

**HOUSING AUTHORITY OF THE CITY OF AVALON
BOARD OF COMMISSIONERS MEETING
TUESDAY, SEPTEMBER 16, 2014 – 6:00 p.m.
410 AVALON CANYON ROAD, AVALON
A G E N D A**

In compliance with the Americans with Disability Act, if you need special assistance to participate in this meeting, please contact Denise Radde, City Clerk (310) 510-0220. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.(28 CFR 35. 102-35.104 ADA Title II). All public records relating to an agenda item on this agenda are available for the public inspection at the time the records are distributed to all, or a majority of all, members of the Board of Commissioners. Such records shall be available at City Hall located at 410 Avalon Canyon Rd. and our website at www.cityofavalon.com.

CALL TO ORDER / ROLL CALL

ANNOUNCEMENTS

WRITTEN COMMUNICATIONS

ORAL COMMUNICATIONS

The Board will hear comments from the public at this time. Speakers should limit their comments to three (3) minutes each. No action will be taken at this meeting on non-agenda items.

CONSENT CALENDAR

1. Actions

Although the live recording is the official record of public meetings, actions are prepared for the Board of Commissioner's approval.

Recommended Action

Approve actions from the July 15, 2014 Housing Authority of the City of Avalon Board of Commissioners meeting.

GENERAL BUSINESS

2. Housing Authority Annual Report Fiscal Year 2013-14

California Health and Safety Code Section 34328 requires housing authorities to file an annual report of its activities for the preceding fiscal year.

Recommended Action

Adopt a resolution approving a Housing Authority Annual Report for Fiscal Year 2013-14.

EXECUTIVE DIRECTOR REPORT

HOUSING AUTHORITY COUNSEL REPORT

COMMISSIONER REPORTS

ADJOURN

HOUSING AUTHORITY AGENDA
SEPTEMBER 16, 2014
PAGE 2

NOTICE OF POSTING

I, Denise Radde, declare that the September 16, 2014 Housing Authority of the City of Avalon Agenda was posted on Wednesday, September 10, 2014 at City Hall, 410 Avalon Canyon Road, and on the City's website at www.cityofavalon.com. Copies of agendas and staff reports are available to the public at City Hall during regular business hours.



Denise A. Radde, City Clerk / Chief Administrative Officer

CITY OF AVALON HOUSING AUTHORITY

MEETING DATE: September 16, 2014

AGENDA ITEM: 1

ORIGINATING DEPT: City Clerk

CITY MANAGER: BH

PREPARED BY: Denise Radde, City Clerk

SUBJECT: Housing Authority Actions

RECOMMENDED ACTION(S): Approve the Housing Authority of the City of Avalon Board of Commissioners Actions from the July 15, 2014 meeting.

REPORT SUMMARY: Although the live recording is the official record of public meetings, actions are prepared for the Council's approval.

FISCAL IMPACTS: N/A

GOAL ALIGNMENT: To be determined.

CONSEQUENCES OF NOT FOLLOWING RECOMMENDED ACTION: N/A

FOLLOW UP ACTION: File actions in the City Clerk's office.

ADVERTISING, NOTICE AND PUBLIC CONTACT: This item was properly listed on the posted agenda pursuant to the Brown Act.

ATTACHMENTS: Housing Authority Actions.

**HOUSING AUTHORITY OF THE CITY OF AVALON
BOARD OF COMMISSIONERS MEETING
TUESDAY, JULY 15, 2014 – 6:00 P.M.
ACTIONS**

CALL TO ORDER 7:57 p.m.

ROLL CALL- Board of Commissioners Hernandez, Cassidy, Olsen, Sampson and Chairman Marshall. Also present: City Manager Ben Harvey, Legal Counsel Scott Campbell and City Clerk Denise Radde.

CONSENT CALENDAR- There was one item on the Consent Calendar. Motion to approve Item 1 made by Oley Olsen, seconded by Cinde Cassidy. (3 Ayes- Olsen, Cassidy and Hernandez, 2 Abstain-Sampson and Marshall)

1. Approved actions from the March 18, 2014 Housing Authority of the City of Avalon Board of Commissioners meeting.

GENERAL BUSINESS- None

CLOSED SESSION

Following the appropriate announcement of the Closed Session item the Board of Commissioners went into Closed Session to discuss the following:

CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION

Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: One case.

Following Closed Session Legal Counsel stated that the Board of Commissioners authorized the Housing Authority to enter into a contract with the League of California Cities and the City of Avalon to participate in a lawsuit against the State of California to obtain funds that were illegally taken from California cities.

ADJOURNED: 8:13 p.m.

I, Denise Radde, City Clerk of the City of Avalon, do hereby certify that the DVD videotape of the City Council/Housing Authority Meeting on July 15, 2014, is the official record of that meeting and is on file and maintained in City Hall.



Denise A. Radde, City Clerk/Chief Administrative Officer

AVALON HOUSING AUTHORITY

MEETING DATE: September 16, 2014

AGENDA ITEM: 2

ORIGINATING DEPARTMENT: Housing Authority

CITY MANAGER: [Signature]

PREPARED BY: Suzy Kim, Consultant, RSG Inc.

SUBJECT: Housing Authority Annual Report Fiscal Year 2013-14

RECOMMENDED ACTION

That the Housing Authority adopt a resolution approving a Housing Authority Annual Report for Fiscal Year 2013-14

BACKGROUND AND ANALYSIS

Housing Authority Annual Report

California Health and Safety Code ("HSC") Section 34328 requires housing authorities to file an annual report of its activities for the preceding fiscal year ("Annual Report"). The Annual Report must be filed with the City Clerk and the California Department of Housing and Community Development ("HCD") by October 1 of each year. The Avalon Housing Authority's ("Authority") Annual Report for Fiscal Year ("FY") 2013-14 has been prepared by staff and consultants and is being presented to the Board for its approval.

The Annual Report includes a complete report of activities during FY 2013-14, including information on financial obligations, land transactions, affordability agreements, and rents and operations. It also contains information on compliance with affordability requirements set by Housing Authority Law.

The Authority's primary activities in Fiscal Year 2013-14 involved processing asset transfers from the Avalon Community Improvement Agency ("ACIA"), operating a First-Time Homebuyer Down Payment Assistance Program, and maintaining Authority properties.

ACIA Asset Transfers

The Housing Authority experienced an increase in activity in 2012 when it inherited the housing assets and functions of the former Avalon Community Improvement Agency ("ACIA"). The ACIA dissolved on February 1, 2012 pursuant to the Dissolution Act enacted by Assembly Bills 26 and 1484. The City Council elected not to retain the housing assets and functions of the former ACIA, and designated the Avalon Housing Authority as the Housing Successor entity. The Housing Authority thereby inherited all rights, powers, assets, liabilities, duties, and obligations associated with the housing activities of the former ACIA, excluding any amounts in the Low and Moderate Income Housing Fund. It is important to note that although the Housing Authority inherited the ACIA's assets and functions, it does not have an ongoing financing mechanism to maintain them like the ACIA did with redevelopment tax increment. Appendix 1 to the Annual Report contains a complete list of assets transferred from the ACIA.

Land Transactions

The ACIA transferred seven properties to the Authority in 2012. The Authority sold two of these properties in January 2014, located at 206 Descanso Avenue and 320 Sumner Avenue. The Authority owned the land under these properties and maintained ground leases issued by the former ACIA to secure affordability covenants for low and moderate income residents. The covenants expired due to foreclosure and the ground leases were therefore terminated. The Authority sold the land under both properties in January 2014 for \$150,000 each, or \$300,000 total. The Authority will apply the proceeds of the sales to assist housing for low income persons pursuant to HSC Section 34312.3.

Debt Obligations and Loan Agreements

The Housing Authority did not issue any bonds or enter into new loans or financing agreements in Fiscal Year 2013-14. However, the Authority authorized a \$100,000 down payment assistance loan which closed in Fiscal Year 2014-15. It assisted a 3-person household and established a moderate income affordability covenant with a 45-year term.

The Authority also oversees two loan agreements that were transferred from the former ACIA. The loans were issued to two moderate income households through its First-Time Homebuyer Down Payment Assistance Program. The loans are in the amount of \$120,000 and \$95,000 and are due in 2040.

Affordability Agreements

The ACIA transferred 8 affordability agreements to the Authority in 2012, protecting the affordability of four multi-family properties and 4 single-family homes. A total of 131 units are protected by these agreements for very low to moderate income households (77 very low, 50 low, and 4 moderate income).

Rents and Operations

The Authority maintains a five-unit apartment complex located at 206 E. Whittley Avenue. It collects rents from two one-bedroom units, both of which do not have income restrictions. The former ACIA had purchased the property with the intent of developing affordable housing, however its plans were halted due to the dissolution of redevelopment. The Authority will either develop the property or dispose of it as required by Senate Bill 341.

Senate Bill 341 Annual Report

The State legislature adopted Senate Bill ("SB") 341 on October 13, 2013 to clarify the functions of successor housing entities. SB 341 requires successor housing entities to prepare an annual report documenting compliance with expenditure proportionality and other requirements. Authority staff is in the process of auditing its financials and other information,

and will prepare this report under a separate cover by the end of 2014. More information is contained in Appendix 2 of the Housing Authority Annual Report.

ENVIRONMENTAL REVIEW

The action taken by the Housing Authority to approve the Annual Report does not commit the Housing Authority to any actions that may have a significant effect on the environment. As a result, such actions do not constitute projects subject to the requirements of the California Environmental Quality Act.

FISCAL IMPACT

The Housing Authority Annual Report provides information on Fiscal Year 2013-14 activities and does not have any fiscal impact.

Attachment

Housing Authority Resolution Approving a Housing Authority Annual Report for Fiscal Year 2013-14

HOUSING AUTHORITY RESOLUTION NO. _____

**A RESOLUTION OF THE HOUSING AUTHORITY OF THE CITY OF AVALON
APPROVING A HOUSING AUTHORITY ANNUAL REPORT FOR
FISCAL YEAR 2013-14**

WHEREAS, the Housing Authorities Law ("HAL") is codified in Health and Safety Code Section 34200 et. seq. ("Law"); and

WHEREAS, City records reveal that the City adopted a resolution on or about February 2, 1983 creating the Housing Authority of the City of Avalon ("Housing Authority"), however it is unclear whether the Housing Authority continued to remain active; and

WHEREAS, the City Council adopted Resolution No. 12-02 on January 30, 2012 declaring the need for the Housing Authority and reauthorizing it to transact business and exercise powers; and

WHEREAS, Section 34328 of the Law requires housing authorities to prepare an annual report describing its activities for the preceding fiscal year and submit it to the California Department of Housing and Community Development ("HCD") by October 1 of each year; and

WHEREAS, Housing Authority staff has prepared an Annual Report for Fiscal Year 2013-14 ("Report"), attached hereto as Exhibit "A"; and

WHEREAS, the Housing Authority desires to approve the Report and transmit it to HCD and any other parties as necessary.

NOW, THEREFORE, THE HOUSING AUTHORITY OF THE CITY OF AVALON DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Recitals. The Recitals set forth above are true and correct and incorporated herein by reference.

Section 2. Approval of Housing Authority Annual Report. The Housing Authority of the City of Avalon hereby approves the Annual Report for Fiscal Year 2013-14, attached hereto as Exhibit "A," as required by Housing Authority Law.

Section 3. Transmittal to Appropriate Agencies. The City Manager is hereby authorized and directed to transmit, by mail or electronic means, a copy of the Annual Report to the California Department of Housing and Community Development and file a copy with the City Clerk.

Section 4. Technical Revisions. The City Manager is hereby authorized and directed to use his discretion to make any necessary technical revisions to the Annual Report prior to submittal to the appropriate reviewing bodies.

PASSED, APPROVED, AND ADOPTED at a regular meeting of the Housing Authority of the City of Avalon, on the 16th day of September, 2014, by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

Ann H. Marshall, Chairman

ATTEST:

Denise Radde, City Clerk