

TO: James App, City Manager

FROM: Ron Whisenand, Community Development Director

SUBJECT: Use of Low and Moderate Income Housing Funds for Preparation of Plans for Redevelopment of Oak Park Public Housing

DATE: February 16, 2010

NEEDS: For the City Council and Redevelopment Agency to consider allocating \$230,000 in Redevelopment Low and Moderate Income Housing (LMIH) Funds to pay for that portion of consultant fees for preparation of the Uptown/Town Centre Specific Plan that are directly attributable to preparation of plans for the redevelopment of Oak Park Public Housing.

FACTS:

1. Per Health and Safety Code Section 33334.2(e)(9), LMIH Funds may be used to develop plans in conjunction with the construction of affordable housing for extremely low, very low, low, and moderate-income households.
2. One of the major components of the Uptown/Town Centre Specific Plan is the preparation of plans for the redevelopment of Oak Park Public Housing. This project will include the demolition and replacement of the existing 148 units and the addition of up to an additional 152 units. Residency in Oak Park is limited to those households that qualify as being of extremely low, very low, and low-income, as defined by State Law.
3. The Redevelopment Agency has approved use of \$1.5 million in regular redevelopment funds for the contract with Moule & Polyzoides for the preparation of the Uptown/Town Centre Specific Plan.
4. Moule & Polyzoides have provided the City with an accounting (copy attached) that shows that, as of November 10, 2009, they spent \$230,000 of their consultant fee on those portions of the draft specific plan and draft Environmental Impact Report (EIR) directly related to Oak Park redevelopment.
5. In October 2009, at the recommendation of Moule & Polyzoides, the City hired Torti-Gallas Architects to assist in the development of a site plan for the redevelopment of Oak Park Public Housing. Torti-Gallas' fee was \$6,000, and was an additional expense outside of the scope of Moule & Polyzoides's contract. Funds to cover this charge have not yet been appropriated.
6. In November 2009, Moule & Polyzoides informed the City that the \$1.5 million contract needed to be amended to add another \$6,000 to cover work by Historic Resources Group (HRG) to perform additional work on the specific plan EIR. HRG's assistance in the preparation of the EIR is necessary to evaluate impacts on potential historic districts such as the Oak Park Housing site. Funds to cover this \$6,000 charge have not yet been appropriated.
7. A summary of the status of the LMIH Fund, including projections of fund balances for the next 10 years is attached.
8. The Redevelopment Plan provides that the Redevelopment Budget and any amendments thereto must be adopted by Ordinance of the City Council.

ANALYSIS AND

CONCLUSION: Funds need to be appropriated to cover the additional charges incurred for the \$12,000 of work done by Torti-Gallas and HRG. The \$6,000 for Torti-Gallas is eligible for LMIH funding; the \$6,000 for HRG is not.

Health and Safety Code Section 33334.2(e)(9) provides an opportunity to use LMIH funds to reimburse the regular Redevelopment Fund so that up to \$230,000 might be used for other redevelopment projects. The accounting for the \$230,000 is as follows:

\$230,000 portion of \$1.5 million Moule & Polyzoides Fee eligible for LMIH funding;
\$6,000 Torti-Gallas' fee;
—(\$6,000) HRG's additional fee;
\$230,000.

Policy Basis

Policy H-1B of the Housing Element calls for the City to “cooperate with private housing developers, nonprofit housing sponsors and public agencies to promote and expand housing opportunities for all segments of the community...”

The recently-adopted Economic Strategy calls for the City to “identify and evaluate alternatives to increase the labor force resident in the City” and to “increase intensifications, supply, and range of housing to attract and accommodate a skilled labor force”. As an implementation of the Economic Strategy, the City has begun preparing the Uptown Specific Plan and Town Centre Master Plan, which will include efforts to increase the amount of housing that is affordable to low and moderate income households in these areas.

The Redevelopment Implementation Plan provides that the promotion of the development of rental units throughout the City is the first priority for use of LMIH funds.

REFERENCE: Health and Safety Code Section 33334.2(e)(9); Housing Element; Economic Strategy; Redevelopment Implementation Plan;

FISCAL

IMPACT: The attached LMIH Fund Status sheet shows that there is capacity in the present and future fiscal years for accommodating an allocation up to \$230,000.

OPTIONS: After consideration of all public testimony, that the Redevelopment Agency and City Council consider the following options:

Redevelopment Agency

- a. Adopt attached Resolution No. RA 10-XX approving an allocation of \$230,000 in Redevelopment Low and Moderate Income Housing funds to the Redevelopment Fund.
- b. Amend, modify, or reject the above options.

City Council

- a. Assuming that the Redevelopment Agency approves Option a or b, above, introduce for first reading Ordinance No. XXX N.S. amending Chapter 3.40 Revenue and Finance of

the Municipal Code to modify the Fiscal Year 2009/10 Budget for the Redevelopment Agency of the City of El Paso de Robles and set March 2, 2010, as the date for adoption of said Ordinance.

- b. Amend, modify, or reject the above option.

Prepared By: Ed Gallagher, City Planner

ATTACHMENTS:

1. Resolution RA 10-XX
2. Ordinance XXX N.S.
3. Status of LMIH Funds
4. Moule & Polyzoides' Accounting for \$230,000

RESOLUTION RA 10- XX

RESOLUTION OF THE REDEVELOPMENT AGENCY OF
THE CITY OF PASO ROBLES APPROVING USE OF \$230,000 IN LOW AND
MODERATE INCOME HOUSING FUNDS FOR PREPARATION OF PLANS FOR THE
REDEVELOPMENT OF OAK PARK PUBLIC HOUSING

WHEREAS, Policy H-1B of the Housing Element calls for the City to “cooperate with private housing developers, nonprofit housing sponsors and public agencies to promote and expand housing opportunities for all segments of the community...”; and

WHEREAS, the Redevelopment Implementation Plan provides that the promotion of the development of very low, low, and moderate income rental units throughout the City is the first priority for use of LMIH funds; and

WHEREAS, the Economic Strategy calls for the City to “identify and evaluate alternatives to increase the labor force resident in the City”; as an implementation of the Economic Strategy, the City has begun preparing a Workforce Housing Strategy to articulate the City’s vision for housing its workforce; technical assistance will be needed in this effort; and

WHEREAS, as an implementation of the Economic Strategy, the City has begun preparing the Uptown Specific Plan and Town Centre Master Plan, which will include efforts to increase the amount of housing that is affordable to low and moderate income households in these areas; and

WHEREAS, the Redevelopment Agency has approved the use of \$1.5 million in Redevelopment Funds to hire Moule & Polyzoides to prepare the Uptown/Town Centre Specific Plan and an Environmental Impact Report (EIR) on the plan; and

WHEREAS, one of the major components of the Uptown/Town Centre Specific Plan is the preparation of plans for the redevelopment of Oak Park Public Housing, which will include the demolition and replacement of the existing 148 units and the addition of up to an additional 152 units; residency in Oak Park is limited to those households that qualify as being of extremely low, very low, and low-income, as defined by State Law; and

WHEREAS, Health and Safety Code Section 33334.2(e)(9) provides that Low and Moderate Income Housing (LMIH) Funds may be used to develop plans in conjunction with the construction of affordable housing for extremely low, very low, low-, and moderate-income households; and

WHEREAS, Moule & Polyzoides have provided the City with an accounting that shows that, as of November 10, 2009, it spent \$230,000 of its consultant fee on those portions of the draft specific plan and draft EIR directly related to Oak Park affordable housing redevelopment; and

WHEREAS, in October 2009, at the recommendation of Moule & Polyzoides, the City hired Torti-Gallas Architects to assist in the development of a site plan for the redevelopment of Oak Park Public Housing for an additional fee of \$6,000; and

WHEREAS, in November 2009, Moule & Polyzoides informed the City that the \$1.5 million contract needed to be amended to add another \$6,000 to cover work by Historic Resources Group (HRG) to perform additional work on the specific plan EIR; and

WHEREAS, the \$6,000 for Torti-Gallas' fee is eligible for LMIH funding; the \$6,000 for HRG's additional work on the EIR is not; and

WHEREAS, a net of \$230,000 of consultant fees for work on the Uptown/Town Centre Specific Plan and EIR would be eligible for payment with LMIH Funds as demonstrated below:

\$230,000 portion of \$1.5 million Moule & Polyzoides Fee eligible for LMIH funding;
\$6,000 Torti-Gallas' fee;
(\$6,000) HRG's additional fee
\$230,000; and

NOW, THEREFORE, BE IT FOUND by the Paso Robles Redevelopment Agency that the transfer of \$230,000 in LMIH funds to the Redevelopment Fund is an appropriate use of LMIH funds as provided by Health and Safety Code Section 33334.2(e)(9) and would be consistent with and advance the policies and implementation/action items set forth in the Housing Element of the General Plan, the Redevelopment Implementation Plan, and the Economic Strategy;

NOW, THEREFORE, BE IT RESOLVED BY THE PASO ROBLES REDEVELOPMENT AGENCY to recommend that the City Council adopt an Ordinance approving an appropriation of \$230,000 in LMIH funds to be transferred to the Redevelopment Fund.

PASSED AND ADOPTED by the Redevelopment Agency of the City of Paso Robles this 16th day of February, 2010 by the following vote:

AYES:
NOES:
ABSENT:
ABSTAIN:

John Hamon, Chairman

ATTEST:

James A. App, Agency Secretary

ORDINANCE NO. _____ N.S.

AN ORDINANCE OF THE CITY OF EL PASO DE ROBLES
AMENDING CHAPTER 3.40 REVENUE AND FINANCE OF THE MUNICIPAL CODE
TO MODIFY THE FISCAL YEAR 2009/2010 BUDGET FOR THE
REDEVELOPMENT AGENCY OF THE CITY OF EL PASO DE ROBLES

The City Council of the City of El Paso de Robles, State of California, does hereby ordain as follows:

SECTION 1. That a budget amendment, for the Redevelopment Low and Moderate Income Housing (LMIH) Fund, in the amounts, and for the purposes set forth below, for the Redevelopment Agency of the City of El Paso de Robles for the fiscal year commencing July 1, 2009 and ending June 30, 2010 is hereby approved and adopted for said fiscal year.

- a. \$230,000 as authorized by Redevelopment Agency Resolution RA 10-0XX, to be used for that portion of consultant costs for preparation of the Uptown/Town Centre specific Plan that are directly attributable to preparing plans for the redevelopment of Oak Park Public Housing to replace the existing 148 dwelling units and add up to an additional 152 dwelling units, all 300 units of which will be reserved for occupancy by households of low, very low, and extremely low income, to budget account number 701-710-5235-211; and

SECTION 2. That the budget amendment for expenditures as proposed shall be and become appropriated to the Agency for the respective objects and purposes therein set forth below, subject to expenditures pursuant to the provisions of all applicable statutes of this State.

SECTION 3. That the Agency hereby finds and determines:

- a. That the proposed budget amendment is for a Redevelopment activity consistent with California Health and Safety Code Section 33678 in that they are for carrying out the Redevelopment Project and related development activities, as defined in California Health and Safety Code Sections 33020 and 33021, and primarily benefit the Redevelopment Project.
- b. That the proposed budget amendment is for the purposes of increasing, improving, and preserving the community's supply of low- and moderate-income housing pursuant to California Health and Safety Code Section 33334.2.
- c. That none of the funds are to be used for the purposes of paying for employee or for contractual services for the City of El Paso de Robles or any other local government agency, except for such services which are directly related to Redevelopment activities as defined in California Health and Safety Code Sections 33020 and 33021 and the powers established in Community Redevelopment Law.

SECTION 4. That the appropriation and expenditure of funds shall be consistent with the terms as established by cooperative agreement between the Redevelopment Agency of the City of El Paso de Robles and the City of El Paso de Robles per Agency and City adopting implementing resolutions.

SECTION 5. Publication. The City Clerk shall cause this ordinance to be published once within fifteen (15) days after its passage in a newspaper of general circulation, printed, published and circulated in the City in accordance with Section 36933 of the Government Code.

SECTION 6. Effective date. This ordinance shall go into effect and be in full force and effect at 12:01 a.m. on the 31st day after its passage.

SECTION 7. Inconsistency. To the extent that the terms of provisions of this Ordinance may be inconsistent or in conflict with the terms or conditions of any prior City ordinance(s), motion, resolution, rule or regulation governing the same subject, the terms of this Ordinance shall prevail with respect to the subject matter thereof and such inconsistent and conflicting provisions of prior ordinances, motions, resolutions, rules and regulations are hereby repealed.

SECTION 8. Severability. If any section, subsection, sentence, clause, or phrase of this Ordinance is, for any reason, found to be invalid or unconstitutional, such finding shall not affect the remaining portion of this Ordinance.

The City Council hereby declares that it would have passed this ordinance by section, subsection, sentence, clause or phrase irrespective of the fact that any one or more sections, subsections, sentences, clauses, or phrases are declared invalid or unconstitutional.

Introduced at a regular meeting of the City Council held on February 16, 2010, and passed and adopted by the City Council of the City of El Paso de Robles on the 2nd day of March, 2010, by the following roll call vote, to wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

Duane Picanco, Mayor

ATTEST:

Lonnie Dolan, Deputy City Clerk

STATUS OF LMIH FUNDS

November 2009

Estimated Fund Balance and Commitments Through June 30, 2009

Activity	Amount	Notes
LMIH Fund balance as of 6/30/09	1,423,900	1

Commitments for Future Fiscal Years

Fiscal Year	Amount	Purpose	Notes
10	300,000	Payment on CalHFA Loan for Chet Dotter Senior Housing	2
11	300,000	Payment on CalHFA Loan for Chet Dotter Senior Housing	2
12	100,000	Hidden Creek Village	3

Notes:

1. Jim Throop's 11/17/09 email on FY 10 Encumbrances.
2. Approved via Ordinance 921 N.S. and Resolution RA 05-03.
3. \$100,000 per year over 10 years per Resolution RA 09-002. Assumes project is built.

All figures on this page are rounded to the nearest \$100.

Projections for the Next 10 Years (not including investment income)

Fiscal Year	Estimated Deposits into LMIH Fund *	Estimated Administrative Expense **	Commitments	Estimated LMIH Fund Balance
09				1,423,900
10	840,000	295,500	300,000	1,668,000
11	858,000	301,400	300,000	1,925,000
12	877,000	307,400	100,000	2,395,000
13	896,000	313,500	100,000	2,878,000
14	916,000	319,800	100,000	3,374,000
15	937,000	326,200	100,000	3,885,000
16	958,000	336,000	100,000	4,407,000
17	979,000	346,100	100,000	4,940,000
18	1,000,000	356,500	100,000	5,484,000
19	1,021,000	367,200	100,000	5,494,000
20	1,043,000	378,200	100,000	6,049,000

* Estimated Deposits thru FY 18 provided by Craig Hill on 05/08/09.

* Estimated Deposits in FY 19 and 20 provided by Ed Gallagher on 11/17/09.

** Estimated administrative expense begins with \$295,500 in FY10. (\$295,500 = \$349,500 Budgeted minus \$54,000 CDBG Admin Funds.) Subsequent fiscal years' amounts are adjusted by 2.0% through FY 15 and then by 3.0% to FY 20.

	Project Definition		Charrette		Post Charrette		SP Preparation		TOTAL SP		EIR Preparation		SP + EIR
	Total Phase	Oak Park	Total Phase	Oak Park	Total Phase	Oak Park	Total Phase	Oak Park	Total SP	Oak Park	Total Phase	Oak Park	
Moule & Polyzoides	\$77,000	\$25,000	\$92,000	\$27,000	\$15,000	\$5,000	\$150,000	\$20,000	\$334,000	\$77,000	\$2,500	\$1,000	\$78,000
Opticos	\$40,000	\$15,000	\$45,000	\$25,000	\$15,000	\$5,000	\$45,000	\$15,000	\$145,000	\$60,000	\$0	\$0	\$60,000
Strategic Economics	\$50,600	\$0	\$13,760	\$1,000	\$23,200	\$0	\$18,480	\$5,000	\$106,040	\$6,000	\$0	\$0	\$6,000
Kimley-Horn	\$54,000	\$5,000	\$33,000	\$10,000	\$22,000	\$0	\$12,000	\$5,000	\$121,000	\$20,000	\$10,000	\$1,000	\$21,000
Fong Hart Schneider	\$18,000	\$0	\$24,000	\$4,000	\$5,000	\$0	\$4,000	\$1,000	\$51,000	\$5,000	\$0	\$0	\$5,000
Kathy Poole	\$0	\$0	\$10,900	\$0	\$2,275	\$0	\$1,825	\$0	\$15,000	\$0	\$0	\$0	\$0
Sherwood	\$52,000	\$5,000	\$40,000	\$10,000	\$12,000	\$0	\$32,000	\$5,000	\$136,000	\$20,000	\$4,500	\$0	\$20,000
Marcy Goodwin	\$47,000	\$0	\$10,000	\$0	\$8,000	\$0	\$8,000	\$0	\$73,000	\$0	\$0	\$0	\$0
Impact Sciences	\$27,100	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$27,100	\$0	\$195,425	\$25,000	\$25,000
Historic Resources Group	\$43,360	\$0	\$12,000	\$5,000	\$3,600	\$0	\$43,400	\$10,000	\$102,360	\$15,000	\$0	\$0	\$15,000
	\$409,060	\$50,000	\$280,660	\$82,000	\$106,075	\$10,000	\$314,705	\$61,000	\$1,110,500	\$203,000	\$212,425	\$27,000	\$230,000