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Staff Report

ITEM 11

To: Lemoore City Council/
Lemoore Housing Authority Commission

From: Brooke Austin, Housing Specialist and
Judy Holwell, Redevelopment Project Manager

Date: April 18, 2012

Subject: Cooperation Agreement for Payment of Costs
Associated with Certain Housing Programs and
Projects

Discussion

On February 15, 2011, the Lemoore City Council approved Resolution No. 2011-06 activating the Lemoore Housing Authority (Authority). Then on January 30, 2012 pursuant to Assembly Bill No. 26, the Lemoore Redevelopment Agency (Agency) transferred all housing assets and functions of the Agency to the Authority and the Authority accepted and assumed all rights, powers, assets, including bond proceeds and obligations to properly expend them, liabilities, duties, and obligations associated with the housing activities previously performed by the Agency.

In addition, in order to carry out the intent of the transfer, the Executive Director was authorized to draft an Agreement with the City of Lemoore to supply staff services for the Authority. The attached Cooperation Agreement between the City and the Authority (Agreement) has been prepared for the payment of costs associated with certain housing programs and projects.

The Agreement includes a number of affordable housing developments and programs, including loans to Kings County Management and Development Corporation and ROEM Development Corporation. These loans were initiated by the Agency prior to its dissolution and are intended to be implemented by the Authority. In addition, the Authority expects to administer programs and projects funded with grants received by the City and bond proceeds. The Agreement also includes the payment of administrative and overhead costs to carry out the programs and projects. The administrative and overhead costs were based on the amount previously allocated to RDA – Low/Moderate Income Housing in the City's Cost Allocation Plan. This amount is based on the costs associated with the City Council, City Manager's Department, Finance Department and Planning Department that were used in the performance of housing functions of the former Agency. It is anticipated that the current staff will

continue to perform similar housing activities; therefore, these costs are considered appropriate.

With the approval of the Agreement, the City and Authority seek to ensure timely implementation and completion of the housing programs and projects identified in the Agreement. The Agreement is necessary to provide funding to effectuate the completion of the housing programs and projects with available funding. The Agreement will also help to ensure the continued implementation of affordable housing programs and projects desired in the City of Lemoore.

Budget Impact

The proposed Agreement will provide the City with the funds necessary to pay for the costs associated with the administrative and overhead expenses of the Authority. \$73,065 has been allocated to continue operations from February 1st through the end of the 2011-2012 Fiscal Year.

Recommendation

That the City Council:

- 1) Adopts Resolution No. 2012-16 approving a Cooperation Agreement for Payment of Costs Associated with Certain Housing Programs and Projects.

AND

That the Lemoore Housing Authority Commission:

- 1) Adopts Resolution No. 2012-03 approving a Cooperation Agreement for Payment of Costs Associated with Certain Housing Programs and Projects.