliminate physical, economic and social blight within the Sacramento Community. Neighborhoods, such as Oak Park, Del Paso Heights, Fruitridge and Walnut Grove, as well as new communities, will be selected and ranked for high priority action. In other areas, such as the central downtown business district and Alkali Flat, there is substantial privately financed development already taking place or likely to occur. However, there is still some Agency effort necessary for completion of these project areas. Concentrating the Agency's limited resources will ensure that local government involvement in the redevelopment process will occur in the area of highest need as approved by the legislative bodies.

It is further recommended that the Agency's future role in community development be concentrated in two areas:

- (1) contract compliance, to ensure that all of the community development activities are carried out in a timely manner consistent with Governing Board policies;
- (2) implementation of community development strategies in identified neighborhoods that require revitalization such as Oak Park, Del Paso Heights,

Fruitridge and Walnut Grove. Included in this emphasis on neighborhood revitalization would be the preparation of a long range plan and strategy of neighborhood revitalization for all potential areas of the City and County with priorities and timetables.

b. Housing

It is recommended that the Agency be the primary governmental entity charged with the provision of housing safe, decent and sanitary rental units within the economic means of the poor, who cannot otherwise be accommodated within the market place. In addition, the Agency shall encourage and/or implement programs that provide affordable housing opportunities for all segments of the community where these cannot otherwise be provided by the market place.

It is also recommended that the Agency work to provide an environment that promotes homeownership opportunities to its low-income clients through the appropriate housing finance programs, provision of home management counseling programs, cooperative maintenance services, economic incentives and the provision of a network of community services for its housing tenants.

c. Community Services

It is recommended that the Agency provide social services to its low-income clients in the following order of priority:

- (1) facilitate the provision of social services to the Agency's clients by traditional service providers that exist and are now operating in the community;
- (2) contract with existing agencies to provide social services to our clients;
- (3) where services are completely lacking, establish as a "provider of last resort" those social services that are required by our clients.

3. Sacramento Heritage, Inc. (Discussed in the Exhibit to this Report)

- a. It is recommended that the Agency staff be instructed to prepare a report reassessing the goals, objectives, organizational structure, staffing capacity, programmatic policies and administrative rules and regulations. This report would be reviewed and discussed at a later date.

# BACKGROUND



## II. BACKGROUND

### A. Management Study Report No. 3

On March 17, 1981, the County Board of Supervisors and City Council approved Management Study Report No. 3. The approval of that report authorized the Interim Executive Director to:

1. Implement refinements to the organization of the Agency:
  - a. Establish a Central Services Division within the Department of Administration to be managed by the Director of Administration, with staff assistance from the management analyst function.
  - b. Establish a Director position to manage the Department of Administration, including management of staff division workloads, development of a coordinated component for providing support services and processing of Agency matters.
  - c. Establish a Housing Department consisting of three divisions - Management, Maintenance and Community Services, which would be managed by division chiefs.
  - d. Approve personnel transactions resulting from the reorganization noted above, including additions, transfers and deletions.
2. Proceed with the recommended staff work related to the establishment of a staff development and training program; establishment of a preventive maintenance program; and development of a policy/planning unit.
3. Proceed with the recommended staff work related to the continued up-grading and implementing of a modernized accounting system for the Agency, the personnel rules, the implementing of a job classification/pay study and the establishing of certain administrative policies for the Agency (legal/public notices, central bid openings, travel cost and expense policy).
4. Proceed with implementing the process of studying alternatives to the Agency's legal structure, including assisting in the development of a recommendation by the established ad hoc committee which would be presented to the Governing Boards.

5. Begin recruitment for the new Executive Director on April 1, 1981, which would include a ninety (90) day recruitment period and a thirty (30) day maintenance period to phase out the Interim Administration and seat the new Executive Director. This recommendation was later changed in the subsequent report prepared by the City Manager and County Executive.
6. Implement the resolution amending the 1981 Agency Budget to reflect recommendations included in this report.

This final report summarizes, in the Exhibit, the many changes which have been made and the status of implementing these changes; but it also attempts to suggest further changes which should be considered now.

B. Duration of Interim Management Team/Recruitment of Executive Director

As part of Management Study Report No. 3, the Sacramento Housing and Redevelopment Commission recommended that the matter of recruitment and selection of a permanent Executive Director be the subject of a report prepared by the County Executive and City Manager. This recommendation was approved by the Board of Supervisors and City Council on March 17, 1981.

The report was prepared and the County Board of Supervisors and City Council adopted it on April 28, 1981. The report included the following recommendations:

1. Approval of the classification specification and pay range for the position of Director of Administration to be implemented as of July 1, 1981, and that the 1981 Agency Budget be amended accordingly.
2. Approval of the classification specification and pay range for the position of Director of Finance to be implemented as of July 1, 1981 and that the 1981 Agency Budget be amended accordingly.
3. Approval of a contract between the Agency and the former Director of Finance providing for her retention on the Agency payroll from July 1, 1981 through December 31, 1981 for special assistance to the new Director of Finance.
4. Approval of a contract between the Agency and the former Director of Management and Maintenance providing for her retention on the Agency payroll from July 1, 1981 through December 31, 1981 for special assistance to the new Director of Housing.

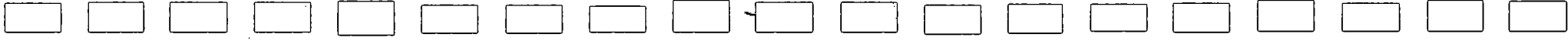
5. Approval of a Personnel Services Agreement providing that Robert E. Smith fill the position of Principal Analyst/Interim Deputy Executive Director and that he be assigned to the Agency for the 1981-82 fiscal year.
6. Approval of a Personnel Services Agreement providing that William H. Edgar fill the position of Assistant City Manager/Interim Executive Director and that he be assigned to the Agency for the 1981-82 fiscal year.
7. Suspend indefinitely the recruitment for the permanent Executive Director.

These recommendations attempted to address the need to extend the assignment of the Interim Management Team, the need to make the administration of the Agency more permanent, the resolution of the workload problems of the City and the County, and the need to address employment considerations of the Interim Management Team members.

A complete status report regarding the implementation of Management Study Report No. 3, as well as other changes which have been approved by the Governing Boards, has been included as an Exhibit to this report.

The central focus of the body of this report is to provide a suggested future direction for the Agency. Therefore, we have dealt with "where we go from here" in the body of the report, and included the history of and a status report on "where we are now" in the Exhibit.

With submission of this Final Report, the task of the Interim Management Team is completed. We have completed the objectives originally assigned and are now in the mode of operating the Agency. The subject of the duration of the Interim Management Team, specifically, the Executive Director and Deputy Executive Director, is to be addressed in a report prepared by the City Manager and County Executive.



# **POLICY / PLANNING UNIT**

### III. POLICY/PLANNING UNIT

Management Report Study No. 3 highlighted a number of problem areas that the Agency has historically faced relating to advance planning, generally and specifically, relating to community development. These problem areas are listed below in order to provide a summary of the current situation and a transition from Management Report Study No. 3 to this Final Report:

- Although the current Community Development planning and Community Development Block Grant Programs are working, there is fragmentation among the City, County and Agency staffs. This fragmentation has prevented both programs from being implemented in the most efficient and effective manner;
- This fragmented planning process is also aggravated by the separation of the planning and implementation functions. As a result, the Agency is often placed in a position of attempting to operate programs or implement plans that have little relation to its ability to produce, as measured by the available financial resources.
- This split planning responsibility also forces the County and City staffs to rely on annual evaluations of programs in order to make needed adjustments instead of during the year.
- The fragmented planning process has also aggravated an already unequal citizen participation structure, especially in the City, where clear direction and authority is needed to revise the existing situation.
- Finally, there is no analytic capacity at the Agency to perform the required advance studies, analyses and program evaluations needed in an organization for it to operate effectively and efficiently and to plan for the future. This would include studies and analyses to explore innovative housing concepts, specialized physical improvement programs, creative financing concepts and general organizational analysis.

The identification of these problem areas does not imply that the County, City or Agency has provided a poor comprehensive planning process for Community development. The purpose of this Report is to point out that the current process could be improved significantly and made more cost effective if the administration, planning and implementation of the Community Development Block Grant Program were combined and centralized within a single organization. And, since the Agency has the statutory authority to accomplish comprehensive financial and programmatic planning as well as the logical and traditional



role of coordination of community revitalization, we believe that it should be given the responsibility and authority for comprehensive planning and implementation for the revitalization of CDBG target areas.

Because of the need for an organization the size of the Agency to have an analytic or advance planning capability, we have also recommended that a small analytical section be created to accomplish the general administrative and operational studies that will always be required in order for this organization to function properly. We are also recommending that the existing position that provides staff support for the Mortgage Revenue Bond Program be transferred to this unit.

The Report recommends that these two policy/planning functions (community development and general analysis) be consolidated into a single Policy/Planning Unit reporting directly to the Deputy Executive Director.

#### A. The Existing Situation

In this section, we have attempted to describe the current situation as it relates to the Community Development Block Grant Program and the lack of separate unit to perform analysis within the Agency.

##### 1. CDBG Program

The Community Development Block Grant Program (CDBG) was established by the Federal Government in the mid-1970's to consolidate a number of categorical funding sources into a single "block grant" program that is administered locally with local decision-making allowed within certain guidelines. Eligible activities include property acquisition, public improvement of streets, sewers, rehabilitation of homes and businesses, historic preservation. The current allocation for the City and County of Sacramento is approximately \$5 million per year for each jurisdiction.

##### 2. Current CDBG Staffing and Costs

The local administrative staffing pattern and related costs for the Community Development Block Grant Programs for both the City and County are shown on the Table on the following page.

CURRENT CDBG POSITIONS AND COSTS

	<u>Direct CDBG Costs/Pos.</u>	<u>Related to CDBG Costs/Pos.</u>	<u>Subtotal</u>
<u>City</u>			
Professional Employees	\$ 91,408/2.6	\$ 84,757/2.7	\$176,165/5.3
Clerical Employees	6,825/ .4	20,385/1.1	27,210/1.5
Services/Supplies	78,100	54,425	132,525
Indirect Costs	<u>50,950</u>	<u>64,850</u>	<u>115,800</u>
Subtotal	\$227,283/3.0	\$224,417/3.8	\$451,700/6.8
<u>County</u>			
Professional Employees	\$297,292/9.0	\$ -0-	\$297,292/9.0
Clerical Employees	43,010/1.5	-0-	43,010/1.5
Services/Supplies	93,992	119,844	213,836
Indirect Costs	<u>8,117</u>	<u>-0-</u>	<u>8,117</u>
Subtotal	\$442,411/10.5	\$119,844	\$562,255/10.5
TOTAL	<u>\$669,694/13.5</u>	<u>\$344,261/3.8</u>	<u>\$1,013,955/17.3</u>
<u>Source of Funds</u>			
CDBG	<u>\$669,694</u>	<u>\$344,261</u>	<u>\$1,013,955</u>

### 3. Analysis of Current CDBG Staffing and Costs

An analysis of current CDBG staffing and related costs raises two points.

First, it is obvious that the approaches taken by the City and the County are different. The City uses about 45% of its CDBG supported staff and 51% of its CDBG administrative funds exclusively for direct administration of the CDBG Program, while the remainder is used for activities supporting and relating to the program, such as studies which indirectly effect established target areas. Also, the City--through its strategy of funding projects carried out by City departments--and the Agency relies on existing support services which the City provides such as accounting and contract compliance, etc.

The County, on the other hand, has a greater number of outside program operators including special districts and non-profit community based organizations, performing CDBG activities. In order to deal effectively with this strategy, the County has placed all of its administrative staff and support resources into a single unit which performs CDBG activities exclusively. Among others, these activities include accounting, contract compliance, construction inspection, planning, etc.

Second, there are many similarities between the City and County programs such as the need for employees with common backgrounds and professions, for example, administrators, planning analysts and various fiscal, environmental and other specialists.

### 4. The Current CDBG Planning Process

The planning process for the annual CDBG activities is done in a variety of ways. In the City, the Agency staff (along with the City staff) has taken the lead in the established redevelopment areas such as Del Paso Heights, Alkali Flat and Oak Park. In the other CDBG target areas, the City CDBG staff annually conducts a series of public meetings with community groups and residents to develop a consensus of opinion on needed improvements.

The County CDBG staff, on the other hand, working through the Technical Advisory Committees (TAC), prepares the annual public work activities; the Agency staff proposes plans in selected areas where redevelopment projects, such as in Walnut Grove and Locke have been approved by the Board of Supervisors.

The problems associated with this fragmented approach have been mentioned before and include:

- The division of responsibility between the planning and implementation of the phases of the program which has created problems associated with improper coordination problems.
- The lack of clear direction and identification of of a single agency responsible for overall planning, implementation and coordination of housing and community development functions, which has produced a system of confusing accountability for the program.
- The split between program administrators and program implementation in three different legal entities (City, County, Agency), which tends to create a climate of "we/they" which, in turn, leads to program inefficiencies, limited coordination and duplication of administrative and technical staff. All of this in turn results in inflated costs to operate programs.

As for redevelopment activities, the Agency is currently in the process of hiring a Project Manager to manage the Redevelopment Division and realign the staff in direct relation to the backlog of work. This action, as approved in Management Study Report No. 3, is expected to adequately provide support to the existing project areas and programs.

In this context, it is important to point out that the Agency has no excess staff capacity at the present time to undertake long-range planning, special studies, or accomplish needed research into innovative techniques to revitalize neighborhoods, provide new housing, leverage funds and so forth.

##### 5. Current Citizen Participation Process

Citizen participation in the City and County is approved differently. The City has three Project Area Committees in established redevelopment areas with paid staff to provide input. City staff also conducts a series of public meetings (several times annually) in other CDBG target areas to gain community input.

The County has five Target Area Committees (TAC) representing various community areas. The TAC's do not have their own paid staff but are supplied with technical assistance primarily by the County staff.

The review and recommending body in the City is the City Council Budget and Finance Committee with input from the Sacramento Housing and Redevelopment Commission regarding the proposed activities related to housing and redevelopment matters implemented by the Agency. Acti-

vities proposed by City Departments are only reviewed for comment by the Commission. The review and recommending body of the County is the Community Development Commission which reviews and recommends on all proposed CDBG activities. The SHRC reviews that portion of CDBG activities implemented by the Agency.

The conclusions and problems related to the current method by which citizen participation is organized and operates in the Community Development Block Grant Program include:

- A duplication of effort and resulting confusion regarding the roles and responsibilities of the Housing and Redevelopment Commission of the Agency vis-a-vis the Community Development Commission of the County.
- An unequal citizen representation in the CDBG Target Areas.

6. Analytic Capacity

As noted earlier in this report, the Agency does not have any excess staff capacity to undertake long-range planning and evaluation. At the present time, there are no resources to accomplish special studies, to conduct meaningful research into solving major community problems or to create development and investment opportunities that will assist in carrying out the objectives of the Agency. The tightening of Federal and State budgets present a bleak future with regard to grants and other funds to be used by Sacramento for community development. There is an increasing need to become more self reliant and forge new relationships with the private sector. Programs such as the Urban Development Action Grant marked the beginnings of new and innovative partnerships that communities will have to employ in the future. The mortgage revenue bond program jointly developed by the City, County and Agency is another example of public/private partnerships.

In addition, there is a need for analytic capacity within the organization to accomplish general analysis and studies which would enable the organization to operate more effectively and efficiently. These studies would include analysis of program operations, budget analysis, detailed evaluation of new office equipment, vehicles analysis and program evaluation throughout the Agency.

The fact is, there will be less money in the future to operate programs and public organizations. The need

for an analytical capacity is critical in order for us to accomplish our mission in community development, maintain the integrity of our housing programs and operate an efficient and effective organization.

B. The Proposed Situation

In this section, we have attempted to describe our proposal to combine the Community Development Block Grant Programs of both the County and City into a single unit to be administered by the Agency. In addition, we have attempted to describe our proposal to create an analytic capacity. It is recommended that both the community development and general analysis staff be combined into a single Policy/Planning Unit reporting to the Deputy Executive Director of the Agency.

More specifically, the Management Team is recommending that:

- The administration of the City and County Community Development Block Grant Programs be transferred to the Agency.
- The existing City and County staff who are currently working in the CDBG Programs be transferred to the Agency as recommended in this Report in order to continue the administration of the programs. These efforts would be supported by the housing and community development personnel of the Agency.
- The Agency become responsible for the preparation of the annual Community Development Block Grant application and the required Housing Assistance Plans for both the City and the County.
- The City would continue to do physical master planning, identification of designated low and moderate income target areas and review of redevelopment planning/programming efforts by the Agency for consistency with the overall General Plan.
- The County Community Development Commission be relieved of its responsibilities with regard to the CDBG Program and that the Sacramento Housing and Redevelopment Commission assume these responsibilities.
- The Sacramento Housing and Redevelopment Commission be designated the citizen review body for all CDBG Programs for the City and County.
- The legislative review structure at the City would not change with review by the City Planning Commission and the Sacramento Housing and Redevelopment Commission and

overall review responsibility with the City Council Budget and Finance Committee.

- The existing Target Area Committees (TAC's) in the County continue to provide local input for neighborhood activities and continue to receive staff support.
- The existing Project Area Committees (PACs), as required under State Law, continue to advise on Redevelopment matters in their respective areas subject to an evaluation that would examine the strategy of transferring the existing PAC staffs to the Agency and enable them to provide staff support for planning and citizen participation in other target neighborhoods of the City.
- A small analytic unit of four positions authorized and together with the Community Development Block Grant programs be combined into a single Policy/Planning Unit reporting to the Deputy Executive Director.

This analytic unit would be responsible for providing a long range planning capability for the Agency to solve community development problems and to explore innovative concepts and implementation plans for housing, economic development and physical improvements. In addition, this unit would be charged with creative financial planning involving private/public partnerships and the generation of additional outside funds to meet Agency objectives. Finally, this unit would perform general analysis and operational studies as well as evaluation of Agency programs to insure that the organization is operating effectively and efficiently.

1. The Proposed Administrative Process

As mentioned above, the Management Team is recommending that the administration of the Community Development Block Grant Programs for both the City and County be transferred to the Agency.

This recommendation would obviously leave in place the legal authority of the City and County to receive and allocate CDBG funds. The City and County would continue to allocate, respectively, all CDBG funding for proposed CDBG activities.

The structure of legislative review would not change. At the City, the CDBG Program would continue to be reviewed by the City Planning Commission and Sacramento Housing and Redevelopment Commission with overall review responsibility for legislative decision by the City Council Budget and Finance Committee and City Council. The major change would be that whereas under the present system, the Agency receives a portion of the yearly City-County CDBG alloca-

tion and executes contracts with the City and County for the implementation of specifically approved activities, the proposed system would require that the Agency be responsible for complete program development and implementation.

It is proposed that the Agency be given full responsibility for overall CDBG Program evaluation and be required to prepare an annual report to the respective legislative bodies which would be subject to the review and recommendation of the County Executive and City Manager.

With respect to the local relationships with the Department of Housing and Urban Development (DHUD), it is proposed that the Agency be given the responsibility for the preparation of all correspondence with HUD concerning the CDBG Program, on behalf of the City and County. In addition, the Agency should also be given the responsibility and authority, by contract, for the administration of the CDBG Program including the responsibility for the drawdown of funds. The Agency would either accomplish the individual project/program components itself, contract with others for services, or obtain the services of the City and/or County Departments through a work authorization procedure. The Agency would, of course, be responsible for payments, record keeping, audit functions and other such duties.

It is also proposed that the Agency be given the responsibility of preparing reports to the City Council and the Board of Supervisors for the signature and approval of the City Manager and the County Executive on all CDBG matters.

The City would continue to coordinate physical master planning, capital improvements programming and designation of low and moderate income areas with Agency redevelopment planning/programming efforts for overall consistency. This would require retention of five staff positions formerly associated with direct and indirect administration of the CDBG Program. The positions are one Senior Planner, three Associate Planners and one Stenographer Clerk II.

Under the proposed system, the relationship between the CDBG Program and the operating departments of the County and City (Public Works, Community Services, Health, Welfare, etc.) would remain the same. For example, with respect to capital improvement projects, the Department of Public Works would continue plan review, contractor selection, contract supervision, labor compliance and permit functions as well as the



rehabilitation permit inspection function. Similarly citizen organizations and special districts would continue in their current roles.

The change would be the manner in which decisions were made, especially as they affect community development at the neighborhood level. Hopefully, as a result of a more centralized system, greater coordination and integration of plans and programs would take place with more local input into the decision-making process.

It is proposed that the Agency be instructed to use other organizations when and if there is a demonstrated need and where it becomes evident that a specific project cannot be carried out by the City and County in accordance with community development objectives. Such organizations and/or Agencies could be special districts, community based organizations or other non-governmental entities.

It is, however, proposed that the Agency's legal staff be given the responsibility for carrying out all legal activities, including contracts, relating to the CDBG Programs.

Finally, it is proposed that the County and City be authorized to charge to the CDBG Program, the appropriate administrative costs related to expenses which they incur as a result of program review and implementation. Examples of this that would be required are policy and project plan review, construction inspection and planning services. Funds would be set aside for such County and City services as well as other identifiable costs in the Agency's budget.

As a result of this, it is expected that minor decreases in workload within the City and County Legal Departments, the Auditor's office, the Finance Department and the Treasurer's office would occur. However, since all of the staff positions related to these programs would either be transferred or accommodated in some way, no major impacts upon either the County or City should occur.

## 2. The Proposed Citizen Participation Structure and Process

One of the most important and critical questions that must be addressed is whether or not community groups should be involved; and if so, what role should they play in the required citizen participation process. An analysis of this question reveals that the most productive process for involving community organizations in specific programs or projects would be as follows:

- a. The initial planning process should first identify the remedial programs which could be most effectively implemented by non-profit organizations. These programs would obviously be based upon the needs assessment of the target area, and typically would consist of specialized low-income housing programs, federally financed physical improvement activities and specific social service programs.

Usually, these programs would be physical improvement or social service projects in which the relationship of the community based organization and the community would facilitate the effective implementation of the program. Weatherization programs, specialized handicapped or emergency housing programs, emergency repair programs and neighborhood initiated improvements programs are examples of these types of activities.

- b. After the programs and projects have been identified in the initial planning process and a need has been determined by the staff, they would then be reviewed by the appropriate community groups in the area before submission to the appropriate Governing Board for approval. After the staff and community testimony, the Governing Board would then " earmark " funding for the program or project. The bidding process would then be initiated.

This system would insure that the program is needed and desired in the community before a specific appropriation is made to a community.

The City, unlike the County, has a twofold system for citizen participation which impacts significantly on the annual application process. Three of the citizens' groups which are legally constituted Project Area Committees (PACs) are located in the Alkali Flat, Del Paso Heights and Oak Park areas. They have paid staff and receive compensation for attending meetings. The average cost of each PAC is about \$100,000 per year. The remaining CDBG Target Areas have little or no organized representation.

The Management Team believes that there is inequity in the present situation. Although community participation is essential in the CDBG Programs, the implementation strategy must be carefully articulated. Additional funding for community based organizations is such a strategy and the City Council is currently considering an additional appropriation of \$120,000 for this purpose. We believe that there are other alternatives which are more cost effective, reduce inequalities and will provide a better program.

It is proposed that the City Council postpone final discussions on the additional funding for community based organizations until the proposal outlined below is fully explored and discussed.

In this regard, the Management Team proposes a system of citizen participation for both the County and the City that would involve community groups and is similar to that which is used by the County now. The proposal would equalize, to the greatest extent possible, the inequality of funding and staffing between community groups within and would include the following elements:

- Maintain the present advisory status of the three PACs within the City (Del Paso Heights, Alkali Flat and Oak Park).
- Consolidate and formalize all of the neighborhood groups into several logical coalitions to formally represent those areas.
- Reassign the existing staff of the three PACs (Del Paso Heights, Alkali Flat and Oak Park) consisting of a total of eight and one-half persons presently funded under CDBG. These employees would become Agency employees and be assigned to work with all of the groups representing larger areas.
- Utilize the \$120,000 for specific neighborhood improvement projects for which neighborhood groups could make proposals consistent with the process outlined above.
- Delegate to the Sacramento Housing and Redevelopment Commission the responsibility of reviewing and recommending on all CDBG Program activities and budgets for both the City and County.
- Relieve the County Community Development Advisory Commission of its responsibilities related to the CDBG Program.

### 3. Proposed Analytic Capacity

In addition to transferring the Community Development Block Grant Programs for both the City and the County to a Policy/Planning Unit reporting to the Deputy Executive Director of the Agency, it is proposed to create a small analytic section of four positions as part of the same Policy/Planning Unit to accomplish the needed administrative and operational studies alluded to before.

As previously indicated, the Agency simply does not have the capacity to perform long-range or advanced studies regarding community development, housing or general administrative and operational activities. This capacity is absolutely critical if the Agency is expected to perform effectively and efficiently in the future.

At the present time, the Agency has one analytic position which is funded from the Mortgage Revenue Bond Program and which we would propose being transferred to the Policy/Planning Unit.

The other positions in the small analytic section would be funded from savings from transferring the CDBG Program to the Agency.

This is more readily seen in the next section of this Report.

C. Comparative Financial Analysis

The comparative staffing pattern and related costs associated with transferring the Community Development Block Grant Program for both the County and the City to the Agency, creating a small analytic unit to accomplish needed studies and organizing both activities into a single Policy/Planning Unit reporting to the Deputy Executive Director is shown on the table on the following page.

COMPARATIVE FINANCIAL ANALYSIS - POSITIONS AND COSTS

POLICY/PLANNING UNIT

	<u>Existing System Costs/Pos.</u>	<u>Proposed System Costs/Pos.</u>	<u>Increase/ (Decrease) Costs/Pos.</u>
<u>CDBG Program</u>			
Professional Employees	\$ 473,457/14.3	\$ 319,328/8.0	(\$ 154,129/6.3)
Clerical Employees	70,220/ 3.0	57,114/3.0	(13,106/0)
Services and Supplies	346,361	232,332	(114,029)
Indirect Costs	123,917	-0-	(123,917)
Subtotal	\$1,013,955/17.3	\$ 608,774/11.0	(\$ 405,181/6.3)
<u>Analytic Section</u>			
Professional Employees	\$ 40,610/1.0	\$ 121,830/3.0	\$ 81,220/2.0
Clerical Employees	-0-	14,195/1.0	14,195/1.0
Services and Supplies	14,213	47,603	33,390
Indirect Costs	-0-	-0-	-0-
Subtotal	\$ 54,823/1.0	\$ 183,628/4.0	\$ 128,805/3.0
<b>TOTAL - Policy/Planning Unit</b>	<u>\$1,068,778/18.3</u>	<u>\$ 792,402/15.0</u>	<u>(\$ 276,376/3.3)</u>
<u>Source of Funds</u>			
CDBG	\$1,013,955/17.3	\$ 608,774/11.0	(\$ 405,181/6.3)
Mortgage Revenue Bond	54,823/1.0	54,823/ 1.0	-0-
Other	-0-	128,805/ 3.0	128,805/3.0
<b>TOTAL</b>	\$1,068,778/18.3	\$ 792,402/15.0	(\$ 276,376/3.3)

From the previous chart, the Management Team is estimating a total cost savings of \$276,376 by consolidating and transferring the City and County Community Development Block Grant Programs to the Agency. The total savings in both City and County CDBG Programs would be \$405,181 which could be used for additional program and project activities instead of administration.

It is important to point out that some of these CDBG savings may have to be retained by the City and/or the County in order to offset other costs indirectly related to the CDBG Programs which otherwise they would have to absorb. This is particularly important with respect to the City which is now funding many activities from CDBG funds which are only indirectly related to the Community Development Block Grant Program.

The City would continue to coordinate physical master planning and designation of low income areas, with Agency redevelopment planning/programming efforts for overall consistency. In order to do so, the City would retain approximately \$172,200 to support this staff function (5 positions) within the Planning Department. This amount would be set aside from the total City CDBG allocation prior to subcontracting with the Agency.

The County would be entitled up to a 10% set aside of future CDBG funds for Health and Welfare services if the changes in these Federal Regulations are approved. It is important that the planned use of this set aside remain with the County Health and Social Services Department to maximize the impact on the County budget. Therefore, if the Regulations are approved, it is recommended that each year, usually in early spring, the Housing and Redevelopment Agency staff would notice the Department of Health and Welfare of the estimated amount of funds available for social services. These departments develop specific programs for their use and such information would be resubmitted to the Redevelopment Agency after the budget process has been completed in August of each year.

From this 10% allocation, however, the Southarea Emergency Housing and the Human Rights Commission Fair Housing Council would receive funding since these two programs specifically fall within that category of eligibility under HUD regulations and have been deemed desirable in the past by the Board of Supervisors.

Once the budget process is completed, a copy of all programs approved by the County Executive and Board of Supervisors would be forwarded to the Agency for incorporation in the application in the annual application and or annual certification document needed to secure HUD audit approval.

In the fall and winter of every year, the Redevelopment Agency would approach its advisory commission to review all recommended programs for use with CDBG funds prior to their transmittal to the Board of Supervisors. It would be expressly understood that the 10% set aside was not subject to their review and or approval, but would simply be submitted as an informational document indicating how, in relation to other CDBG funds, these federal dollars are being utilized.

Notwithstanding this, we still believe that there will be sufficient savings to fund the costs of the small analytic section which is reflected on the chart and in our proposed recommendations.

#### D. Implementation

Now that we have described the existing system for Policy/Planning as it relates to housing and community development activities and the alternative that we have proposed, we need to discuss the implementation of the proposed system.

##### 1. The Proposed Organizational Structure

It is proposed that the Policy/Planning Unit be organized under a single Manager who would have the responsibility of managing not only the combined CDBG Programs but also the small analytic section referred to above. The Manager would report to the Deputy Executive Director of the Agency.

It is anticipated that those incumbents who are now performing direct CDBG activities for both the County and the City would simply be transferred to the Agency to perform similar functions. As pointed out above, we have anticipated that eleven (11) of the fifteen (15) positions which comprise this unit will initially be devoted to CDBG activities. Some of these positions would remain in the Policy/Planning Unit while others would be transferred to Divisions within the Agency where they could be best utilized such as Finance and Technical Services. There are a variety of positions devoted to CDBG activities in the City and County such as planners, specialists, administrators and clerical, and they would be deployed to produce the best staff assistance to both the City and County.

The exceptions to this transfer would be the Preservation Program and Building Inspection activities of the City (4 positions). In this regard, it is recommended that both these functions be retained by the City and funded as necessary by CDBG funds for community development related activities under a contract with the Agency.

The estimated cost of the Preservation Program activity (3 positions) is approximately \$80,000 with approximately

\$57,500 from CDBG and the balance (\$22,500) from City General Funds. The estimated cost of the Building Inspection activity is approximately \$33,000 (all CDBG funds).

As mentioned above, the establishment of an analytic section is recommended, and it is proposed to incorporate this section into the Policy/Planning Unit under the supervision of the Manager of the unit. In order to perform the required analysis and studies mentioned earlier, the Management Team is recommending that this section be composed of four (4) positions with the following specialities:

- Development Specialist

Demonstrated experience in structuring public and private transactions. Knowledgeable in real estate development, strong in research, creative and innovative ability to understand and work with private sector.

- Financial Analyst

Strong financial and quantitative background in private and public financing such as mortgage banking, bonds, underwriting, creative financing, etc. Ability to develop and analyze cash flow analysis. Responsible for recommending financing techniques designed to implement various projects for neighborhood revitalization, economic development, housing, etc.

- Senior Community Development Specialist

Experience in local government planning at neighborhood and project levels, orientation in development of policies and long-range plans. Knowledge and ability to do creative research and come up with innovative solutions and ideas for revitalization of neighborhood areas, commercial strips, housing, etc.

- Stenographical

Provide secretarial and limited administrative support.

It should be pointed out that it will take some time for the Policy/Planning Unit to function properly. The incumbents will have to be transferred from the County and City; their individual skills will have to be assessed and the advanced planning needs of the Agency will have to be clearly stated and articulated for the future.



At this point, it is our assessment that after a period of time, the Policy/Planning Unit will provide quality planning support for the Agency in the three general areas of community development, housing and general analysis.

## 2. Personnel Considerations

In order to create the Policy/Planning Unit as we have discussed in the Report, certain personnel questions must be answered such as what happens to the incumbents and will there be any layoffs.

Obviously, once the Governing Boards make the policy decision to transfer the CDBG Programs and create the Policy/Planning Unit in the Agency, a great deal of work must be done to facilitate this transfer. This work will take place over a number of months, but certain matters need to be addressed now.

Each case will have to be handled individually and separately to ensure that every incumbent effected by this transfer will not suffer an economic hardship. Although it is anticipated that each incumbent will be offered the opportunity to transfer to the Agency and generally treated like a promotion with at least an increase in pay, precise details need to develop during the negotiation process. Other employees may wish to remain with their respective jurisdictions in which case an accommodation may be made to reassign the employee to the Agency until he/she can be absorbed by the City/County through attrition. These are examples of the efforts which will be undertaken to ensure that all effected employees are protected during this transfer period.

## 3. Timing

It is recommended that January 1, 1982 be established as the target date to implement the Policy/Planning Unit. As pointed out above, in order to accomplish this task, a great deal of technical, organizational and personnel staff work needs to be accomplished.

It is proposed that once the policy decision is made to create the Policy/Planning Unit in the Agency, the administrative, legal, financial and personnel staff make this project a high priority.

## E. Conclusions

In this Report, we have discussed the problems associated with the current CDBG planning process and the lack of analytic capacity at the Agency.

With respect to the current CDBG planning process, we indicated that it was fragmented, lacked coordination on a County-wide basis, lacked clear direction from a single identifiable organization and missed opportunities to significantly improve the citizen participation process. The recommendation of the Management Team is to combine and centralize the CDBG Programs of both the City and County under the direction of the Agency. We believe that the problems mentioned previously will be mitigated as a result of this action.

With regard to the lack of analytic capacity in the Agency, we pointed out that there was a need to undertake research, analysis and special studies in the areas of community development, housing and general organizational analysis. This analytic capacity would enable the Agency to investigate new and innovative ideas such as leveraging rehabilitation funds, implementing creative housing concepts such as congregate and share housing and exploring joint public/private revitalization ventures. In this connection, the Management Team proposed the creation of a small analytic section, as part of the Policy/Planning Unit in order to accomplish the type of work.

Finally, the analysis by the Management Team shows that the CDBG Programs can be combined and centralized and an analytic capacity can be provided in the Agency at less cost than the cost of the current system. It is obvious that the staff would be better utilized because of the elimination of the current duplication of effort in preparing and processing the grant applications as well as much of the follow-up paperwork involved with the program. However, the most important consideration is that the service to the public will be better and considerably enhanced at a much lesser cost.

**MISSION STATEMENT  
OF THE AGENCY**

#### IV. MISSION STATEMENT

In this section of the Report, we have attempted to develop a succinct statement of the purpose of the Agency and the proposed direction that should be followed in the future.

##### A. Community Development

The Department of Community Development is primarily responsible for short-range planning as well as the developing and packaging of projects within the Agency. It is the goal of this Department to revitalize the identified target areas which are in a state of decline, utilizing the community development process.

The tools which are available for this purpose include low-interest rehabilitation loan and grant programs administered by the Agency's Rehabilitation Division; the production of new "affordable" housing units by the Agency's Housing Production Division; the management of eight (8) designated redevelopment areas within the City and County by the Redevelopment Division; and finally, the provision of contracting assistance by the Technical Services Division in support of all other programmatic functions.

The redevelopment process has been active in the downtown area (including the redevelopment areas of Old Sacramento and the Alkali Flat neighborhood) for more than twenty-five (25) years. As a result of this historic pattern, the majority of the improvements made by the public sector under the redevelopment law have been made in the downtown area. At this point, the Management Team believes that the Agency's role in the downtown area is decreasing due to the fact there is substantial privately financed development already taking place or likely to occur. The Agency's involvement in the downtown area should continue to phase down over the next few years. However, there will still be some Agency efforts necessary for completion of these project areas. The Agency's future role in community development would then be concentrated in two areas:

1. Setting limitations and monitoring private sector participation to determine if all the requirements of redevelopment law have been met. Where the law had been breached, Agency staff would recommend a course of action and accept the responsibility for carrying out the policy direction provided by the Governing Boards.
2. Focusing future planning and public funding efforts to bring about improvements to identified neighborhoods such as Oak Park, Del Paso Heights, Rio Linda and Walnut Grove. These improvements could be accomplished using the previously mentioned "tools", or the Agency could provide the impetus and financial

leverage for economic development activities within the identified communities.

3. It is recommended that the Agency, in cooperation with other City and County Departments identify all potential areas in the City and County for revitalization and prepare a plan and strategy including approaches to revitalization, priorities and time-tables. The revitalization efforts would include physical, economic, social as well as financing components. The end product would be a "road-map" for the Agency as directed by the City and County for the long term upgrade of existing neighborhoods.

B. Housing

This Department is primarily responsible for providing "decent, safe and sanitary" housing opportunities for the low-income families and elderly residing in both the City and County of Sacramento. The Management and Maintenance Divisions are responsible for the fiscal, operational and the structural integrity of the Agency's 2327 conventionally-owned housing units while the Client Services Section oversees all aspects of tenant eligibility for both conventional units as well as the Section 8 Program.

During the past forty years since the inception of federally subsidized low-income housing programs, there have been noticeable changes in both the type of housing provided and the composition of the families served. In the 1940's and 1950's, the publicly assisted housing was essentially concentrated in projects and occupied by post-war families. The 1960's and 1970's saw the evolution of scattered-site leased housing occupied by single parent families and senior citizens. These programs also permitted private sector participation.

Although the Agency has contractual obligations to maintain the integrity of its existing housing stock, its emphasis for the 1980's is to provide an environment which seeks to promote homeownership aspirations for its low-income clients. This will be accomplished through appropriate housing financing programs, home management counseling programs, cooperative maintenance services and the provision of a network of community services for its housing tenants.

Obviously, it is not the Agency's intention to compete with the private sector housing market since the clients which are served are not the same. The direction of the Agency therefore, will be concentrated on providing "affordable" lower income housing for families, including

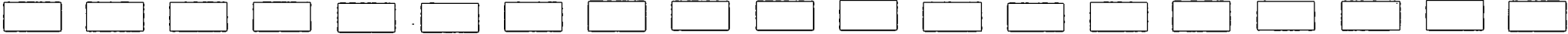
the elderly, whose needs cannot be met in the conventional market place.

C. Community Services

This Division has recently been reorganized and has been charged with the goal of developing a model community services program capable of producing a coordinated and broad range of services to low-income housing tenants as well as individual social service program participants.

Where services are completely lacking, it shall be the goal of this Division to become a "provider of last resort" in order that the critical health, safety and social needs of the low-income segment of Sacramento population is served.

As an example, the staff of this Division has already secured a grant to operate a county-wide information and referral service for Sacramento's elderly population. This service is naturally available to the 4,000+ seniors who reside in Agency housing. Moreover, community service personnel have completed a needs assessment of all low-income housing tenants in order to identify the number and type of supportive services which are needed. The next step will be to seek out or provide linkage between potential providers and funding sources for these supportive services and make this information available to all of the Agency's clients.



# EXHIBIT - STATUS OF IMPLEMENTATION

## EXHIBIT - STATUS OF IMPLEMENTATION

### A. Refinements to the Organizations

There have been numerous changes to the organizational structure of the Agency and many personnel changes. The current organization chart together with the staffing assignments are reflected on the following page.

#### 1. Community Development Department

Management Study Report Nos. 2 and 3 detailed the final reorganization of the old Research and Development Department. They recommended a complete reorganization into the four divisions of Housing Production, Redevelopment, Rehabilitation and Technical Services under the Director of Community Development. It also designated employees to serve in top and mid-management levels of the new department. At this point, there are no additional proposals relating to the Community Development. Recruitment is now underway for the Project Manager/Redevelopment which is anticipated to be filled in October, 1981. This is the last major personnel action to facilitate the reorganization of this department.

#### 2. Department of Housing

Considerable progress toward improving the organization and procedures within the Housing Management, Maintenance and Community Services Divisions of the Housing Department has been made since the preparation of Management Study Report No. 3. The following is a summary of accomplishments since that time:

##### a. Administration

The Director of Housing will be responsible for producing a coordinated delivery of housing services to the Agency's tenant body as well as to the public at large. This position will report to the office of the Executive Director and be located within the Central Office. The Director of Housing position has been filled and the appointee will commence duties on November 2, 1981.

##### b. Housing Management

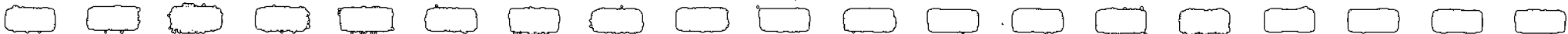
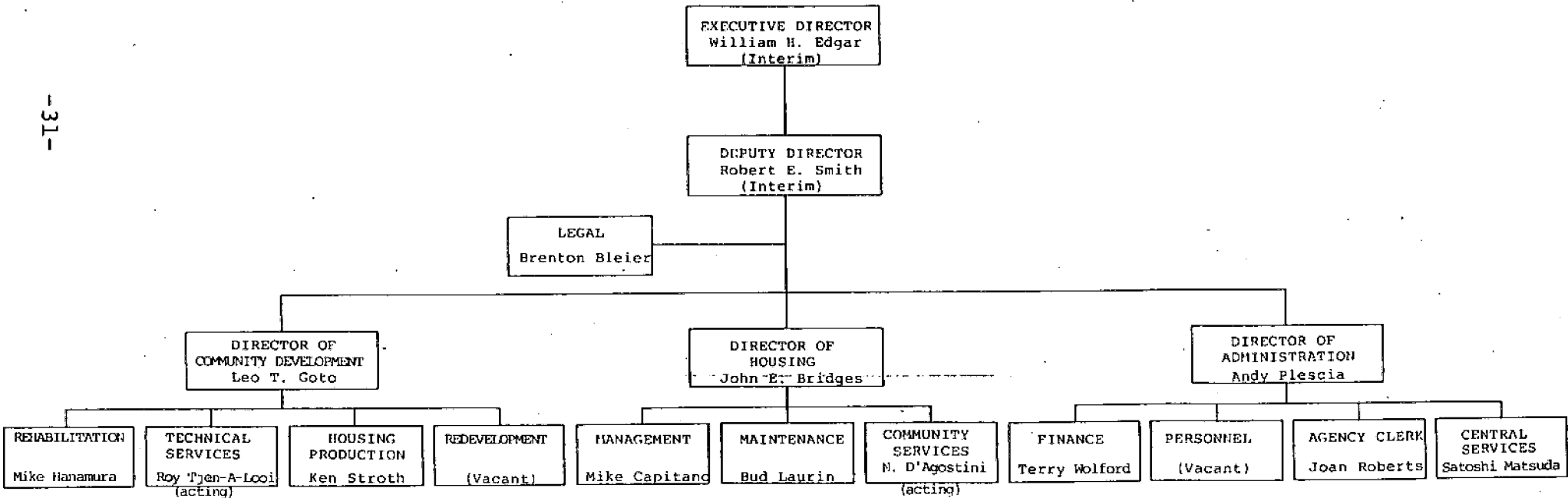
The accomplishments of the Housing Management Division can be summarized as follows:

- (1) The Chief of Management as the coordinator of the Management/Client Services functions has established a system of communication by conducting meetings on a regular basis that pertain to the overall operation of the Agency's Management Program. Meetings



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

ORGANIZATIONAL CHART



are being conducted on a regular schedule among all staff at various levels. Area Managers are required to meet once a week with their staff. The Chief of Management and the Chief of Maintenance and their immediate supervisors meet on a bi-weekly basis. Meetings are also held on a weekly basis with the Deputy Executive Director, the Chief of Management and the Chief of Maintenance.

- (2) An in-house training program for the management staff has been underway for a number of weeks and is being conducted on a formal basis by the Chief of Management. This training includes a complete review of the newly completed Housing Management Operations Manual and other matters relating to Management/Resident Relations. Also, the training of the supervisory staff in budget matters has been established in conjunction with the Agency's Finance Department.
- (3) Arrangements have been made with the National Association of Housing and Redevelopment Officials (N.A.H.R.O.) to conduct a Public Housing Management (P.H.M.) course for all management employees in October, 1981. This official P.H.M. course is part of the overall management training program goal established by the Agency in order to upgrade the skills of all management staff.
- (4) The former Section 8/Central Eligibility offices have been combined into a single office of Client Services reporting to the Supervisor of Client Services.

The Supervisor has conducted an extensive evaluation of the entire section including a review of the physical layout, work flow and personal needs. In addition, the Supervisor has begun a program of cross-training that has proved beneficial to the overall operation of the Client Services Section.

- (5) The Housing Management Operations Manual has been completed and submitted to the Department of Housing and Urban Development for their review. As previously mentioned, this manual is being reviewed as part of the in-house training that is now being conducted by the Chief of Management.
- (6) The Calendar of Events is now being published which shows, on a yearly basis, resident meetings,

social events and other data that pertain to various activities in specific buildings and locations that the Agency manages.

- (7) New management reporting forms and systems have been developed and are now in use in order to provide a better accountability to supervisory staff regarding the daily activities of managers and the maintenance productivity.
- (8) The staff is currently up-dating the resident handbook that will be given to residents when they sign their lease. These handbooks will give the resident important information as it relates to their apartment, such as safety maintenance and management services which the Agency provides.
- (9) The Eviction/Transfer Review Board has been established by the Tenant Relations/Community Services Committee of the Agency's Commission. This Committee which consists of Commission members, will review transfers or evictions that are appealed to them by a resident pursuant to the residents' right to appeal a management decision.
- (10) The Maintenance staff have been instructed to assist the management personnel in each of the housing project areas in order to provide better control of work productivity and more immediate response to the maintenance needs of the resident and the physical needs of the project.
- (11) The reinstatement of an Area Manager has been approved. This manager has been assigned to oversee the operation of the Agency's elderly housing program in order to deal closely with the specific needs of the Agency's elderly housing population.

c. Maintenance Division

After careful review of the entire Maintenance Division's personnel, the systems and procedures that were in use, a number of recommendations were made as part of Management Report No. 2. The following summarizes the actions taken in the areas which were identified.

- (1) The Chief of Maintenance has been given the responsibility of administering the Maintenance Division which has established clear lines of authority within an understandable administrative structure.

(2) The reorganization of the Maintenance staff has established three supervisorial positions:

- . Supervisor of Trades
- . Supervisor of General Maintenance
- . Supervisor of Modernization and Preventive Maintenance

These important changes have produced faster response to maintenance calls and clear lines of authority and responsibility by having supervisors accountable for functional activities rather than assigned by geographical areas.

(3) The project Maintenance Workers I/II (general grounds and cleaning employees) are now being supervised by the Housing Management staff. It was determined that this change would enable Management to more efficiently and effectively utilize these employees. This change has been accomplished and is now in effect in all projects. In addition to the above mentioned changes, the Custodial staff has been assigned to the Management Division.

(4) The Modernization Program has been relocated to the Central Maintenance facility. In addition, the duties and responsibilities associated with the new Comprehensive Improvement Assistance Program (C.I.A.P.) have been assigned to this section. A Preventive Maintenance Program has also been approved by HUD and the Governing Boards and its implementation will be the responsibility of the modernization staff.

(5) Productivity has increased as a result of the reassignment of the Maintenance staff to the critical areas of need. In addition to these productivity changes, the Chief of Maintenance has required that work orders and time sheets carry more specific information regarding accountability for control purposes. Also, more attention has been given to prioritizing the various maintenance activities which have resulted in the more efficient and effective use of time spent as specific jobs.

(6) A Maintenance Operations Manual has now been written by the Chief of Maintenance.

(7) Communications have been re-opened through a series of meetings. Meetings are held on a regular basis to discuss all matters that pertain to the Maintenance Division. In addition, the Chief of Maintenance and the Chief of Management together with their staffs, meet at combined meetings on a regular basis.

Finally, the Chief of Maintenance and the Chief of Management meet with the Deputy Executive Director weekly.

d. Community Services Division

The Community Services Division is presently staffed by an "acting" Chief of Community Services, a Community Services Coordinator, an Information and Referral Director and a Typist Clerk II. The headquarters are located at Ping Yuen Center (452 I Street) and are shared with the Foster Grandparent/Senior Companion Program staff. Agency sponsored, community-based as well as social service programs are directed by the Community Services Division.

The Division is charged with coordinating, facilitating and providing (as a last resort) a broad range of services to low-income tenants and program participants. The major goal of the division is to insure that residents shall have safe, decent, sanitary and affordable housing that encourages self-sufficiency and wellbeing. The Division's objectives are to:

- (1) Offer a range of housing opportunities and programs to best serve the individual's life-style and capabilities.
- (2) Provide staff capacity which will facilitate, coordinate and build synergistic relationships among public and private human service agencies and programs that meet the identifiable needs of the residents.
- (3) Provide, as a last resort, human services that are not available within the community, but are needed by our cliental.

Although the program is not fully functioning at this time, the three levels to be approached will include:

- (1) Production - activities to insure that residents have every opportunity to be productive and involved community members.
- (2) Prevention - activities to insure that residents are provided a safe environment and opportunities to maintain maximum health and well-being.
- (3) Protection - activities to insure a safe environment and opportunities to insure that individuals are functioning at their highest level of independence.

The Agency is totally committed to its goal of establishing a Division whose major responsibilities will insure the development of a coordinated network of supportive services for the Agency's tenants and community based program participants.

3. Department of Administration

Management Study Report No. 3 included the recommendation that the Department of Administration consist of four divisions - Finance, Personnel, Agency Clerk and Central Services. The report also included the recommendation to establish a Director of Administration position to manage the Department.

a. Director of Administration

The Director of Administration has been appointed to manage the Department and specifically: (a) manage, monitor and prioritize the workload of the staff divisions; (b) develop a coordinated staff/support service to the program functions; and (c) systematically and logically process Agency matters to the Commission and the Governing Boards.

The Community Services Supervisor position within the Department has been eliminated and replaced with a Chief of Central Services position. This new position will administer the Central Services Division as explained in more detail below.

As a result of eliminating the Community Services Supervisor position, the function of providing management analysis to the executive staff of the Agency was also eliminated. If the proposed Policy/Planning Unit discussed in the body of this report is approved, the management analysis function would be provided by that unit. This is a very important function and is required if the Agency expects to function properly in the future.

The Steno Clerk III position within the Department has also been eliminated and replaced with a Confidential Secretary position.

The Department of Administration is administered by a department head and four division chiefs managing the four divisions within the Department.

b. Finance Division

A Director of Finance position was approved by the Governing Boards on April 28, 1981 as part of a report regarding the Extension of the Interim Management Team at the Agency.

The Director of Finance has been appointed to manage the Finance Division and specifically: (1) plan, direct and review centralized accounting and revenue collection; and (2) assist the Executive Director in coordinating the development, analysis and implementation of the annual Agency budget.

The Finance Division has been reorganized on a functional basis. These functional areas include: general accounting (housing, redevelopment and community services) specialized accounting (accounts payable, payroll, input/output control, Section 8) and systems/programming. The purpose of the reorganization is to centralize functional activities and develop lines of authority for each finance function performed.

The modernization and automation of the accounting system is continuing as discussed later in this report. This effort will have an effect on staffing and staffing assignments which will be determined at the time the system has been completely automated. It is anticipated that this issue will be addressed within the context of preparing next year's budget.

c. Personnel Division

Personnel services continue to be provided by contract with the City of Sacramento until such time as a Personnel Officer is selected. Selection of a Personnel Officer will be completed prior to the end of the 1981 calendar year.

In addition to a Personnel Officer position (currently filled by an Associated Personnel Analyst under contract) the staff includes a Personnel Technician and a Confidential Secretary. The previous Typist Clerk II position has been eliminated and replaced with a Confidential Secretary position.

The Personnel Office has been relocated to the First Floor, Central Office, 630 I Street. This will aid in accessibility and coordination with other staff divisions and provide better accessibility to the general public.

d. Agency Clerk Division

The Agency Clerk Division has assumed responsibility for additional activities which logically belong in this Division. These additional responsibilities include: (1) publication of all legal/public notices; (2) conduct of all contract bid openings; (3) maintenance of the central complaint and inquiry system;

(4) administration and maintenance of the conflict of interest procedures; and (5) research and implementation of a program to microfilm/microfiche Agency records.

The staffing of this Division consists of the Agency Clerk. Clerical assistance, as needed, is provided by the Confidential Secretary who reports to the Director of Administration.

e. Central Services Division

A Central Services Division was established within the Department of Administration. Management Report No. 3 indicated that the Director of Administration would manage the Division with staff support provided by the Community Services Supervisor.

Recently, the Community Services Supervisor resigned which left the Central Services Division without direct supervision on a day-to-day basis. Based on the responsibilities and workload of the Division, the exempt position of Chief of Central Services was established in order to properly manage, coordinate and improve upon the activities of the Division. The Community Services Supervisor position was then eliminated from the 1981 Department of Administration budget.

In addition to the Chief of Central Services, the staff consists of: (1) Property Manager; (2) Storekeeper; (3) General Clerk; (4) Typist Clerk I; (5) two Mail Clerk Messengers; and (6) Receptionist/Typist Clerk.

The Central Services Division is located in two locations. The Purchasing and Contracts staff (Property Manager, Storekeeper, General Clerk, Typist Clerk I) is located at 615 S Street. The Chief of Central Services and mail/duplication staff (Mail/Clerk Messengers) is located on the second floor of the Central Office. The telephone function (Receptionist/Typist Clerk) is located on the first floor, Central Office until the new telephone system is installed. At that time, it is anticipated the telephone function will be relocated to the second floor, with the other Central Services staff.



B. Improvements to Program Functions and Productivity

Management Study Reports No. 2 and 3 included recommendations to improve program functions and productivity. The following is a brief status report regarding the implementation of these recommendations:

1. County Low-Income Housing Policy

A public policy for the development of public housing was developed by the staff and approved by the Board of Supervisors on June 25, 1981. This policy includes (1) a long-range land banking plan which involves cooperative planning on a year-round basis with the Community Councils, and (2) a short-range plan of securing the approval of the Board of Supervisors of selected turnkey family sites and the approval to acquire three elderly sites.

The policy also includes two strategies to deal with the development of public housing units in the unincorporated area of Sacramento County. The first strategy focuses on a long-range plan beginning with the 1981 request for approximately 165 units from the Federal Government. The long-range plan will enable the Agency, working in conjunction with the Community Advisory Councils on a year-round basis, to cooperatively plan and reach agreement in advance of an allocation of new units through a land bank program. The second strategy is focused on the immediate need to salvage all or a part of the currently allocated \$17 million dollar allocation from Department of Housing and Urban Development. The policy was proposed in the staff report dated May 26, 1981, and previously approved by the Governing Boards.

2. Proposed Policy Revisions for Administration of the City and County Rehabilitation Programs

The Agency staff has been working in conjunction with the County and City staff; the Alkali Flat, Del Paso Heights and Oak Park Project Area Committees; and the Agency's Rehabilitation Loan Policy and Approval Committees in an attempt to develop a set of uniform policies for the administration of the City and County rehabilitation programs. A major objective in the development of these policies was to provide more consistency in the administration and financial assistance available between the City and County rehabilitation programs. Staff made several revisions to its initial proposals as a result of the many coordinating sessions in an attempt to adequately reflect the concerns of everyone.

The proposed policy revisions were reviewed and approved by the County Community Development Commission on July 22, 1981, Sacramento Housing and Redevelopment Commission on July 20, 1981 and by the City Council and Board of Supervisors on August 18, 1981.

### 3. Preventive Maintenance Program

As indicated in previous management reports, the maintenance staff have prepared a new Preventive Maintenance Program (PMP) which included extensive workload data, (i.e., task identification and timelines by building type) for all Agency-owned residential structures. Successful implementation of this program should enable the Agency to meet our long term goals of protecting the physical appearance and structural integrity of the residential structures, while at the same time controlling the cost of unscheduled maintenance.

A recent staff report indicated that two two-worker crews will be able to perform the preventive maintenance functions on all 2327 Agency-owned units during a twelve to fourteen month cycle at a cost of approximately \$160,000. These funds include all salaries benefits, equipment operation and overhead assigned to the program. The program was approved by the City Council on August 11, 1981 and by the Board of Supervisors on August 18, 1981.

Although a PMP application was submitted to the Department of Housing and Urban Development for funding under the Comprehensive Improvement Assistance Program (C.I.A.P.) as indicated in Management Report No. 3, the Agency has been informed that it will not be funded during the coming year under this program.

An alternate funding source was identified within the Agency: Section 8 Existing Housing Reserve Funds, and HUD has concurred that the PMP is a logical use of these reserves and has approved the expenditure. The program is anticipated to begin in the Fall of 1981.

An additional benefit to be gained from the implementation of this program, is the capacity to retain four workers currently slated for layoff in September.

### 4. Maintenance Productivity Standards

Management Study Report No. 2 stated that information on maintenance daily workload was not readily available and therefore, worker productivity levels were difficult to measure. Subsequently, Management Study Report No. 3 detailed the implementation of a new Daily Work Log which permitted the gathering of statistics by category of repair, job classification and average time spent per task.

Following three month's accumulation and review of statistics, on July 10, 1981 a staff workload analysis was completed which indicated that although currently worker productivity was below the established standard, when existing daily workload was compared with reduced staffing, the acceptable daily work standard was met.

The conclusion of this report was that there should be no further reductions in maintenance staffing beyond those in the approval layoff schedule.

5. Elderly and Family Tenant Housing Needs

In order to identify resident interests, needs, satisfaction and concerns regarding their housing environment and personal social service needs, the Agency has conducted a survey of elderly tenants and is currently conducting such a survey of family tenants. The categories of family survey questions are (a) housing management; (b) maintenance; (c) issues concerning self; (d) neighborhood; (e) apartment and facilities; (f) neighbors and (g) resident activities.

Also, meetings have been scheduled with the management staff, the tenant relations staff and the resident committee presidents to discuss appropriate actions to be taken regarding family tenant needs. Plans are being made to:

- a. Conduct a survey of tenants in family units;
- b. Study the results of the present systems of Tenant Relation Committee meetings and determine alternative methods for better achieving goals.
- c. Establish a clearing house for family and elderly unit activities;
- d. Develop an information program for our family tenants that could be administered internally.

In addition, a series of meetings to open communication with residents and insure maximum coordination with appropriate community agencies have been scheduled on a regular basis; (1) Resident/Housing Community Service Management meeting (monthly); (2) Housing Management/Community Services staff meeting (weekly); (3) Community Services staff meeting (weekly); (4) inter-Agency meetings have been held with administrative staff of County Department of Welfare, County Department of Health, Sutter Community Hospitals. The purpose of these meetings is to establish a Community Allied Service Council to insure maximum coordination of services and resources. Other appropriate meetings will be scheduled as the need arises.

The results of the elderly tenant survey, the family tenant survey and proposed implementation strategies regarding tenant needs will be addressed in a separate report that will be submitted to the Governing Boards shortly.

6. Downtown Tax Increment Financing Policy

A long-range plan of priorities and policy direction for the future utilization of tax increment funds in the downtown area in the years 1981-85 has been developed and approved. The recommendations for funding, in priority order are replacement housing, a subsidy for the mortgage revenue bond program, the development of a revolving loan fund for Central City site acquisition, architectural/engineering services fees for plan approval of the Old Sacramento waterfront and professional service fees for the preparation of plans and specifications for Phase I and II in 1981. Financing of replacement housing, the revenue bond program and waterfront activities are designated as priority items in years 1982 and 1983. The completion of Phase II of the waterfront, additional replacement housing funds and a new item, innovative housing programs, are the planned work activities in 1984. Finally, the partial financing of the "U" Garage has been designed as a 1985 activity along with replacement housing. This plan has been addressed in a earlier staff report and was transmitted to the City Council previously.

C. Improvements to Administrative Policies and Procedures

Management Study Reports No. 2 and 3 included recommendations for implementing several administrative policies, procedures and practices conducive to good service delivery. The following is a brief status report regarding the implementation of the policies, procedures and practices recommended in the prior management report.

1. 1981 Final Agency Budget

The 1981 Final Agency Budget was prepared and approved by the Governing Boards in August, 1981.

The 1981 Final Agency Budget contains many changes and improvements from previous years and represents the first attempt to prepare and implement an organizational budget.

Obviously, adjustments will be necessary in future budget cycles as the need arises, but the preparation and approval of the 1981 Final Budget represents significant improvement over previous years.

2. Modernization of Accounting System/Budget Control

The following summarizes the progress made to implement the recommendations contained in Management Study Reports No. 2 and 3 concerning improving the financial system of the Agency.

f. Finance Systems Development

The input of claims and journal vouchers maintain the Agency's files and are validated against the current chart of accounts. The output from the system consists of checks; the check register, expenses by fund; budget status and expenses by cost center. This system is fully operational.

- (1) Cash Receipts - Revenue - The input of cash receipts and invoices are validated against the current chart of accounts and a file of established receipts. Reports of receipts by object code and cost center code are produced weekly. This system is now fully operational.
- (2) Payroll - Meetings are being held to determine the requirements by Finance and Personnel departments to upgrade the Payroll Personnel System.

Other agencies are being contacted to determine whether a system exists which this Agency can use instead of designing and implementing a unique system.

Labor distribution has been revised to use the standardized chart of accounts for validation and to capture year-to-date labor costs by Fund, Organization and Cost Center. This data is now automatically linked to the Cash Disbursements file for reporting on the Budget Status Report, the expense report by fund and the cost center report.

- (3) General Ledger - This system permits the files of cash receipts and cash disbursements to be merged thereby producing a General Ledger report for each fund. This system is now fully operational.
- (4) Stores Inventory - Preliminary studies have been made and at this time report designs and the definition of the data-flow functions have been completed.

This process will link with the cash disbursements system for ultimate automatic inclusion in the Budget Status report, the reports regarding the disbursements by Funds and Cost Centers and the Agency's General Ledger.

a. Cost Allocation and Indirect Rate Plan

The organizational cost allocation and indirect rate proposal has been developed and implemented for the Agency. To comply with Federal Management Circular (FMC) 74-4, the Agency proposed to allocate 1981 central service budget costs on the basis of operating organizations' budgets, with the exception of Personnel costs which were allocated on the basis of the number of employees. Although using operating budgets may not be an absolute rational basis, we believe this basis materially reflects benefits received by operating departments from central service departments of the Agency.

At year's end, the Agency will update the cost allocation plan with actual cost data. Variances between budget and actual amounts will be rolled forward to the next fiscal year. In addition, the Agency will have completed accumulating historical information concerning user statistics and would be capable of using more specific allocation bases for distributing central service costs.

The Agency's cognizant agency, Department of Housing and Urban Development, approved the plan in principal in May, 1981.

b. Budget Control

An automated expenditure system has been developed and implemented to compare budget to actual expenditures at the organizational, cost center and fund levels. The system produces weekly expenditure status reports to be used by department heads, division chiefs and program managers in determining available appropriations. Currently, the Finance Division staff is meeting with operating management to discuss the purpose and uses of the expenditure status reports.

c. Automation of Financial Systems

Pre-automation events such as standardizing the Agency's chart of accounts, consolidating bank accounts and developing standardized transaction forms have been completed.

d. Finance Division Procedure Manual

A procedure manual has been developed documenting the authority and responsibility of all of the positions within the division as well as documenting the procedures for processing financial transactions.

Although a great deal of work has been accomplished in the automated financial area, much more remains to be done such as, additional automation studies in the areas of position control and tenant accounting, as well as the continued improvement of what already has been done.

### 3. Personnel Rules

The Proposed Personnel Rules set forth the practices and procedures to be followed by the Agency in administration of its personnel system. The proposed Rules were approved by the Housing and Redevelopment Commission on August 17, 1981 and the City Council and the Board of Supervisors on September 8, 1981.

The Proposed Personnel Rules update and expand the existing Agency Personnel Policy to include:

- a. Clearly defined purpose and objectives for the rules.
- b. The primary functions of the Agency Personnel Officer.
- c. Equal Employment Opportunity provisions expanded to coincide with Agency's Affirmative Action Plan.
- d. Definitions to clarify certain personnel terms used throughout the rules.
- e. The establishment and maintenance of a position classification plan.
- f. Procedures for employee recruitment and establishing eligible lists.
- g. Procedures for filling vacant positions with qualified employees.
- h. An Employee Performance Appraisal System.
- i. A list of major causes for disciplinary action and the types of discipline that may be used.
- j. The previously adopted Agency Layoff Policy.
- k. A grievance and appeal procedure with carefully defined steps.

#### 4. Job Classification and Pay Study

Subsequent to Management Study Report No. 3, the Housing Authority and Redevelopment Agency: (a) approved the procedure and approach for the Classification and Pay Study; (b) approved a consultant selection process; and (c) authorized the Interim Executive Director to proceed with solicitation of proposals.

On July 24, 1981, the Agency executed a contract with the firm of Corcoran Ames and Associates to prepare the classification and pay study for the Agency.

The classification and compensation process is divided into two major phases: (a) classification; and (b) compensation. Based on the proposed work program, it is estimated the entire process will take approximately six (6) months from the date of the contract execution to complete (Phase I - four months; and Phase II - two months).

The completed Classification and Pay Study will be a worthwhile management tool to increase effectiveness of the Agency through more efficient personnel utilization and provide a positive step toward fulfillment of the Affirmative Action Plan requirements.

#### 5. Other

The following is a summary of administrative policies which have been implemented since the adoption of Management Study Report No. 3.

##### a. Central Bid Opening

A standard procedure for the processing and opening of public bids was put into effect on June 1, 1981. The new policy applies to all Agency contracts issued on all purchase orders of \$5,000 or more.

The purpose of this policy is to standardize and control the opening of bids by a single responsible staff person.

Departments and divisions continue to prepare the bid specifications, solicitation of bids, etc. However, bids by vendors, contractors, etc. are submitted to the Agency Clerk for opening at an established time and day as specified in the solicitation of bids.

The Agency Clerk has been designated the responsible staff person and has been receiving and time/date stamping all public bids, holding public bid openings at an established time and place and processing bids in a manner which permits routine preparation of bid documents and contracts.



b. Travel Cost and Expense Reimbursement Policy

The existing travel cost and expense reimbursement policy of the Agency was approved by the Governing Boards on March 22, 1977. This policy is currently being reviewed to determine if it is necessary to update the policy regarding levels of reimbursement. The policy addresses (1) subsistence reimbursement; (2) authorization for trips; (3) transportation reimbursement; (4) private vehicle reimbursement; and (5) travel expenses of applicants and new employees.

The staff is reviewing policies of other housing and redevelopment agencies and City and County for compatibility. The staff is also consulting with the Department of Housing and Urban Development as to any possible federal funding considerations.

An updated travel cost and expense reimbursement policy, if necessary, would be submitted to the Governing Boards for approval.

In addition, the Agency staff is proceeding with improvements to the following administrative and operational functions: (1) telephone systems; (2) duplication services; (3) car pool operations; (4) office space utilization; (5) purchasing procedures; (6) contract procedures; (7) inventory control systems; and (8) word processing systems.

D. Status of the Governing Boards Task Force Reviewing the Legal Structure Under which the Agency Operates

As part of the approval of Management Study Report No. 3, (adopted March 17, 1981) the Governing Boards resolved to create a Task Force composed of two members of the City Council, two members of the Board of Supervisors and one member of the Commission. The Task Force for Organizational Alternatives for the Agency has been established and is composed of Supervisors Collin and Bryan from the County Board of Supervisors, Mayor Isenberg and Councilwoman Robie from the City Council and Chairman Miller from the Sacramento Housing and Redevelopment Commission.

The charge of the Task Force was to review legal alternatives and recommend a revised organizational format which would result in more efficient operation of the Agency.

The Task Force met on several occasions and determined by consensus that certain items should be delegated to the Commission and certain items would be acted upon by the Governing Boards.

A proposed delegation agreement was prepared and approved by the Task Force and a report addressing alternative legal structures which would best implement the proposed delegation agreement was prepared.

The report included recommendations to implement immediately the alternative which would retain the four existing legal entities, delegate specific authority and responsibility to the Commission and formally clarify the existence of the Agency staff by establishing a fifth independent legal entity for the reasons set forth in the report.

This report was approved by the Housing Authority and Redevelopment Agency of the City of Sacramento on October 20, 1981 and the Housing Authority and Redevelopment Agency of the County of Sacramento on October 27, 1981.

E. Review of Sacramento Heritage's Organizational Structure Function

In an effort to improve the administrative and programmatic functions of the Housing and Redevelopment Agency, a reassessment of the organizational structure and programmatic functions of Sacramento Heritage, Inc. is being recommended as part of this Final Management Report. As previously mentioned in Management Study Report No. 2, the Agency consists of four separate legal entities. Sacramento Heritage, Inc. is yet another legal entity for which the Agency employees provide staff support. The Executive Director serves as the Chief Executive Officer and the Agency provides staff assistance to Sacramento Heritage, Inc.

The past performance of Sacramento Heritage is symptomatic of underlying problems in both the organizational structure and programmatic functions of the corporation. Since its inception in 1975, the corporation has completed one restoration project (925 G Street - Van Voorhies Mansion) and is presently committed to two others (517 8th Street - Mesick Residence, 1010 F Street - Hubbard-Upson). This slow progress seems unfortunate in view of the charter of the organization which provides for coalition of public and private interests in the area of historic preservation related to community development.

It is recommended that a reassessment report be prepared that would identify problems which must be overcome and propose possible alternative solutions in order to develop long-range strategies, both administrative and programmatic for the effective operation of Sacramento Heritage, Inc.