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Staff Report

LHA ITEM 11

To: Lemoore Housing Authority Commission
From: Brooke Austin, Housing Specialist and
Judy Holwell, Redevelopment Project Manager
Date: January 23, 2012
Subject: Resolution No. 2012-02 of the Lemoore Housing Authority
to Accept the Affordable Housing Assets & Functions of
the Lemoore Redevelopment Agency

Discussion

On February 1st the Lemoore Redevelopment Agency is expected to be dissolved per AB X1 26 as modified by the California Supreme Court in CRA v. Matosantos. As a result, the City will become the successor agency and receive all assets, properties, contracts, leases, books and records, buildings, and equipment of the former agency. The City has designated the Lemoore Housing Authority as the recipient of the housing assets and functions of the Lemoore Redevelopment Agency.

Staff has prepared a preliminary budget for the Housing Authority to demonstrate its sustainability (see attached). Based on the projected income available for programs and projects, it is anticipated that there will be sufficient funds to carryout bond projects as listed in the Official Statement for Multifamily Housing Rehabilitation Assistance, Major Rehabilitation Single Family Housing and/or Conversion of Second Floor Downtown Space to Affordable Housing. In addition, grant funds will be available for homebuyer assistance and housing rehabilitation programs. Based on the projected income available for administration and activity delivery from grants and bond proceeds, it is anticipated that there will be sufficient funds to cover the housing administration costs of \$175,352 for at least three years. This forecast was prepared using the current cost allocation plan for administrative expenses as attributed to the Low-Moderate Income Housing Fund of the Redevelopment Agency.

In addition, staff has historically been successful in applying for and receiving grants from the Department of Housing and Community Development. Assuming this success continues, the grants will provide an ongoing source of funding for programs and administration. The Official Statement states that the Bonds proceeds will be used to finance a variety of housing projects, including, but not limited to those listed and that "The actual projects financed with the proceeds of the Bonds and the costs of those projects may be different than those currently contemplated by the Agency." In addition,

there are also smaller amounts received each year from rental income and residual receipt loan payments. These amounts could be used to fund housing programs, such as the Exterior Home Improvement, Emergency Home Repair, Do-It-Yourself Paint, or Senior House Painting Programs, or saved for a future project. The income in the projected budget does not account for any Low-Moderate Income Housing Funds that may be able to be retained or the sale of any property.

Health and Safety Code Section 34278(b) states that the authority may contract with the City for furnishing by the City any necessary staff services associated with or required by an authority and which could be performed by the staff of an authority. The Commission should authorize the Executive Director to develop an Agreement between the City of Lemoore Housing Authority and the City of Lemoore to pay for City employees to work on Housing Authority Activities.

The attached resolution has been prepared, with the assistance of the City Attorney's office, so that the City of Lemoore Housing Authority can declare its intent to accept the housing assets and functions from the Lemoore Redevelopment Agency.

Budget Impact

This will result in an increase to the assets of the Housing Authority. In addition, the Housing Authority will have administrative expenses which will be paid to the City of Lemoore to cover staffing for Housing Authority activities.

Recommendation

That the Housing Authority Commission accept the housing assets and functions transferred to the City of Lemoore Housing Authority by the Lemoore Redevelopment Agency and adopt Resolution 2012-02 formalizing the acceptance; and authorize the Executive Director to draft an Agreement with the City of Lemoore to supply staff services for the Housing Authority.