

City of Brisbane

Agenda Report

To: City Council via City Manager
From: Administrative Services Director
Subject: Membership to HEART (Housing Endowment and Regional Trust)
Date: December 17, 2012

Purpose:

Now that there is no longer a required low/moderate housing set aside from Redevelopment, develop public/ private partnerships to assist with the building, purchasing, and renting of low/moderate income homes.

Recommendation:

Council determine if the City would like to contribute \$1,409 from the General Fund to the Housing Endowment and Regional Trust (HEART). If so direct staff to implement the required supplemental appropriation and make the 2012/13 payment.

Background:

The City has been contributing to HEART since 2008. This past year the City Council went through its budget to decrease the deficit to ensure the reserves stayed above \$5,000,000. Therefore a number of programs were determined to have their funding cut. Since the budget was adopted the City has experienced a few positive financial events. First, City Council adopted the Recycling Business License Resolution which will end up producing \$1,000,000 in revenue than anticipated in June. Second, the City ended last fiscal year with a \$1.7 million surplus in the General Fund and an ending Fund Balance between \$8 and \$9 million. Third, we received \$400,000 more from the Redevelopment Agency dissolution this year than anticipated. Given these three positive events it is anticipated the it City will end the current fiscal year with a Fund Balance in excess of \$9 million.

Given this new information City Council may wish to revisit its decision concerning the funding of HEART. HEART is public/private partnership set-up to raise funds to ensure affordable housing is available within San Mateo County. HEART works with both developers and homebuyers throughout the County to ensure access to adequate housing for low/moderate families. Additionally, this year Councilmember Cliff Lentz was chosen to serve on the Board of Directors giving Brisbane a greater voice in the decision making process.

Discussion:

With the demise of Redevelopment and the elimination of the Low/Moderate Housing set aside if the City wants to establish programs for first-time homebuyers and provide assistance to non-profit low/moderate housing developers it should look to ways to stretch its investment. HEART does

partner with a number of other cities, non-profits, and companies to ensure funds are available to meet low/moderate families needs when it comes to housing.

Fiscal Impact:

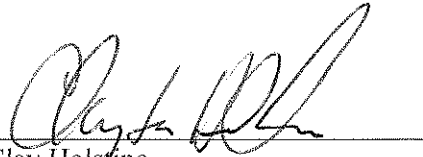
The City Council would need to approve a supplemental appropriation from the General Fund to authorize the staff to make the \$1,409 payment. Given the increase in Recycling Business License and the increase from the Redevelopment Agency dissolution this will not impact the City's ability to keep a minimum of \$5,000,000 in reserve nor 50% of anticipated expenditures.

Measure of Success

Programs are available to assist low/moderate income people to purchase homes.



Stuart Schillinger
Administrative Services Director



Clay Holzine
City Manager