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HOUSING COMMISSION AGENDA

CITY HALL STUDY SESSION ROOM
78-495 Calle Tampico, La Quinta

SPECIAL MEETING ON WEDNESDAY, MAY 23, 2018 AT 6:00 P.M.

CALL TO ORDER

ROLL CALL: Commissioners Davidson, Johnson, Long, McDonough, and Chairperson Rogers

PLEDGE OF ALLEGIANCE

PUBLIC COMMENT ON MATTERS NOT ON THE AGENDA

At this time, members of the public may address the Housing Commission on any matter not listed on the agenda. Please complete a "Request to Speak" form and limit your comments to three minutes. The Housing Commission values your comments; however in accordance with State law, no action shall be taken on any item not appearing on the agenda unless it is an emergency item authorized by GC 54954.2(b).

CONFIRMATION OF AGENDA

ANNOUNCEMENT, PRESENTATIONS, AND WRITTEN COMMUNICATION - NONE

CONSENT CALENDAR

1. APPROVE MINUTES OF APRIL 18, 2018

BUSINESS SESSION - NONE

STUDY SESSION

1. 2018/2019 FISCAL YEAR HOUSING AUTHORITY BUDGET

DEPARTMENTAL REPORTS - NONE

COMMISSIONERS' ITEMS

ADJOURNMENT

The next regular quarterly meeting of the La Quinta Housing Commission will be held on June 13, 2018, commencing at 6:00 p.m., at the La Quinta Study Session Room, 78-495 Calle Tampico, La Quinta, CA 92253.

DECLARATION OF POSTING

I, Angela Ferreira, Housing Coordinator, do hereby declare that the foregoing Agenda for the Housing Commission special meeting was posted on the City's website, near the entrance to the Council Chambers at 78-495 Calle Tampico, and the bulletin boards at 78-630 Highway 111, and the La Quinta Cove Post Office at 51-321 Avenida Bermudas, on May 17, 2018.

DATED: May 17, 2018



Angela Ferreira, Housing Coordinator
City of La Quinta, California

PUBLIC NOTICES

The La Quinta City Hall Study Session Room is handicapped accessible. If special equipment is needed for the hearing impaired, please call the City Clerk's office at 777-7103, twenty-four (24) hours in advance of the meeting and accommodations will be made.

If special electronic equipment is needed to make presentations to the Commission, arrangements should be made in advance by contacting the City Clerk's office at 777-7103. A one (1) week notice is required.

If background material is to be presented to the Commission during a Housing Commission meeting, please be advised that eight (8) copies of all documents, exhibits, etc., must be supplied to the Secretary for distribution. It is requested that this take place prior to the beginning of the meeting.

Any writings or documents provided to a majority of the Commission regarding any item(s) on this agenda will be made available for public inspection at The Hub counter at City Hall located at 78-495 Calle Tampico, La Quinta, California, 92253, during normal business hours.



HOUSING COMMISSION MINUTES WEDNESDAY, APRIL 18, 2018

A special meeting of the La Quinta Housing Commission was called to order at 6:00 p.m. by Chairperson Rogers.

PRESENT: Commissioners Davidson, Johnson, Long, McDonough, and Chairperson Rogers

PLEDGE OF ALLEGIANCE

Chairperson Rogers led the audience in the pledge of allegiance.

PUBLIC COMMENT ON MATTERS NOT ON AGENDA – NONE

CONFIRMATION OF AGENDA – Confirmed

ANNOUNCEMENTS, PRESENTATIONS, AND WRITTEN COMMUNICATIONS

1. HOUSING AUTHORITY FUNDING SOURCES AND DEVELOPMENT GUIDELINES

Management Specialist Ferreira gave a presentation on Affordable Housing development and income guidelines and funding sources based on the 2017 Riverside County Income Limits, which is on file at the City Clerk's Office.

CONSENT CALENDAR

1. APPROVE MINUTES OF MARCH 14, 2018

Motion – A motion was made and seconded by Commissioners McDonough/Davidson to approve the Consent Calendar as submitted. Motion passed unanimously.

BUSINESS SESSION – NONE

STUDY SESSION – NONE

DEPARTMENTAL REPORTS – NONE

REPORTS AND INFORMATIONAL ITEMS

1. HOUSING AUTHORITY MEETING WITH MANAGEMENT OF SEASONS AT LA QUINTA AND MIRAFLORES

Management Specialist Ferreira presented the staff report, which is on file with the City Clerk's office.

The Commission discussed the imperative need for all stove tops to have timers and directed staff to follow-up with Management and confirm this.

COMMISSIONERS' ITEMS

The Commission requested that staff work with the management of the City's affordable housing developments and ensure that management is holding annual meetings with the residents.

ADJOURNMENT

There being no further business, it was moved and seconded by Commissioners Davidson/Johnson to adjourn this meeting at 7:01 p.m. Motion passed unanimously.

Respectfully submitted,

Ivan Vera, Housing Temp
City of La Quinta, California

City of La Quinta

HOUSING AUTHORITY COMMISSION: May 23, 2018
STAFF REPORT

AGENDA TITLE: FISCAL YEAR 2018/19 PROPOSED HOUSING BUDGET

RECOMMENDATION

Review the fiscal year 2018/19 proposed Housing Authority Budget.

EXECUTIVE SUMMARY

- Annually, the proposed budget for the La Quinta Housing Authority Funds is prepared and submitted for the Housing Commission review and approval.
- Housing Authority expenditures are projected to decrease in 2018/19.
- The Housing Authority budget is scheduled for adoption on June 19.

FISCAL IMPACT

Total Housing Authority revenue, excluding the former Redevelopment Agency loan repayment, is \$353,000. Total proposed expenditures are \$845,000.

BACKGROUND/ANALYSIS

The goal of the May 23rd study session is to provide an overview and then allow time to meet with Commissioners and other interested parties to address details that may not be easily conveyed in a study session format. The budget format is similar to the prior fiscal year.

Attachment 1 provides a narrative for all Housing Authority Funds. Line item details for revenues and expenses are located in Exhibit A of the Attachment.

ALTERNATIVES

The Housing Authority Commission may request further information regarding specific items. Per State law, the Housing Authority must adopt a budget by June 30.

Prepared by: Karla Campos, Finance Director
Approved by: Frank J. Spevacek, City Manager

2018/19 HOUSING AUTHORITY BUDGET OVERVIEW

Housing Authority activities are managed by the City Manager's office. The total budget includes four funds: an operating fund (241), a loan repayment fund (243), and two bond funds (248 and 249). These four funds have anticipated expenditures of \$845,000 which will exceed projected revenues of \$353,000 by \$492,000; the shortfall is reduced by funds received from the former Redevelopment Agency loan repayment, which are recognized in fund 243 (RDA Low/Mod Housing Fund).

Summary of Special Fund Expenditures by Fund for 2018/19				
Fund #	Fund Description	Total Revenue	Total Expenditures	Surplus/(Deficit)
241	Housing Authority	315,000	595,000	(280,000)
243	RDA Low/Mod Housing Fund	8,000	250,000	(242,000)
248	SA 2004 Low/Mod Bond Fund	-	-	-
249	SA 2011 Low/Mod Bond Fund	30,000	-	30,000
		\$ 353,000	\$ 845,000	\$ (492,000)

FUND 241 – OPERATING FUND

Operating fund revenue is primarily derived from rental income. Income from the Washington Street Apartments (WSA) has been removed in 2018/19 because this development is now managed by the Coachella Valley Housing Coalition. Remaining rental income of \$280,000 is anticipated from the Cove properties. This fund has an estimated available fund balance of \$10.1 million, which will be partially used (\$280,000) to offset expenses.

Expenditures are projected to decreasing by \$597,920 from the current 2017/18 budget. This is largely attributed to the disposal of WSA expenditures. Expenditure reductions are offset by increases in internal service fund charges (\$19,700) and salary and benefits (\$95,080). Internal Service Fund (ISF) charges are increasing for all funds in 2018/19. In 2017/18 prior year savings were used to offset ISF expenses and thereby reduced the allocation to all funds. This was completed to ensure the ISFs were not overfunded. Salary and benefit increases are derived from 10% of the City Manager and Finance Director's positions being allocated to the Housing budget. These amounts were previously reimbursement to the City's General Fund through the annual administrative budget of \$250,000, now reduced to \$6,000 annually as a direct result of the last and final Recognized Obligation Payment Schedule (ROPS).

FUND 243 – LOAN REPAYMENT

For accounting purposes, the annual loan repayments received from the State reduce the outstanding loan repayment payable to the Housing Authority and are therefore not

recognized in a revenue line item but rather increase the cash available for appropriation in the fund. Anticipated interest earnings of \$8,000 are in addition to the loan repayment. Interest earnings for all funds are projected based on available fund balance.

Twenty percent of the annual loan repayments to the General Fund from the Successor Agency are designated for Housing. The Department of Finance approved the City's last and final ROPS in November 2017, which increased the interest earned on the outstanding loan balance from 3% to 4% and established the repayments until fully paid in 2030. For 2018/19, the Housing Authority will receive \$622,613 from the loan repayment. This payment will increase funds in the RDA Low/Mod Housing Fund and are available for appropriation in accordance with regulatory requirements.

Expenditures of \$250,000 will be allocated to homeless programs as determined appropriate by the City Council.

FUNDS 248 AND 249 – BONDS

In addition, the current budgets in the 2004 and 2011 Housing Bonds totaling \$11,104,900 are designated for the Washington Street Apartment rehabilitation and relocation project. This project will be completed in 2018/19. Project expenses meet the original intended purpose of the bond proceeds. These funds will be carried over from 2017/18 to 2018/19. A formal recognition of this expenditure was required for approval of the relocation plan. Construction, planning and design costs will be disbursed through monthly draws to the developer as expenses are incurred.

The 2004 bond proceeds will be fully expensed, while the 2011 bond will have an estimated remaining balance of \$14.2 million. Bond funds can be appropriated to future projections in accordance with the original housing bond covenants.

The draft Housing Authority budget will be presented to City Council on June 5 and subsequently adopted on June 19.

2018/19 PROPOSED BUDGET



		2016/17	2017/18	2017/18	2018/19	18/19 vs Current
		Actual Expenses	Original Budget	Current Budget	Proposed Budget	17/18
241 - HOUSING AUTHORITY						
0000 - Undesignated						
241-0000-41900	Allocated Interest	(17,153.91)	0.00	0.00	0.00	0.00
241-0000-42706	Loan Repayments	2,750,037.96	0.00	0.00	0.00	0.00
241-0000-45000	Sale of Other Assets	0.00	0.00	93,800.00	0.00	(93,800.00)
0000 - Undesignated Totals:		2,732,884.05	0.00	93,800.00	0.00	(93,800.00)
9101 - Housing Authority - Admin						
241-9101-41900	Allocated Interest	70,218.97	20,000.00	20,000.00	35,000.00	15,000.00
241-9101-41915	Non-Allocated Interest	655.09	0.00	0.00	0.00	0.00
241-9101-43504	2nd Trust Deed Repayments	242,599.40	0.00	0.00	0.00	0.00
9101 - Housing Authority - Admin Totals:		313,473.46	20,000.00	20,000.00	35,000.00	15,000.00
9102 - Housing Authority - Wash St Apts						
241-9102-41916	Non-Allocated Interest/WSA	3,113.32	0.00	0.00	0.00	0.00
241-9102-42112	Rent Revenue/Tenant/WSA	194,072.00	614,800.00	614,800.00	0.00	(614,800.00)
241-9102-42113	Rent Variance - WSA	(3,447.68)	0.00	0.00	0.00	0.00
241-9102-42302	Miscellaneous Revenue/WSA	8,073.48	4,200.00	4,200.00	0.00	(4,200.00)
241-9102-43520	Federal Government Assist. Prgm/WA	433,192.00	0.00	0.00	0.00	0.00
9102 - Housing Authority - Wash St Apts Totals:		635,003.12	619,000.00	619,000.00	0.00	(619,000.00)
9103 - Housing Authority - LQRP						
241-9103-43502	Rent Revenue/LQRP	288,018.22	280,000.00	280,000.00	280,000.00	0.00
9103 - Housing Authority - LQRP Totals:		288,018.22	280,000.00	280,000.00	280,000.00	0.00
241 - HOUSING AUTHORITY Totals:		3,969,378.85	919,000.00	1,012,800.00	315,000.00	(697,800.00)

HOUSING AUTHORITY
REVENUE DETAILS BY FUND

	2016/17 Actual Expenses	2017/18 Original Budget	2017/18 Current Budget	2018/19 Proposed Budget	18/19 vs Current 17/18
243 - RDA Low-Mod Housing Fund					
0000 - Undesignated					
243-0000-41900 Allocated Interest	0.00	0.00	0.00	8,000.00	8,000.00
0000 - Undesignated Totals:	0.00	0.00	0.00	8,000.00	8,000.00
243 - RDA Low-Mod Housing Fund Totals:	0.00	0.00	0.00	8,000.00	8,000.00

	2016/17 Actual Expenses	2017/18 Original Budget	2017/18 Current Budget	2018/19 Proposed Budget	18/19 vs Current 17/18
248 - SA 2004 LO/MOD BOND FUND (Refinanced in 2014)					
0000 - Undesignated					
248-0000-41900 Allocated Interest	(11,975.78)	0.00	0.00	0.00	0.00
0000 - Undesignated Totals:	(11,975.78)	0.00	0.00	0.00	0.00
SA 2004 LO/MOD BOND FUND (Refinanced in 2014) Totals:	(11,975.78)	0.00	0.00	0.00	0.00

		2016/17	2017/18	2017/18	2018/19	18/19 vs Current
		Actual Expenses	Original Budget	Current Budget	Proposed Budget	17/18
249 - SA 2011 LOW/MOD BOND FUND (Refinanced in 2016)						
0000 - Undesignated						
249-0000-41900	Allocated Interest	0.00	0.00	0.00	30,000.00	30,000.00
249-0000-41915	Non-Allocated Interest	13,977.17	0.00	0.00	0.00	0.00
0000 - Undesignated Totals:		13,977.17	0.00	0.00	30,000.00	30,000.00
\ 2011 LOW/MOD BOND FUND (Refinanced in 2016) Totals:		13,977.17	0.00	0.00	30,000.00	30,000.00

		2016/17 Actual Expenses	2017/18 Original Budget	2017/18 Current Budget	2018/19 Proposed Budget	18/19 vs Current 17/18
241 - HOUSING AUTHORITY						
9101 - Housing Authority - Admin						
Salaries and Benefits						
241-9101-50101	Permanent Full Time	29,810.04	63,400.00	54,170.00	136,300.00	82,130.00
241-9101-50110	Commissions & Boards	750.00	3,000.00	3,000.00	3,000.00	0.00
241-9101-50150	Other Compensation	216.00	600.00	600.00	300.00	(300.00)
241-9101-50200	PERS-City Portion	6,543.79	11,900.00	11,950.00	9,200.00	(2,750.00)
241-9101-50210	PERS-Survivor Benefits	0.00	100.00	100.00	100.00	0.00
241-9101-50221	Medical Insurance	4,137.25	18,200.00	18,200.00	31,100.00	12,900.00
241-9101-50222	Vision Insurance	56.06	0.00	0.00	0.00	0.00
241-9101-50223	Dental Insurance	256.60	0.00	0.00	0.00	0.00
241-9101-50224	Life Insurance	29.95	0.00	0.00	0.00	0.00
241-9101-50225	Long Term Disability	291.75	700.00	700.00	3,200.00	2,500.00
241-9101-50230	Workers Comp Insurance	1,200.00	3,000.00	3,000.00	2,600.00	(400.00)
241-9101-50240	Social Security-Medicare	450.01	1,100.00	1,100.00	2,100.00	1,000.00
241-9101-50241	Social Security-FICA	68.20	0.00	0.00	0.00	0.00
	50 - Salaries and Benefits Totals:	43,809.65	102,000.00	92,820.00	187,900.00	95,080.00
Contract Services						
241-9101-60103	Professional Services	61,901.25	0.00	60,000.00	65,000.00	5,000.00
241-9101-60106	Auditors	5,160.00	0.00	5,000.00	5,000.00	0.00
241-9101-60125	Temporary Agency Services	0.00	0.00	10,000.00	5,000.00	(5,000.00)
241-9101-60153	Attorney	32,983.78	25,000.00	25,000.00	25,000.00	0.00
241-9101-60157	Rental Expenes	950.00	0.00	0.00	0.00	0.00
	60 - Contract Services Totals:	100,995.03	25,000.00	100,000.00	100,000.00	0.00
Maintenance & Operations						
241-9101-60320	Travel & Training	0.00	1,000.00	1,000.00	2,000.00	1,000.00
241-9101-60420	Operating Supplies	1,813.83	2,000.00	2,000.00	2,000.00	0.00
	62 - Maintenance & Operations Totals:	1,813.83	3,000.00	3,000.00	4,000.00	1,000.00
Insurance						
241-9101-91843	Property & Crime Insurance	0.00	0.00	0.00	10,000.00	10,000.00
	63 - Insurance Totals:	0.00	0.00	0.00	10,000.00	10,000.00
Internal Service Charges						
241-9101-91844	Earthquake Insurance	13,000.00	20,000.00	20,000.00	20,000.00	0.00
241-9101-98110	Information Tech Charges	0.00	8,400.00	8,400.00	18,100.00	9,700.00
	69 - Internal Service Charges Totals:	13,000.00	28,400.00	28,400.00	38,100.00	9,700.00
	9101 - Housing Authority - Admin Totals:	159,618.51	158,400.00	224,220.00	340,000.00	115,780.00
9102 - Housing Authority - Wash St Apts						
Contract Services						
241-9102-60103	Professional Services	0.00	70,000.00	10,000.00	0.00	(10,000.00)
241-9102-60106	Auditors	0.00	2,500.00	0.00	0.00	0.00
241-9102-60160	Financial Expenses	7,500.00	0.00	0.00	0.00	0.00
	60 - Contract Services Totals:	7,500.00	72,500.00	10,000.00	0.00	(10,000.00)
Maintenance & Operations						
241-9102-60157	Rental Expenses	423,373.77	466,100.00	466,100.00	0.00	(466,100.00)
	62 - Maintenance & Operations Totals:	423,373.77	466,100.00	466,100.00	0.00	(466,100.00)
Debt Service						
241-9102-61609	Interest Expense - Provident	107,883.46	109,100.00	109,100.00	0.00	(109,100.00)
241-9102-61610	Interest Expense - USDA	17,119.89	17,000.00	17,000.00	0.00	(17,000.00)
241-9102-61680	Principal Payment - Provident	45,374.98	45,300.00	45,300.00	0.00	(45,300.00)
241-9102-61681	Principal Payment - USDA	21,250.35	21,200.00	21,200.00	0.00	(21,200.00)
	67 - Debt Service Totals:	191,628.68	192,600.00	192,600.00	0.00	(192,600.00)

	2016/17 Actual Expenses	2017/18 Original Budget	2017/18 Current Budget	2018/19 Proposed Budget	18/19 vs Current 17/18
Capital Expenses					
241-9102-72100 Building Improvements	0.00	50,000.00	50,000.00	0.00	(50,000.00)
68 - Capital Expenses Totals:	0.00	50,000.00	50,000.00	0.00	(50,000.00)
9102 - Housing Authority - Wash St Apts Totals:	622,502.45	781,200.00	718,700.00	0.00	(718,700.00)
9103 - Housing Authority - LQRP					
Contract Services					
241-9103-60106 Auditors	0.00	2,500.00	0.00	0.00	0.00
60 - Contract Services Totals:	0.00	2,500.00	0.00	0.00	0.00
Maintenance & Operations					
241-9103-60157 Rental Expenses	256,545.13	250,000.00	250,000.00	255,000.00	5,000.00
62 - Maintenance & Operations Totals:	256,545.13	250,000.00	250,000.00	255,000.00	5,000.00
9103 - Housing Authority - LQRP Totals:	256,545.13	252,500.00	250,000.00	255,000.00	5,000.00
241 - HOUSING AUTHORITY Totals:	1,038,666.09	1,192,100.00	1,192,920.00	595,000.00	(597,920.00)

		2016/17	2017/18	2017/18	2018/19	18/19 vs Current
		Actual Expenses	Original Budget	Current Budget	Proposed Budget	17/18
243 - RDA Low-Mod Housing Fund						
0000 - Undesignated						
Other Expenses						
243-0000-60532	Homelessness Assistance	0.00	0.00	259,000.00	250,000.00	(9,000.00)
64 - Other Expenses Totals:		0.00	0.00	259,000.00	250,000.00	(9,000.00)
0000 - Undesignated Totals:		0.00	0.00	259,000.00	250,000.00	(9,000.00)
243 - RDA Low-Mod Housing Fund Totals:		0.00	0.00	259,000.00	250,000.00	(9,000.00)

		2016/17	2017/18	2017/18	2018/19	18/19 vs Current
		Actual Expenses	Original Budget	Current Budget	Proposed Budget	17/18
248 - SA 2004 LO/MOD BOND FUND (Refinanced in 2014)						
9102 - Housing Authority - Wash St Apts						
Contract Services						
248-9102-60103	Professional Services	0.00	145,000.00	145,000.00	0.00	(145,000.00)
248-9102-60159	Relocation Benefits	0.00	229,700.00	229,700.00	0.00	(229,700.00)
248-9102-60185	Design/Construction	363,507.86	330,200.00	330,200.00	0.00	(330,200.00)
248-9102-60198	Planning & Development	0.00	1,000,000.00	1,000,000.00	0.00	(1,000,000.00)
60 - Contract Services Totals:		363,507.86	1,704,900.00	1,704,900.00	0.00	(1,704,900.00)
9102 - Housing Authority - Wash St Apts Totals:		363,507.86	1,704,900.00	1,704,900.00	0.00	(1,704,900.00)
SA 2004 LO/MOD BOND FUND (Refinanced in 2014) Totals:		363,507.86	1,704,900.00	1,704,900.00	0.00	(1,704,900.00)

		2016/17	2017/18	2017/18	2018/19	18/19 vs Current
		Actual Expenses	Original Budget	Current Budget	Proposed Budget	17/18
249 - SA 2011 LOW/MOD BOND FUND (Refinanced in 2016)						
0000 - Undesignated						
Contract Services						
249-0000-60103	Professional Services	250.00	0.00	0.00	0.00	0.00
60 - Contract Services Totals:		250.00	0.00	0.00	0.00	0.00
0000 - Undesignated Totals:		250.00	0.00	0.00	0.00	0.00
9102 - Housing Authority - Wash St Apts						
Contract Services						
249-9102-60188	Construction	0.00	9,400,000.00	9,400,000.00	0.00	(9,400,000.00)
60 - Contract Services Totals:		0.00	9,400,000.00	9,400,000.00	0.00	(9,400,000.00)
9102 - Housing Authority - Wash St Apts Totals:		0.00	9,400,000.00	9,400,000.00	0.00	(9,400,000.00)
\ 2011 LOW/MOD BOND FUND (Refinanced in 2016) Totals:		250.00	9,400,000.00	9,400,000.00	0.00	(9,400,000.00)