



**SACRAMENTO
HOUSING AND REDEVELOPMENT
AGENCY**



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October 16, 1985

Budget & Finance Committee
of the City Council
Sacramento, CA

Honorable Members in Session:

SUBJECT: Transfer of Approved CDBG 1985 Funds to Emergency
Repair Grant Programs

SUMMARY

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

RECOMMENDATION

The staff recommends approval of the fund transfer.

Respectfully submitted,

William H. Edgar
WILLIAM H. EDGAR
Executive Director

TRANSMITTAL TO COMMITTEE:

Walter Slips
FOR SOLON WISHAM, JR.
Assistant City Manager



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY



October 16, 1985

Redevelopment Agency of the
City of Sacramento
630 "I" Street
Sacramento, CA 95814

Honorable Members in Session:

SUBJECT: TRANSFER OF APPROVED CDBG 1985 FUNDS TO
EMERGENCY REPAIR GRANT ACCOUNT

SUMMARY

The Emergency Repair Program which began in July, 1984, has established a reputation for quick turnaround time for repairs and excellent Agency staff response. The increase of interest in the program has, however depleted the allocated City program funds for 1985. Staff is requesting that funds from approved 1985 CDBG Rehabilitation loans and grants be transferred to the City ERP to serve clients for the remainder of the year. Additionally, it is anticipated that due to the pending budget deliberations, the Federal government will release the 1986 allocation sometime between March and June of 1986. Therefore, staff is also requesting a transfer of 1985 City and County funds to cover the first six months of 1986.

BACKGROUND

In July, 1984, the Sacramento Housing and Redevelopment Agency initiated a pilot City and County Emergency Repair Program (ERP). The format of this new program, administered by the Housing Rehabilitation Division, was to utilize three licensed general contractors to perform the necessary repairs. Jobs were assigned to the contractors on a rotating basis. After the first six month trial period, staff recommended that the respective contracts be extended an additional twelve months, to the end of 1985.

This program design utilizing private contractors has proven to be quite effective with respect to a relatively quick response time by staff and fast completion of truly emergency situations. Clients are generally serviced on a first-call-first-served basis, however, staff does screen the calls and prioritize the repair needs. The emergency repair criteria (which was approved by the governing bodies) is specific, requiring that the repair be "urgent". Within the approved "urgent" category, priorities are set such as in the examples listed below:

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<u>Priority</u>	<u>Less Urgent</u>
No water	No hot water
No sewage facilities or sewage flowing onto ground	Slow sewer drainage
Roof leaking through electrical outlets	Minor roof leak
No heat in winter	Inoperable furnace in summer
Sparking electrical	Inoperable electrical outlets

Priority repairs are usually made within the same day as the request. Staff does advise homeowners to take temporary corrective measures until the structures can be examined and the homeowner is qualified, i.e. placing cardboard or boards across broken windows.

Inspection of the less urgent repairs are made according to the waiting list, with the repair work itself being completed generally within three days.

FINANCIAL DATA

Even with minimal advertising, the volume of ERP cases has increased steadily. However, as the volume of applicants has increased, so has the extent of the waiting list. There is an estimated wait of up to one month for some less urgent cases. Staff anticipates an even higher volume of applicants as the rainy season approached. It has been estimated that the increased number of ERP cases will deplete the 1985 City ERP allocation. In order to meet the continued repair demand, particularly during the winter months extending into 1986, staff is requesting funds be transferred from the 1985 loan and grant allocation to the ERP account. Justification for this request is as follows:

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	<u>City</u>	<u>County</u>
1984 Allocation	300,000	350,000
7/1984 balance for ERP (new program design)	164,741	212,989
1984 Carryover	\$ 32,182	\$170,081
1985 Allocation	200,000	300,000
Less 10.5% Admin. cost	(21,000)	(31,500)
Less special sewer/well set-aside fund (approved 3/13/85)	(5,000)	(25,000)
Balance of 1985 funds	206,182	413,581
Expenditures to 8/31/85	(163,793)	(158,073)
	123 cases	128 cases
BALANCE TO DATE 9/1/85	\$ 42,389	\$255,508

Staff estimates that the 28 cases presently under contract in the City will deplete the remaining 1985 fund balance. Approximately 73 more cases are on the waiting list. In the County, 27 cases presently under contract will utilize an estimated \$35,589, leaving a County balance of \$219,919, with 60 cases remaining on the waiting list. Thus far, cases average \$1,332 in the City and \$1,235 in the County; however, anticipated roof repairs within the next several months should increase the average cost per case. Therefore, the amount of funds needed has been estimated using the \$2,000 allowable maximum grant amount.

AMOUNT REQUESTED FOR TRANSFER

Estimated ERP Funds Needed to Complete 1985

	<u>City</u>	<u>County</u>
Balance as of 9/30/85	-0-	\$219,000
Expenditures, October -- December, 1985	(150,000)	(150,000)
3 x 25 cases = 75 cases @ \$2,000 each		

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Anticipated carryover end of 1985	-0-	69,000
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Estimated ERP Funds Needed for 6 months of 1986

Expenditures, January -- June, 1986	(240,000)	(240,000)
6 x 20 cases = 120 cases @ \$2,000 each		

TOTAL AMOUNT REQUESTED	\$390,000	\$171,000
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There are sufficient 1985 loan/grant funds presently budgeted to meet the transfer request and no new funds are being requested.

VOTE AND RECOMMENDATION OF COMMISSION

At its regular meeting of October 21, 1985, the Sacramento Housing and Redevelopment Commission adopted a motion recommending adoption of the attached resolution. The votes were as follows:

AYES:

NOES:

ABSENT:

POLICY IMPLICATION

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

The previously approved ERP allocation has been projected to be insufficient to meet the ERP need and demand. The action to transfer the funds is required to continue providing the ERP services. The requested action is also consistent with CDBG policies and will ensure funds are used to assist low income persons in emergency situations. Adequate funds are available within the CDBG Housing Rehabilitation Budget for this request.

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RECOMMENDATION

The staff recommends adoption of the attached resolution amending the 1985 Agency budget to transfer \$390,000 of approved 1985 City Rehabilitation funds to City Emergency Repair Program and the transfer of \$171,000 of approved CDBG County Rehabilitation funds to County Emergency Repair Program.

Respectfully submitted,

WILLIAM H. EDGAR
Executive Director

WHE/GW:cmc

TRANSMITTAL TO COUNCIL:

Walter J. Slipe
City Manager

Contact Person: Michael Hanamura

RESOLUTION No.

Adopted by The Sacramento City Council on date of

TRANSFER OF 1985 CDBG FUNDS
FOR EMERGENCY REPAIR PROGRAM

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO:

Section 1: The City Council amends the CDBG budget by transfer of \$390,000 of 1985 City of Sacramento Rehabilitation Loans and Grants (cost center 4251) to 1985 City Emergency Repair Grants (cost center 4202).

MAYOR

ATTEST:

CITY CLERK

z:ccCDBGtransfer

RESOLUTION NO.

ADOPTED BY THE REDEVELOPMENT AGENCY OF THE CITY OF SACRAMENTO
ON DATE OF

TRANSFER OF 1985 CDBG FUNDS
FOR EMERGENCY REPAIR PROGRAM

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

Section 1: The Agency's 1985 budget is amended to transfer \$390,000 of 1985 City of Sacramento CDBG Rehabilitation Loans and Grants (cost center 4251) to 1985 City Emergency Repair Grants (cost center 4202).

CHAIR

ATTEST:

SECRETARY

z:racsCDBGtrans