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## Staff Report

ITEM 11

**To:** Lemoore Housing Authority Commission  
**From:** Brooke Austin, Housing Specialist *BA*  
**Date:** June 26, 2013  
**Subject:** Funds Available

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### 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 City and the Authority entered into a Cooperation Agreement on May 1, 2012, in which the City agreed to supply staff services for the Authority. The Agreement identified certain housing programs and projects to be completed with the funding available. The Agreement is attached for your reference.

At the time of the Agreement, it was anticipated that the Authority would be able to utilize the 2011 Bond proceeds allocated to Low-Mod Housing. Since that time, it has been determined that the 2011 Bond funds cannot be used. However, the Authority was allowed to retain the remaining 2003 Bond funds. The balance of these funds is \$1,250,000.

The 2003 Bond listed the following Low/Moderate Income Housing Projects as proposed projects and estimated use of bond proceeds:

- |                                       |           |
|---------------------------------------|-----------|
| 1. Neighborhood Improvements          | \$250,000 |
| 2. Infrastructure Replacement/Repairs | \$500,000 |
| 3. Paint/Fix-up Program               | \$750,000 |
| 4. Assistance in New Projects         | \$500,000 |

The document also states that other projects may be substituted for the listed projects, as long as they are consistent with Redevelopment Law. The only funds used were \$750,000 for the Exterior Home Improvement (Paint-Up/Fix-Up) Program. Since the

issuance of the bonds, it was also determined that housing funds could not be used for neighborhood improvements or infrastructure replacement/repairs unless the improvements or repairs would benefit only low-moderate income households. Therefore, these are not desired uses for the bond funds available, unless infrastructure improvements are needed in connection with a specific low-mod housing project.

Appropriate uses for the funds would be for the Exterior Home Improvement (Paint-Up/Fix-Up) Program or assistance with new projects. The Exterior Home Improvement Program was the only housing program available at that time. Since that time several new housing programs were implemented including the First-Time Homebuyer, Emergency Home Repair, Do-It-Yourself House Painting, Senior House Painting, Residential Solar Grant, and Multi-Family Rehabilitation Programs. In addition, construction assistance loans have been made for the creation of affordable multi-family housing projects. All of these could be considered "assistance with new projects". The Cooperation Agreement also includes these as potential programs and projects (as funding becomes available and is allocated by the Commission).

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 was anticipated that the current staff would continue to perform similar housing activities; therefore, these costs were considered appropriate.

In addition to the remaining Bond funds, the Authority has received approximately \$53,000 in payments from housing loans and rent. So, a total of \$1,303,000 is available for housing programs and/or projects. Staff would like the Commission to identify programs and/or projects that they would like to pursue over the next fiscal year so that a Budget for 2013-2014 can be prepared and brought back for approval.

### **Budget Impact**

The Authority has approximately \$1,303,000 available for programs and projects. The Cooperation Agreement allows \$175,352 of this amount to be used for the administrative and overhead costs and expenses incurred by the City in providing resources to the Authority.

### **Recommendation**

That the Lemoore Housing Authority Commission provide staff direction on which programs and projects to allocate funds to in the 2013-2014 Fiscal Year.