

RESOLUTION 2023-0018

Adopted by the Housing Authority of the City of Sacramento

November 14, 2023

Approval of 2024 Budget for Sacramento Housing and Redevelopment Agency; Related Findings, Approvals, Delegations, and Implementing Authorizations; Including Authority for Hud Submissions, Grants and Fund Transfers

BACKGROUND

- A. The Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency created to eliminate duplicate staffing efforts and to manage and administer federal housing and community development programs on behalf of the City and County of Sacramento. This structure provides a competitive advantage to the City and County when seeking federal and other housing and community development funding opportunities. The consolidation of multiple departments from different jurisdictions achieves close coordination of housing and community development programs and provides budget savings for operation and overhead. The Agency Executive Director reports directly to the City and the County governing boards. The Agency is recognized statewide and nationally as a model public agency that achieves multi-jurisdictional cooperation and effectively leverages local, state, and federal housing and community development funds.
- B. The Agency receives annual funding from a combination of federal, state, and local sources. The sources of Agency revenue require that an operating budget be adopted prior to the start of each new fiscal year. The Agency's fiscal year is the calendar year from January 1st through December 31st.
- C. Pursuant to Health and Safety Code Section 34176, City Resolution No. 2012-018, and Housing Authority Resolution No. 2012-001, the City of Sacramento designated the Housing Authority of the City of Sacramento (HACS), managed and staffed by the Agency, as the local authority to retain the housing-assets and housing-functions previously performed by its Redevelopment Agency and the Housing Authority consented to serve in that role.

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

SECTION 1.

The above recitals are found to be true and correct and are hereby adopted.

SECTION 2.

The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities which have the potential to result in either a direct physical change in the environment, or a reasonably foreseeable indirect physical change in the environment. Therefore, the proposed actions do not constitute a project subject to environmental review under the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Section 15378(b), and are exempt under the National Environmental Policy Act pursuant to 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be completed prior to any discretionary or choice-limiting action(s) being carried out with regard to such projects.

SECTION 3.

The 2024 Operating Budget totaling \$263,350,338 and the 2024 Project Budget totaling \$62,408,497, all as further described in the 2024 Proposed Agency Budget (hereinafter "2024 Agency Budget" or "Budget"), a copy of which is on file with the Agency Clerk and copies of which have been provided to the respective governing board members, are approved as the Budget of Agency for the 2024 fiscal year. The 2024 Agency Budget incorporates the budgets of the HACS, the Housing Authority of the County of Sacramento, and the Sacramento Housing Development Corporation, and adoption of those budgets is contingent upon the approval of each of these respective entities.

SECTION 4.

A total of 320 Agency full-time equivalent positions are approved subject to classification review by the Executive Director.

SECTION 5.

The Executive Director, or designee, is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate legal directives of the California State Department of Finance and/or the State Controller's Office and the actions taken by the City of Sacramento acting as Successor Agency to the former Redevelopment Agency as approved by the Successor Agency's Oversight Board regarding housing successor matters.

SECTION 6.

The budgeted amount for any item in the Budget may be amended by majority vote of the governing body of each entity actually undertaking and funding the activity. Such an amendment to the Budget so enacted shall be deemed to have been approved by all of the entities that originally adopted the Budget without further action of the remaining entities.

SECTION 7.

The Executive Director, or designee, is authorized to submit the 2024 Annual Housing Operating Budget and all supporting documents to the United States Department of Housing and Urban Development (HUD), including all required amendments for utilities and other miscellaneous adjustments. Furthermore, the Executive Director, or designee, is authorized to amend the Budget to reflect actual HUD approved expenditures and revenues for HUD funded programs and projects. See Exhibit B-1 for a summary of the public housing operating budget.

SECTION 8.

The proposed expenditures under the 2024 Housing Operating Budget are necessary for the efficient and economical operation of Agency housing to serve low-income families.

SECTION 9.

The housing financial plan set forth in the 2024 Housing Operating Budget is reasonable in that:

- A. It indicates a source of funding adequate to cover all proposed expenditures.
- B. It does not provide for the use of federal funding in excess of amounts payable under the provisions of the pertinent regulations.
- C. It proposes rental charges and expenditures that are consistent with provisions of law and the Annual Contributions Contract
- D. It includes asset management project budgets prepared on an individual basis as shown in the Schedule of Public Housing AMP and Central Office 2024 Budget attached as Exhibit B-1.

SECTION 10.

Form HUD-52574 (04/2013), attached as Exhibit B-2 for signature by the Chair of the Board of the Housing Authority, provides necessary certifications for submission of the Operating Budgets described in Section 9.d.

SECTION 11.

Based on the HUD requirement for public housing authorities to implement Asset Management that includes fee for service, the proposed Budget implements the fee for service provisions and support service costs. The fee for service provision is predicated on the concept that fee revenues will cover the cost of the services provided. Such services include but are not limited to property management services. Subject to applicable laws, regulations and policies governing Agency procurement, the Executive Director, or designee, is authorized to competitively procure and execute contracts for such fee for services.

SECTION 12.

The Executive Director, or designee, is authorized to submit applications to HUD for the Capital Fund Plan and Program funding. If such grants are awarded, the Executive Director, or designee, is authorized to accept the grant or grants, execute all related documents and to execute contracts to implement the Capital Fund Program subject to HUD approval of the annual statements and amend the budget accordingly. The Executive Director, or designee, is directed to comply with all policies, procedures, and requirements prescribed by HUD as a condition of such grants. The Executive Director, or designee, is authorized to submit the Comprehensive Plan or annual statement to HUD, after receiving public comments and resident review.

SECTION 13.

On an annual basis HACS conducts a physical inventory, analyzes receivables for collectability and, accordingly, reconciles and adjusts related financial records. The Executive Director, or designee, is authorized to amend the Budget and financial records as needed for such adjustments.

SECTION 14.

The Executive Director, or designee, is authorized to purchase all lines of applicable insurance for its properties and operations through local independent agents, direct carriers, or risk retention pools, provided that the insurance requirements, coverage and terms are commercially reasonable and provided that the cost does not exceed the amounts in the approved Budget. The Executive Director, or designee, is also authorized to obtain flood insurance through the federal flood insurance program for HACS properties and this coverage may be secured through a local independent agent.

SECTION 15.

Subject to availability under the Budget of any required funds, the Executive Director, or designee, is authorized to approve conversion of HUD funded conventional public housing dwelling units to non-dwelling use or disposition as long as the use or disposition is approved by

HUD and consistent with adopted HACS policy and governing board approvals. The Executive Director, or designee, is authorized to amend the Budget as necessary and to transfer funds among operating budgets or project budgets to facilitate the HUD approved conversion.

SECTION 16.

The Executive Director, or designee, is authorized and directed to approve, submit, and implement the Public Housing Authority (PHA) Annual Plan and the PHA Five-Year Plan, and the attachments and/or amendments to such Plans to comply with the Quality Housing and Responsibility Act of 1998.

SECTION 17.

The Executive Director, or designee, is authorized to submit to HUD the One Year Action Plan for Community Development Block Grant (CDBG), Home Investment Partnership (HOME), Emergency Solutions Grant (ESG) and Housing Opportunities for People with AIDS (HOPWA). HACS, staffed by the Agency, is delegated authority to administer federal funds appropriated by HUD and is the designated recipient of funds outlined in the One Year action Plan. If such grants are awarded, the Agency is authorized to accept the grant or grants, execute all related documents and amend the Budget accordingly. The Agency is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Agency is authorized to amend the Capital Reserve Project budget in the event that the actual entitlement exceeds, or is less than, that estimated in the Budget.

SECTION 18.

The Executive Director, or designee, is authorized to administer funds or delegate authority to other appropriate entities approved by the governing boards to administer ESG and HOPWA programs, and is also authorized to expend funds and execute contracts with the appropriate entities to carry out the ESG and HOPWA funded activities contained in the approved Action Plan, strictly in accordance with the terms of the approved Action Plan and funding source requirements.

SECTION 19.

The Executive Director, or designee, is authorized to enter into necessary grants and agreements with HUD, the State Housing and Community Development Department (HCD), and other governmental or private entities for homeless programs for which HACS/Agency is the designated recipient of grant funds or contracting agency. The Executive Director, or designee, is authorized to accept such grants, execute contracts to implement homeless activities funded in the Budget, and amend the Budget accordingly (provided that the activities are fully funded by the grant or are within the Agency Budget). The Executive Director, or designee, is authorized to execute contracts for homeless activities funded in the Agency Budget as outlined in the Agency public services schedule.

SECTION 20.

HACS finds and declares that the proposed planning and administrative expenses which may be paid for from the former low- and moderate-income housing fund, pursuant to an approved recognized obligation payment schedule, is necessary for the production, improvement and/or preservation of low- and moderate-income housing during the 2023 Agency Budget year.

SECTION 21.

The Executive Director is authorized to amend the budget to transfer or accept funding or assets consistent with an approved recognized obligation payment schedule to the Agency or City Redevelopment Agency Successor Agency (RASA) for approved capital projects or operating expenses in compliance with all bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.

SECTION 22.

The Executive Director is authorized to amend the budget to receive assets or transfer assets, receive funds or transfer funds to the City RASA and execute agreements with the City or RASA as necessary to facilitate authorized directives of the State of California, the California State Department of Finance and/or the State Controller's Office or to provide staffing services to RASA. Agreements between the Agency or HACS and the City RASA are subject to Successor Agency Oversight Board Approval.

SECTION 23.

The Executive Director, or designee, is authorized to submit grant applications on behalf of the HACS for any and all housing and community development activities within the jurisdiction of the Agency. If such grants are awarded, HACS is authorized to accept the grant or grants execute contracts to implement grant activities with the appropriate entities (provided that the activities are fully funded by the grant or within the Budget), execute all related documents and amend

the Budget. Budget expenditure and amendments for such grants are permitted for positions, services and supplies, equipment and projects. The Executive Director is directed to comply with all policies, procedures, and requirements prescribed as a condition of such grants. Such grants may include but are not limited to the following:

- Homeless Prevention and Rapid Re-Housing Program HPRP
- Neighborhood Stabilization Program
- Family Unification Program
- Family Self Sufficiency
- Veteran's Assistance and Supportive Housing

SECTION 24.

The Executive Director, or designee, is authorized to amend the Budget to make transfers of fund balances to accommodate reserve requirements. The Executive Director, or designee, may allocate and transfer any available fund balances to accounts held for future projects or reduce budget shortfalls in any other fund balances, provided monies so used are not otherwise restricted by law or regulations related to the funding source. Further, the Executive Director is authorized to expend available balances from the payroll fund for the cost of liabilities such as post-retirement medical benefits, sick leave and vacation accruals.

SECTION 25.

The Agency Budget is controlled at the fund group level. Except as provided in this resolution, no expenditure will exceed the approved Budget.

SECTION 26.

The Executive Director, or designee, is authorized to amend the Budget to appropriate for expenditure all revenues received in revolving funds.

SECTION 27.

The Executive Director, or designee, is authorized to increase or decrease operating Budget appropriations up to \$100,000. Operating Budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

SECTION 28.

The Executive Director, or designee, is authorized to transfer appropriations up to \$100,000 per transaction in Operating Budget and contingency reserves.

SECTION 29.

The Executive Director, or designee, is authorized to increase or decrease project budget appropriations by not more than \$100,000 for each project or activity. Project budget appropriation increases and decreases in excess of \$100,000 must be approved by the appropriate governing board.

SECTION 30.

The Executive Director, or designee, is authorized to amend the budget to receive insurance proceeds and award contracts to expend insurance proceeds so long as such proceeds are used exclusively towards, the repairing, rehabilitating, replacing or otherwise compensating for the insured loss.

SECTION 31.

The Executive Director, or designee, is authorized to transfer any available fund balances from HACS instrumentalities or affiliates to allocate for future HACS projects or to reduce budget shortfalls, provided the use and receipt of funds is not otherwise restricted by law or regulations. Such transactions are subject to HACS instrumentality or affiliate board approval.

SECTION 32.

The Executive Director, or designee, is authorized to amend the Budget to reflect all required debt service payments, pass through payments, loan repayments, and other existing obligations based on actual higher or lower revenues.

SECTION 33.

The Executive Director, or designee, is authorized to amend the operating budget or capital project budget or transfer funding of approved capital projects or operating budgets in compliance with appropriate approvals, bond covenants, tax laws and applicable laws and regulations or changes to the aforementioned.

SECTION 34.

The Executive Director, or designee, serving as the Successor Housing Entity, is authorized to execute, and implement internal loans between Agency managed funds as reflected in the Budget and as consistent with bond covenants, tax laws and applicable redevelopment laws and regulations; and to modify the terms of loans and reconcile available revenues as needed for the completion of enforceable housing obligations of the former redevelopment agency to assure receipt of anticipated revenues.

SECTION 35.

The Executive Director, or designee, is authorized to exercise default remedies and take other actions to protect HACS assets under contracts, loans, disposition and development agreements, owner participation agreements and other HACS agreements and to appropriate the associated revenues in the Budget. The Executive Director, or designee, is authorized to enter into "loan work outs," to the extent reasonably necessary to protect HACS assets, and in entering such "work outs," The Agency is authorized to renegotiate and rewrite the terms of the loan as if the loan were made according to current loan program underwriting criteria (including forgiveness of principal as necessary to reflect underwriting the loan at current fair market value of the subject property). Further, The Executive Director, or designee, is authorized to renegotiate existing HACS debt obligations and execute new security instruments provided the terms of the new debt do not increase the principal outstanding and either result in a cost savings or provide HACS with more favorable loan terms.

SECTION 36.

The Executive Director is authorized to allocate, transfer, expend, or dispose of all funds received by HACS resulting from the repayment of loans made to developers of low income housing which originated solely from funds controlled, or entitled for use, by the Housing Authority (Housing Authority Funds), to further any project the Executive Director determines will fulfill the original purpose of the Housing Authority Funds, without further authorization from the Housing Authority Board, including without limitation, negotiating, executing and amending Loan Commitment Letters, Loan Agreements, and any related documents, as approved as to form by HACS's Office of the General Counsel.

SECTION 37.

All project appropriations in existence as of December 31, 2023, will be carried over and continued in 2024.

SECTION 38.

All multi-year operating grant budgets in existence as of December 31, 2023, shall be continued in 2024.

SECTION 39.

All encumbrances for valid purchase orders and contracts in effect as of December 31, 2023, may remain in effect in 2024. The Executive Director, or designee, is authorized to increase the Budget for valid encumbrances as of December 31, 2023, but only to the extent that the applicable division's 2023 operating budget appropriations exceeded 2023 expenditures.

SECTION 40.

The Executive Director, or designee, is authorized to incorporate the changes listed on Exhibit A-1 as part of the 2024 Budget.

SECTION 41.

If any entity requires a separate resolution for any action approved within this resolution other than resolutions for approval or amendment of projects, programs or the Agency Budget, the Sacramento Housing and Redevelopment Commission is delegated the authority to approve and deliver such resolution.

SECTION 42.

The Executive Director, or designee, or designee, is authorized to delegate the authorities as set out in this resolution.

SECTION 43.

This resolution shall take effect immediately.

TABLE OF CONTENTS:

Exhibit B – Summary of Sacramento Housing and Redevelopment Agency Proposed 2024 Budget

Exhibit B-1 – 2024 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)

Exhibit B-2 – HUD Resolution Approving the 2024 AMP Budgets

Adopted by the Housing Authority of the City of Sacramento on November 14, 2023, by the following vote:

Ayes: Members Guerra, Jennings, Kaplan, Loloee, Maple, Talamantes, Valenzuela, Vang, and Mayor Steinberg

Noes: None

Abstain: None

Absent: None

Attest:  11/29/23

Mindy Cuppy, City Clerk

The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.

EXHIBIT B

**SUMMARY OF SACRAMENTO HOUSING
AND REDEVELOPMENT AGENCY PROPOSED 2024 BUDGET**

Approved 2024 Total Operating Budget	\$ 263,350,338
Approved 2024 New Projects	\$ 62,408,497
TOTAL SHRA BUDGET	\$ 325,758,835

City Public Housing AMP, Central Office and Central Services Budget

January 1 - December 31, 2024

PHA Code: CA005
City of Sacramento

	City AMP 1	City AMP 2	City AMP 3	City AMP 4	City AMP 5	City AMP 7	Total City Public Housing	City COCC Central Office & Central Svc.
Beginning fund equity	\$ 1,444,355	\$ 2,535,255	\$ 1,732,476	\$ 683,491	\$ 977,424	\$ 1,549,004	8,922,005	\$ -
Revenues:								
HUD Operating Subsidy	2,191,423	2,481,725	650,000	800,000	800,000	800,000	7,723,148	-
Maintenance Charges to Tenants	2,000	3,000	-	1,000	10,000	1,000	17,000	-
Washer/Dryer Income	-	-	10,000	-	-	2,000	12,000	-
Rental Income - Dwelling	850,000	500,000	200,000	560,000	700,000	476,180	3,286,180	-
Rental Income - Commercial	-	15,000	-	-	-	-	15,000	-
Rental Income other	15,000	-	-	-	-	-	15,000	-
Interest Income - Investment	20,000	30,000	10,000	5,000	10,000	3,000	78,000	-
Bad Debt Recovery	500	-	-	100	-	100	700	-
Return Check Fee	-	-	-	30	-	-	30	-
Miscellaneous income	600	-	500	1,000	3,000	1,000	6,100	-
Management Fee	-	-	-	-	-	-	-	1,181,022
IT/Bookkeeping Fee	-	-	-	-	-	-	-	23,400
Asset Management Fee	-	-	-	-	-	-	-	31,200
Admin Fee (CFP)	-	-	-	-	-	-	-	849,000
Central services fees	-	-	-	-	-	-	-	-
Total operating revenue	3,079,523	3,029,725	870,500	1,367,130	1,523,000	1,283,280	11,153,158	2,084,622
CFP Mgmt impr transfers	65,415	65,809	126,249	65,415	85,415	67,642	475,945	-
Local Housing Transfers	-	-	-	-	-	-	-	-
Total revenues and transfers in	3,144,938	3,095,534	996,749	1,432,545	1,608,415	1,350,922	11,629,103	2,084,622
Expenditures:								
Employee Services:								
- Management/Maintenance	753,869	916,187	445,875	459,484	374,090	405,204	3,354,709	845,876
- Resident Trainees	26,379	26,379	31,175	26,379	26,379	23,981	160,672	-
Total Employee Services	780,248	942,566	477,050	485,863	400,469	429,185	3,515,381	845,876
Services & Supplies:								
- Management/Maintenance	1,850,714	2,051,544	705,931	743,942	814,614	675,161	6,841,906	1,182,906
Other Charges:								
Financial Transactions	-	38,368	32,466	11,807	14,757	14,756	112,154	-
- Central Service Fees	-	-	-	-	-	-	-	216,642
- Miscellaneous (PILOT, Depr.)	50,000	54,831	13,103	17,669	22,000	25,000	182,603	-
Management Fee	304,646	330,800	162,478	106,626	124,397	129,475	1,158,422	-
IT / Bookkeeping Fee	32,400	35,190	17,280	11,340	13,230	13,770	123,210	-
Asset Management Fee	43,200	46,920	23,040	15,120	17,640	18,360	164,280	-
Total operating expense	3,061,208	3,500,219	1,431,348	1,392,367	1,407,107	1,305,707	12,097,956	2,245,424
Ending Balance	\$ 1,528,085	\$ 2,130,570	\$ 1,297,877	\$ 723,669	\$ 1,178,732	\$ 1,594,219	\$ 8,453,152	\$ (160,802)

PHA Board Resolution

Approving Operating Budget

**U.S. Department of Housing
and Urban Development**
Office of Public and Indian Housing -
Real Estate Assessment Center (PIH-REAC)**Exhibit B-2**OMB No. 2577-0026
(exp. 04/30/2016)

Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This information is required by Section 6(c)(4) of the U.S. Housing Act of 1937. The information is the operating budget for the low-income public housing program and provides a summary of the proposed/budgeted receipts and expenditures, approval of budgeted receipts and expenditures, and justification of certain specified amounts. HUD reviews the information to determine if the operating plan adopted by the public housing agency (PHA) and the amounts are reasonable, and that the PHA is in compliance with procedures prescribed by HUD. Responses are required to obtain benefits. This information does not lend itself to confidentiality.

PHA Name: Housing Authority-City of Sacramento PHA Code: CA005PHA Fiscal Year Beginning: 01/01/2024 Board Resolution Number: _____

Acting on behalf of the Board of Commissioners of the above-named PHA as its Chairperson, I make the following certifications and agreement to the Department of Housing and Urban Development (HUD) regarding the Board's approval of (check one or more as applicable):

DATE

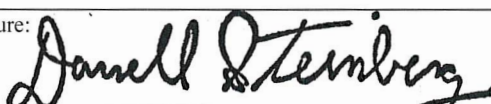
- ☒ Operating Budget approved by Board resolution on: 11/14/2023
- ☐ Operating Budget submitted to HUD, if applicable, on: _____
- ☐ Operating Budget revision approved by Board resolution on: _____
- ☐ Operating Budget revision submitted to HUD, if applicable, on: _____

I certify on behalf of the above-named PHA that:

1. All statutory and regulatory requirements have been met;
2. The PHA has sufficient operating reserves to meet the working capital needs of its developments;
3. Proposed budget expenditure are necessary in the efficient and economical operation of the housing for the purpose of serving low-income residents;
4. The budget indicates a source of funds adequate to cover all proposed expenditures;
5. The PHA will comply with the wage rate requirement under 24 CFR 968.110(c) and (f); and
6. The PHA will comply with the requirements for access to records and audits under 24 CFR 968.110(i).

I hereby certify that all the information stated within, as well as any information provided in the accompaniment herewith, if applicable, is true and accurate.

Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012.31, U.S.C. 3729 and 3802)

Print Board Chairperson's Name: Mayor Darrell Steinberg	Signature: 	Date: 11/14/2023
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