ITEM NO. 9

STAFF REPORT

CITY OF OCEANSIDE

DATE: December 22, 2010

TO: Chairman and Members of the Community Development Commission

FROM: Neighborhood Services Department

SUBJECT: **RESOLUTION MAKING A DETERMINATION THAT THE PLANNING AND ADMINISTRATIVE BUDGET IN THE FY 2010-2011 COMMUNITY DEVELOPMENT COMMISSION'S LOW- AND MODERATE-INCOME HOUSING FUND IS NECESSARY FOR THE PRODUCTION, IMPROVEMENT, OR PRESERVATION OF LOW- AND MODERATE-INCOME HOUSING**

SYNOPSIS

Staff recommends that the Community Development Commission (CDC) adopt a resolution making a determination that the planning and administrative budget in the Low- and Moderate-Income Housing Fund for FY 2010-2011 is necessary for the production, improvement, or preservation of low- and moderate-income housing.

BACKGROUND

California Health and Safety Code Section 33334.3(d) requires that the CDC make an annual determination that the planning and administrative budget in the CDC's Low- and Moderate-Income Housing Fund (known as the housing "set-aside" fund) is necessary for the production, improvement, or preservation of low- and moderate-income housing. For 2010-2011, the CDC has budgeted $215,945 for planning and administration including the vision planning and predevelopment expenses for the Mission Cove project.

ANALYSIS

Planning costs are usually high in the early pre-construction phases of project development and prior to incurring the majority of direct cost; the administrative charges have been slightly more than 10 percent over the last ten years.

Project Costs	2000 – 2011	$13,715,896	
Administrative Costs	2000-2011	$1,485,822	= 10.83 percent

FISCAL IMPACT

There is no fiscal impact resulting from approval of the staff recommendation. The subject costs have already been budgeted directly to the low- and moderate-income housing fund.

COMMISSION OR COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The resolution has been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the CDC adopt the resolution making a determination that the planning and administrative budget in the CDC's FY 2010-2011 Low- and Moderate-Income Housing Fund is necessary for the production, improvement, or preservation of low- and moderate-income housing.

PREPARED BY:

Caroline Salvatierra
Supervising Accountant

SUBMITTED BY:

Peter A. Weiss
Executive Director

REVIEWED BY:

Michelle Skaggs Lawrence, Deputy City Manager
Margery M. Pierce, Neighborhood Services Director
Jane McVey, Economic & Redevelopment Director

Attachment: Resolution

RESOLUTION NO.

A RESOLUTION OF THE COMMUNITY DEVELOPMENT COMMISSION OF THE CITY OF OCEANSIDE MAKING A DETERMINATION THAT THE PLANNING AND ADMINISTRATIVE EXPENSES BUDGETED IN THE FY2010-2011 COMMUNITY DEVELOPMENT COMMISSION'S LOW- AND MODERATE-INCOME HOUSING FUND ARE NECESSARY FOR THE PRODUCTION, IMPROVEMENT, OR PRESERVATION OF LOW- AND MODERATE-INCOME HOUSING

WHEREAS, Section 33334.2 of the California Health and Safety Code requires that not less than 20 percent of taxes that are allocated to the Redevelopment Agency be used for the purpose of increasing, improving, and preserving the community's supply of housing available at an affordable housing cost to households with low and moderate incomes; and

WHEREAS, Section 33334.3(e) provides that the Redevelopment Agency may charge its Low–and Moderate-Housing Fund for planning and administrative costs which directly relate to qualified low–and moderate-income housing projects and programs; and

WHEREAS, California Health and Safety Code Section 33334.3(d) requires that the Community Development Commission (CDC) make an annual determination that the planning and administrative expenses budgeted in the Low- and Moderate-Income Housing (Set-aside) Fund are necessary for the production, improvement, or preservation of low-and moderate-income housing; and,

WHEREAS, for the FY2010-2011, the CDC has budgeted $215,945 of housing set-aside funds for planning and administration expenses; and,

WHEREAS, the CDC expects to complete the vision planning and predevelopment expenses for the Mission Cove project during FY2010-2011;

NOW, THEREFORE, the Community Development Commission of the City of Oceanside does resolve as follows:

SECTION 1. That it has determined that the planning and administrative expenses spent in the FY2010-2011 CDC budget are necessary for the production, improvement, or preservation of low- and moderate-income housing.

PASSED AND ADOPTED by the Community Development Commission of the City of Oceanside, California, this _____ day of _____, 2010, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

_____
Chairperson

ATTEST:

APPROVED AS TO FORM:

_____
Secretary

_____
General Counsel