

# City of Sacramento

## Legislation Text

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**File #:** 2020-00665, **Version:** 1

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**Title:**

**(City Council / Housing Authority) Approval of 2021 Sacramento Housing and Redevelopment Agency Budget (Noticed 8/4/2020)**

File ID: 2020-00665

**Location:** Citywide

**Recommendation:**

Conduct a public hearing and upon conclusion: 1) adopt a City Council Resolution: a) approving the 2021 proposed budget for the Sacramento Housing and Redevelopment Agency (Agency); b) delegating authority to the Agency to administer certain federal funds; c) authorizing the Agency to submit grant applications for activities within the jurisdiction of the Agency; d) authorizing the Agency to enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget and to undertake other actions necessary to implement the delegated authorizations; and e) consent to the Agency's submittal of the annual housing operating budgets and application for Capital Fund Plan funding to HUD; 2) adopt a City Council Resolution adopting a Multi-Family Loan and Mortgage Revenue Bond Application Schedule that correspond with California Tax Credit Allocation Committee and California Debt Limit Allocation Committee application deadlines; and 3) adopt a Housing Authority Resolution: a) approving the 2021 proposed budget for the Housing Authority of the City of Sacramento (Authority); b) delegating authority to administer certain federal funds; c) authorizing the Authority to submit grant applications for activities within the jurisdiction of the Authority; d) authorizing the Executive Director to submit the annual housing operating budgets to HUD and the application to HUD for Capital Fund Plan funding; and e) authorizing the Executive Director to enter into contracts, make fund transfers, transfer project appropriations, amend the Agency budget and undertake other actions necessary to implement the delegated authorizations.

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**Presenter:** Susana Jackson, Chief Financial Officer, (916) 440-1373, LaShelle Dozier, Executive Director, (916) 440-1319, Sacramento Housing and Redevelopment Agency

**Attachments:**

- 1-Description/Analysis
- 2-City Council Resolution and Exhibit A
- 3-Housing Authority Resolution and Exhibit A

4-Exhibit B-1 2020 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)

5-Exhibit B-2 HUD Resolution Approving the 2021 City Public Housing Asset Management Projects (AMP) and Central Office Cost Center (COCC)

6-City Council Resolution Multi-Family Loan and Mortgage Revenue Bond Application Schedule

7-Exhibit A- Multi-Family Loan and Mortgage Revenue Bond Application Schedule

8-Proposed Agency 2021 Budget

## Description/Analysis

**Issue Detail:** The annual budget of the Sacramento Housing and Redevelopment Agency (Agency) incorporates the budgets of the Housing Authorities of the City and County of Sacramento, and the administration of specific funds on behalf of the City and County of Sacramento.

The budget process typically begins in June and extends throughout the summer months with the final proposed budget officially adopted in November. Due to the Coronavirus (COVID-19) pandemic and public health emergency, the Agency has received funding which must be utilized in the 2020 calendar year. The Agency is focused on using this funding to further the organizational goal of protecting core services to the greatest extent possible by delivering housing and public service programs. As a result, staff is recommending a "roll forward" budget for 2021 which adopts the appropriations, revenues and use of fund balances as recommended and approved for 2020 with few exceptions as detailed below.

The Agency proposes a balanced budget in the amount of \$213.3 million representing the operational activities and projects for 2021. The 2021 proposed budget represents a \$1.4 million or 0.7% increase in net appropriations compared with the prior year. This change in annual budget appropriations is the result of increases in salaries, benefits and Public Employee Retirement System (PERS) obligations as well changes in Full Time Equivalent (FTE) staff that were approved throughout the year for the Homeless Innovations Department.

The proposed 2021 budget provides a plan by which the Agency continues to operate in an efficient manner and in compliance with funding source regulatory requirements and the Governmental Accounting Standards Board. The Agency's budget and fiscal year is the calendar year from January 1st through December 31st. The City typically does not provide any General Funds to support the Agency's budget. Appropriate financial planning and applicable government regulations require that the Agency have an operating budget and capital budget adopted prior to the start of each new fiscal year. Consequently, the Agency presents its budget to all governing bodies for approval annually.

<b>Calendar Year 2021 Proposed Budget</b>								
	<b>2016 Budget</b>	<b>2017 Budget</b>	<b>2018 Budget</b>	<b>2019 Budget</b>	<b>2020 Budget</b>	<b>2021 Budget</b>	<b>Variance</b>	
							<b>2020 to 2021</b>	<b>2021 to 2022</b>
<b>OPERATIONS</b>								
Salaries and Benefits	22.3	24.7	24.4	27.3	28.7	30.1	1.4	4.6
Services and Supplies	17.0	18.3	17.9	17.8	17.4	17.4	0.0	0.0
Housing Assistance Payments	106.0	106.0	100.7	100.3	109.1	109.1	0.0	0.0
Debt Service	2.4	3.3	2.2	2.6	2.9	2.9	0.0	0.0
Financial Transactions	0.4	0.7	3.3	0.3	0.7	0.7	0.0	0.0
Public Services	5.7	6.0	6.7	5.1	5.1	5.1	0.0	0.0
<b>Subtotal</b>	<b>\$153.8</b>	<b>\$159.0</b>	<b>\$155.3</b>	<b>\$153.0</b>	<b>\$163.9</b>	<b>\$165.3</b>	<b>\$1.4</b>	<b>0.8</b>
<b>CAPITAL PROJECTS</b>								
Housing Development and Preservation	16.7	20.7	28.0	14.4	40.3	40.3	0.0	0.0
Housing Authority Capital Projects	2.9	18.5	2.7	2.7	2.7	2.7	0.0	0.0
Infrastructure and Public Improvements	6.4	5.0	5.0	5.0	5.0	5.0	0.0	0.0
<b>Subtotal</b>	<b>\$26.0</b>	<b>\$31.5</b>	<b>\$35.7</b>	<b>\$39.3</b>	<b>\$48.0</b>	<b>\$48.0</b>	<b>0.0</b>	<b>0.0</b>
<b>TOTAL</b>	<b>\$180.0</b>	<b>\$190.5</b>	<b>\$191.0</b>	<b>\$192.3</b>	<b>\$211.9</b>	<b>\$213.3</b>	<b>\$1.4</b>	<b>0.7</b>

**Policy Considerations:** The actions recommended in this report are consistent with adopted Consolidated Plan goals, the annual Housing Operating budget, the Capital Fund Plan, and adopted Agency policies.

This report also recommends adoption of the Agency's Multi-Family Loan and Mortgage Revenue Bond 2021 Application Schedule. The schedule will allow applicants to apply for funding on certain dates corresponding to the California Tax Credit Allocation Committee (TCAC) and California Debit Limit Allocation Committee (CDLAC) application deadlines.

**Economic Impacts:** Not applicable

#### **Environmental Considerations:**

**California Environmental Quality Act (CEQA):** 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). Environmental Review for specific projects will be completed prior to any discretionary action(s) being carried out with regard to such projects.

**National Environmental Policy Act (NEPA):** The proposed actions are administrative and fiscal activities and do not make any commitments to, or give approvals for, specific projects or activities and are exempt under the National Environmental Policy Act (NEPA) pursuant to 24 CFR 58.34(a)(2) and (3). Environmental Review for specific projects will be completed prior to any choice limiting action(s) being carried out with regard to such projects.

**Sustainability:** Not applicable

**Commission/Committee Action:** At its meeting of July 15, 2020 the Sacramento Housing and Redevelopment Commission considered the staff recommendation for this item. The votes were as follows:

AYES: Alcalay, Boyd, Morgan, Nunley, Staajabu, Starks, Woo

NOES: None

ABSENT: Griffin, Osmany

**Rationale for Recommendation:** The proposed budget provides a fiscal strategy for operations and capital projects during 2021. The budget is in balance and complies with applicable federal, state, and local regulations on the use of the funds.

**Financial Considerations:** The 2021 proposed budget recommends total expenses of \$213.3 million, with the Housing Assistance Payments budget at \$109.1 million; the Operating budget at \$47.5 million; the Capital Projects budget at \$48 million; the Public Services budget at \$5.1 million; and, the Debt Service and Financial Transactions budget at \$3.6 million. The 2021 proposed budget of \$213.3 million represents a \$1.4 million or 0.7 percent increase compared with the total 2020 Adopted budget. In 2021, the Agency proposes to increase its authorized full-time equivalent (FTE) positions to 252 from 246 FTE in 2020. These additional positions will provide staffing to support the Homeless Innovations Department.

**Local Business Enterprise (LBE) - M/WBE and Section 3 requirements:** The action proposed in this report has no M/WBE or Section 3 impact; therefore, M/WBE or Section 3 considerations do not apply. LBE Considerations do not apply to this report.